



**TO:** Mayor and Council Members

**CC:** Marc A. Ott, City Manager

**FROM:** Larry Weis, General Manager  
Austin Energy

**DATE:** November 5, 2010

**SUBJECT:** Critical Business Need for Sand Hill Control System Upgrade Project

---

**ACTION:**

In accordance with City Council approved purchasing procedures, I am designating as a Critical Business Need of Austin Energy (AE), a purchase of an Invensys Process Systems Distributed Control System Upgrade Solution at Sand Hill Energy Center. The upgrade of the existing Distributed Control System on Unit 5 is critical due to the timing requirement for this upgrade. This upgrade needs to be scheduled for coordination and completion during the comprehensive Unit 5 outage in January 2011. Therefore, I am authorizing \$1,194,649 to cover this upgrade. The total budgeted project amount is \$1,500,000.

**BACKGROUND:**

The original hardware and software for the Sand Hill Distributed Control System was commissioned in 2003. Therefore, the hardware and software on the existing system is obsolete and no longer supported by the vendor. Sand Hill has had critical computer hardware and processor failures, which in turn creates issues with unit reliability. An upgrade to newer, quicker, and more reliable hardware and processors is necessary.

Additionally, the existing control system was implemented prior to the current cyber security standards adopted by the North American Electric Reliability Corporation (NERC). Current NERC standards require proper cyber security systems to be implemented on critical control systems. This upgrade will provide for more reliable control system hardware and software, and it will close gaps in cyber security requirements. Invensys does not outsource its hardware and software, therefore a sole source contract will be required to perform this control system upgrade.

Austin Energy plans to bring this item forward for ratification by the City Council in the next several weeks. Please let me know if you have any questions. I can be reached at 322-6002.

A handwritten signature in cursive script, appearing to read "Larry Weis".

Larry Weis  
General Manager