

AGENDA



Thursday, August 19, 2010

**Purchasing Office
RECOMMENDATION FOR COUNCIL ACTION****Item No. 20**

Subject: Authorize award and execution of a 24-month requirements supply contract with SOLAR WORLD CALIFORNIA, Camarillo, CA for the purchase of building-mounted solar photovoltaic modules in an estimated amount not to exceed \$2,035,065, with one 12-month extension option in an estimated amount not to exceed \$1,665,093, for a total estimated contract amount not to exceed \$3,700,158.

Amount and Source of Funding: Funding in the amount of \$90,000 is available in the Fiscal Year 2009-2010 Capital Budget of Austin Energy. Funding in the amount of \$173,900 is available in the Fiscal Year 2009-2010 Operating Budget Special Revenue fund of Austin Energy through a U.S. Department of Energy Grant. Funding for the remaining 23 months of the original contract period and extension option is contingent upon available funding in future budgets.

Fiscal Note: A fiscal note is attached.

For More Information: Terry Nicholson, Sr. Buyer/322-6586

Purchasing Language: Lowest bid of six bids received.

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 and the Resource Management Commission.

This contract will secure the purchase of solar photovoltaic (PV) modules for installation on municipal buildings including the Parks and Recreation Department, Austin Public Library, Austin Water Utility, Austin Energy and others. It will also include installations on several schools in the Austin Independent School District and other school districts within the Austin Energy service area. Funding for solar projects at local schools is possible through a "Solar America Cities" grant from the Department of Energy approved by City Council on May 13, 2010.

Separate solicitations will be issued for the installation of this equipment. Once installed, the projects will result in a total peak capacity of 2 MW "STC DC." (STC or Standard Test Conditions measure the nominal output power of PV cells or modules. PV cells produce DC or Direct Current.) The projected PV modules for these projects installed by Austin Energy (AE) will increase in each of the next three years from 400 kW to 700 kW and then to 900 kW.

The project supports Austin Energy's commitment to renewable energy as stated in Austin Energy's 2003 Strategic Plan and the 2007 Austin Climate Protection Plan. It also supports the goal of increased solar capacity to 200 MW by 2020, included in the Austin Energy Resource, Generation, and Climate Protection Plan. Austin Energy's Strategic Plan calls for implementation of a "highly visible public awareness and education program" involving solar installations. This purchase works toward meeting that goal through the installation of solar PV projects on public buildings such as libraries and schools.

When completed, these projects will generate approximately 2,726 Renewable Credits (RECs) annually. RECs are tradable environmental commodities representing proof that one megawatt-hour (MWh) of electricity was generated from an eligible renewable energy resource.

The total capacity of this project is approximately 2,000 kW STC DC and will generate an estimated 2,726,000 kWh (kilowatt-hours) per year. The energy savings is equivalent to an estimated 3,045,558 vehicle miles traveled, the removal of 380 cars from our roadways, or the planting of 59,475 trees or 2,974 acres of forest in Austin's parks.

MBE/WBE solicited: 1/0

MBE/WBE bid: 0/0

PRICE ANALYSIS

- a. Adequate competition
- b. Eighty-four notices were sent, including one MBE. There are no known WBEs for this commodity. Six bids were received, with no response from the MBE.
- c. The pricing offered represents a 38% decrease from the last purchase made in August 2009. The lower cost is due to economies of scale and increase in quality of manufacturing prices as well as lower cost of silicon.

APPROVAL JUSTIFICATION

- a. Lowest bid received. Solar World is the previous supplier of these products.
- b. The Purchasing Office concurs with Austin Energy's recommended award.
- c. Advertised on the Internet.