



City of Austin

Recommendation for Action

File #: 25-0649, **Agenda Item #:** 9.

5/8/2025

Posting Language

Ratify a contract for generator repairs at Decker Creek Power Station for Austin Energy with WEG Electric Corp., in the amount of \$2,371,454. Funding: \$2,371,454 was available in the Fiscal Year 2024-2025 Operating Budget of Austin Energy.

Lead Department

Financial Services Department.

Client Department(s)

Austin Energy.

Fiscal Note

Funding was available in the Fiscal Year 2024-2025 Operating Budget of Austin Energy.

Purchasing Language:

Ratification.

MBE/WBE:

This contract is exempt from the City Code Chapter 2-9B (Minority-Owned and Women-Owned Business Enterprise Procurement Program); therefore, no subcontracting goals were established.

For More Information:

Direct questions regarding this Recommendation for Council Action to the Financial Services Department - Central Procurement at FSDCentralProcurementRCAs@austintexas.gov or 512-974-2500.

Additional Backup Information:

This contract provided Austin Energy with necessary immediate repairs of Decker Creek Power Station's Gas Turbine 3 (DPGT_3) generator rotor, a critical asset that is required to repower the electric grid during a grid failure. In late 2024, the DPGT_3 generator experienced an issue within the copper of the rotor, creating a potentially catastrophic condition for the generator if not resolved. Based on the findings, Austin Energy sent the rotor to a specialized repair facility for further teardown and inspection.

The repair facility, WEG Electric Corp., found damage in multiple areas, rendering the unit irreparable and in need of replacement. Due to the urgency of the needed repairs to support electrical grid stability and to prevent any service disruptions, Austin Energy declared a Critical Business Need to contract directly with WEG Electric Corp.