

CITY OF AUSTIN
RECOMMENDATION FOR COUNCIL ACTION
VENDOR NAME: COMVERGE, INC.

AGENDA DATE: 05/21/2015
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SUBJECT: Approve award, negotiation and execution of a 36-month contract with COMVERGE, INC., or one of the other qualified offerors to RFP No. OPJ0113, for the installation and maintenance of load-control devices in single-family and multi-family residential housing and commercial facilities, in an amount not to exceed \$2,574,075, with two 12-month extension options, in an amount not to exceed \$858,025 per extension option for a total contract amount not to exceed \$4,290,125.

AMOUNT & SOURCE OF FUNDING: Funding in the amount of \$286,008 is available in the Fiscal Year 2014-2015 Operating Budget of Austin Energy. Funding for the remaining 32 months of the initial contract period and extension options is contingent upon available funding in future budgets.

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

FOR MORE INFORMATION CONTACT: Oralia Jones, Senior Buyer Specialist, 512-322-6594

PURCHASING: Best evaluated proposal.

BOARD AND COMMISSION ACTION: April 20, 2015 - To be reviewed by the Electric Utility Commission. April 21, 2015 - To be reviewed by the Resource Management Commission.

MBE/WBE: This contract will be awarded in compliance with City Code Chapter 2-9C (Minority-Owned and Women-Owned Business Enterprise Procurement Program) by meeting the goals with 5.28% MBE and 1.23% WBE subcontractor participation.

This contract will manage and maintain Austin Energy's existing Unitary Load Management (ULM) program which includes the following devices already installed in homes, multifamily residences, and some small businesses: one-way communicating programmable thermostats; direct load control devices on heating, ventilation and air conditioning (HVAC) systems, electric water heaters, pumps and motors; and preprogrammed timers on electric water heaters (the bulk of which are installed in multi-family facilities).

The ULM program includes the Austin Energy's existing Free Thermostat Program and the Cycle Saver Program, both of which have been in effect since the Spring of 2000 and have installed over 75,000 programmable thermostats and over 21,000 timers and direct load control devices on electric water heaters.

The primary purpose of the ULM program is to defer or eliminate the dispatch of the most expensive electrical generation and reduce congestion on the grid during periods of the highest, overall demand. This reduces Austin Energy's operating cost, lowers pass-through costs for customers, and reduces load on the grid.

The contract will also provide turn-key services including troubleshooting and replacement of one-way communicating thermostats, direct load control devices, water heater timers, as well as the installation of preprogrammed water heater timers and generic non-communicating programmable thermostats. In addition, the contractor's responsibilities include the program administration and operation of a bilingual call center. The call center will provide enrollment in the program, appointment scheduling, problem-solving, customer removal from the program, and the ability for customers to opt out for specific events. Other contract responsibilities include data management, inventory control, tracking, and reporting.

Because the existing one-way radio stat technology is being phased out by the industry, future responsibilities under this contract may also include the installation of two-way communicating thermostats. These devices

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may be installed in existing residential single-family homes, multi-family complexes, small businesses, and commercial and governmental properties located in Austin Energy's electric service territory.

An Evaluation Committee composed of personnel from Austin Energy with expertise in this area evaluated the proposals and based on the criteria, scored this proposal as the one which best meets the requirement. Evaluation criteria included system concept and solutions proposed, experience, evidence of management practices and ability to manage and operate a call center, cost and local business presence.

The request allows for the development of a contract with the qualified offeror selected by Council. If the City is unsuccessful in negotiating a satisfactory agreement with the selected offeror, negotiations will cease and staff will return to Council so that another qualified offeror may be selected, authorizing new contract negotiations.

The current contract extension expires June 11, 2015. A failure to act on this contract will cause a lapse in service for an estimated 50,000 of our residential and small commercial customers, and delay the deployment of an estimated 34 Megawatts of demand response until the contract can be updated.

MBE/WBE solicited: 53/31

MBE/WBE bid: 0/0

MBE/WBE SUBCONTRACTOR PARTICIPATION SUMMARY

Prime - Comverge, Inc. 92.54%
Austin, TX

MBE

GG's Construction (FH) 5.91%
Austin, TX
HVAC Services

WBE

Allied Electric Service (FC) 1.55%
Georgetown, TX
HVAC Services

PRICE ANALYSIS

1. Adequate competition
2. 857 notices were sent, including 53 MBEs and 31 WBEs. Four proposals were received with no responses from the MBEs/WBEs.

APPROVAL JUSTIFICATION

1. Best evaluated proposal.
2. The Purchasing Office concurs with Austin Energy's recommended award.
3. Advertised on the internet.

EVALUATION MATRIX RFP OPJ0113 - Unitary Load Management Program						
EVALUATION FACTORS	POINTS	Comverge Inc.	CLEAResult Inc.	Honeywell	GoodCents	
		Austin, TX	Austin, TX	Danvers, MA	Solutions	
					Atlanta, GA	
System Concept & Solutions Proposed	25	19	20	19	16	
Demonstrated Applicable Experience & Personnel Qualifications and Licenses and Proposer Submittals	20	18	15	18	12	
Evidence of Good Organization and Management Practices & Ability to Establish Manage and Operate a Call Center	10	8	9	9	9	
Implementation and Transition Schedule	10	10	10	8	8	
Total Evaluated Cost	25	25	13	14	17	
Local Business Presence	10	10	10	0	0	
Total	100	90	77	67	61	

NOTE: As per Section 252.049 of the local government code, contents of a proposal shall remain confidential until a contract is awarded or as directed by the Texas Attorney General's Office.