

## AGENDA



Thursday, December 16, 2010

**Purchasing Office**  
**RECOMMENDATION FOR COUNCIL ACTION**

**Item No. 34**

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**Subject:** Authorize award and execution of a 36-month requirements service contract with ATMOS PIPELINE AND STORAGE, LLC, Dallas, TX, for natural gas transportation services for Austin Energy in an estimated amount not to exceed \$4,000,000. Atmos Pipeline and Storage, LLC is the single source vendor for these services.

**Amount and Source of Funding:** Funding will be provided through Electric fuel charge revenue.

**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 contract will be awarded 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 solicitation.

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

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This contract is for transportation services of natural gas from supply sources located on the contractor's extensive Texas pipeline system, particularly from the North and West Texas regions that include the price advantaged Waha area and the gas rich Barnett Shale. Atmos is one of two pipelines connected to the Decker Creek Power Station and one of three pipelines connected to the Sand Hill Energy Center. Service is needed from multiple pipelines for improved reliability, enhanced competition, and broader access to natural gas supplies. The contract allows Austin Energy the ability to transfer supplies between the two plants, thus improving operational flexibility.

This contract is the replacement for a contract expiring after being in place for the past 11 years.