



**Purchasing Service Agreement
CITY OF AUSTIN
RECOMMENDATION FOR COUNCIL ACTION**

**AGENDA ITEM NO.: 30
AGENDA DATE: Thu 12/15/2005
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SUBJECT: Authorize execution of an Interlocal Agreement with THE LOWER COLORADO RIVER AUTHORITY, Austin, TX, for technical services in an amount not to exceed \$1,000,000 per year and which shall continue on a year-to-year basis until either party chooses to terminate the agreement.

AMOUNT & SOURCE OF FUNDING: Funding in the amount of \$833,333 is available in the Fiscal Year 2005-2006 Amended Operating Budget of Austin Energy. Funding for the remaining two months of the original contract period and future years is contingent upon available funding in future budgets.

FISCAL NOTE: There is no unanticipated fiscal impact. A fiscal note is not required.

REQUESTING Purchasing **DIRECTOR'S**
DEPARTMENT:for Austin Energy; **AUTHORIZATION:** Vickie Schubert

FOR MORE INFORMATION CONTACT: Carole Martindale, Purchasing Mgr., 322-6155

PRIOR COUNCIL ACTION: N/A

BOARD AND COMMISSION ACTION: N/A

PURCHASING: Interlocal agreement

MBE / WBE: N/A

This Interlocal Agreement will authorize Austin Energy (AE) and the Lower Colorado River Authority (LCRA) to provide and obtain labor, parts, and materials, at cost, in support of repair, maintenance, and technical services to each other. AE and LCRA own and operate very similar generation and transmission facilities, lines, rights-of-way and electrical substation facilities. Certain transmission, system control, and substation facilities are located on jointly-owned property, on property located adjacent to similar facilities of the other, and on property or rights-of-way owned by the other.

Depending on the ownership and control of the site, one utility may be required to modify its facilities or to perform or assist in the performance of work on the other utility's facilities. This work is often required to be performed on short notice or in emergency conditions. Cooperation between both utilities is essential and will avoid redundant expenditures, reduce the respective ratepayer costs, improve electrical generating efficiency, improve the responsiveness of each utility during outages and emergencies, and enhance the reliability of the systems and facilities of both utilities.

AE and LCRA have maintained an Interlocal Agreement for these type services since December 1991. A new contract will be executed in order to update the agreement.