

AGENDA



Thursday, August 19, 2010

**Purchasing Office
RECOMMENDATION FOR COUNCIL ACTION**

Item No. 21

Subject: Authorize award and execution of Amendment No. 6 to an Interlocal Agreement with TEXAS ENGINEERING EXPERIMENT STATION, College Station, TX, to increase the contract for energy management services in an estimated amount not to exceed \$600,000, for a revised total estimated contract amount of \$1,800,000.

Amount and Source of Funding: Funding is available in the Fiscal Year 2009-2010 Austin Energy Operating Budget Special Revenue Fund.

Fiscal Note: There is no unanticipated fiscal impact. A fiscal note is not required.

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

MBE/WBE: This Interlocal Agreement is exempt from the MBE/WBE Ordinance. This exemption is in compliance with Chapter 2-9C 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 contract.

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

Prior Council Action: September 30, 2004 – Approved original contract; February 4, 2010 – Approved the American Recovery and Reinvestment Act (ARRA) Energy Efficiency and Conservation Block Grant.

On September 30, 2004, the City Council approved the award of a contract with Texas Engineering Experiment Station (TEES) in an amount not to exceed \$200,000 annually. The contract remains in effect until terminated by either party. The original funding source was from Austin Energy's (AE) operating budget.

The TEES is a part of the Texas A&M University System. TEES will submit a quote to be reviewed and accepted by Austin Energy prior to any work. The activities performed by TEES include:

- Assisting AE or AE's customers with identifying and/or analyzing potential measures which may reduce customer's energy costs;
- Providing expertise in assisting AE with the commissioning of various energy conservation measures or projects.
- Performing other energy management related engineering services, technical assistance, and training as requested by AE and agreed by TEES.

The tasks provided by TEES will assist AE in implementing the Department of Energy's (DOE) American Recovery and Reinvestment Act (ARRA) Energy Efficiency and Conservation Block Grant (EECBG) approved by Council on February 4, 2010. The grant identified TEES as the contractor to provide such services. In addition, the grant requires that projects be shovel-ready or near shovel-ready and that they be completed during the grant period of December 28, 2009 through December 27, 2012.

Amendments 1-5 exercised annual renewal options. Amendment No. 5 allowed for administrative changes to the contract required in order to comply with EECBG Grant requirements. This proposed Amendment No. 6 will increase the contract authorization by \$600,000 to perform the projects identified in the grant.

The projects implemented through this contract amendment are anticipated to reduce the City of Austin's annual utility costs approximately \$205,000 and an estimated 2,050,000 kWh and 2,860 MCF of natural gas. The electrical energy savings is equivalent to an estimated 2,327,975 vehicle miles traveled, the removal of 290 cars from our roadways, or the planting of 45,462 trees or 2,273 acres of forest in Austin's parks.