

AGENDA



Thursday, December 16, 2010

**Purchasing Office
RECOMMENDATION FOR COUNCIL ACTION****Item No. 37**

Subject: Approve the ratification of a contract with INVENSYS SYSTEMS INC., Houston, TX, for the purchase of a control system upgrade in an amount not to exceed \$1,194,649.

Amount and Source of Funding: Funding in the amount of \$1,194,649 is available in the Fiscal Year 2010-2011 Capital Budget of Austin Energy.

Fiscal Note: A fiscal note is attached.

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

Purchasing Language: Critical Business Need.

MBE/WBE: This contract was awarded in compliance with Chapter 2-9C of the City Code (Minority Owned and Women Owned Business Enterprise Procurement Program). This was an emergency service contract; therefore, it is exempted under Chapter 791 of the Texas Local Government Code and no goals were established for this solicitation.

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

This contract is for the purchase of an upgrade to the system controls for the combined cycle unit at Sand Hill Energy Center. The original hardware and software on the existing system was purchased in 2003 and is now obsolete and no longer supported by the vendor. The system has experienced critical computer hardware and processor failures, affecting the unit's reliability and necessitating an upgrade. Additionally, the existing control system was implemented prior to the current cyber security standards adopted by the North American Electric Reliability Corporation (NERC). This upgrade will implement more reliable control system hardware and software as well as close gaps in cyber security. This upgrade will provide for cyber security improvements to the existing system that are critical for compliance with the new NERC cyber security standards should these units become categorized as critical assets.

The procurement of this upgrade was expedited on the basis of a Critical Business Need. Implementation of this upgrade during the comprehensive unit 5 outage in January 2011 eliminates the need for an additional extended outage and will ensure the reliability of the control system prior to the summer 2011 peak season. A number of the components needed for this upgrade require customization and/or specialized configuration by Invensys which will take several weeks and must be completed prior to the start of the outage.