

AGENDA



Thursday, March 11, 2010

**Purchasing Office
RECOMMENDATION FOR COUNCIL ACTION****Item No. 25**

Subject: Authorize award and execution of Amendment No. 3 to a contract with HPI, LLC, Houston, TX to increase the contract for the upgrade of the gas turbine controls at Decker Creek Power Station in an amount not to exceed \$238,565, for a revised total estimated contract amount not to exceed \$2,171,834.

Amount and Source of Funding: Funding is available in the Fiscal Year 2009-2010 Capital Budget of Austin Energy.

Fiscal Note: A fiscal note is attached.

For More Information: Shawn Harris, Supervising Sr. Buyer/505-7351

Purchasing Language: Contract Amendment.

MBE/WBE: This contract will be awarded in compliance with Chapter 2-9D of the City Code (Minority Owned and Women Owned Business Enterprise Procurement Program). No subcontracting opportunities were identified; therefore, no goals were established for this solicitation.

Boards and Commission Action: Recommended by the Electric Utility Commission.

Prior Council Action: November 20, 2008, Approved original contract; May 14, 2009, Approved Amendment No. 1; August 20, 2009, Approved Amendment No. 2.

On November 20, 2008, Council approved the award of a contract with HPI, LLC in an estimated amount not to exceed \$1,597,769.

This contract is to upgrade the controls and control wiring for the four Pratt & Whitney FT4C-1 Twin Pac gas turbine generators operating at the Decker Creek Power Station. The wiring and controls on the turbines are 40 years old and have been degrading over time leaving portions of the controls obsolete and difficult to maintain. This upgrade is necessary to sustain the reliability and availability of these units, which also serve as Austin Energy's only "Blackstart Units." A "Blackstart Unit" is an electricity generating unit that can be started without an outside electrical supply. In the case of a power grid failure, these units could be started and used to start generators at other Austin Energy facilities.

Amendment No. 1 allowed for changes in the control system architecture to improve the cyber security of the system per the new North American Electric Reliability Corporation's (NERC) Critical Infrastructure Protection standards adopted with an effective date of April 1, 2009, which were not available at the time the original contract was approved.

Amendment No. 2 allowed for the installation of Generator Vibration Probes on all four Decker gas turbines including the integration into the new control system. This was necessary to maintain the generators for all four units, and will result in reducing costly outages. It also provided for safer operation as vibrations in the units will be immediately detected by the new control system and relayed to plant operators.

Proposed Amendment No. 3 will allow for additional work to upgrade the gas turbine control network to comply with NERC Critical Infrastructure Protection (CIP) code. This includes firewall set-up, network intrusion prevention, and documentation of security procedures. These systems are Blackstart Units for AE, and the upgraded control systems are considered critical cyber assets by NERC CIP codes. The services will also provide for additional equipment including junction boxes and valve modifications as required. The additional work is needed to ensure a reliable system that brings pertinent information to the control system from the turbines.