

A G E N D A



Recommendation for Committee Action (Purchasing)

Austin Energy Utility Oversight Committee	Item ID:	40367	Agenda Number	3.
Meeting Date:	May 21, 2015			
Department:	Purchasing			
Subject				
Consider and develop recommendations on the award, negotiation, and execution of three 24-month contracts with KEMA, INC., GDS ASSOCIATES, INC. and LEIDOS INC., or one of the other qualified offerors to RFP No. OPJ0112, for demand side management consulting services in an amount not to exceed \$1,000,000 each and combined with two 12-month extension options in an amount not to exceed \$500,000 each and combined, for a total amount not to exceed \$2,000,000.				
Amount and Source of Funding				
Funding in the amount of \$500,000 is available in the Fiscal Year 2014-2015 Austin Energy Operating Budget. Funding for the remaining 12 months of the initial contract period and extension options are contingent upon available funding in future budgets.				
Fiscal Note				
There is no unanticipated fiscal impact. A fiscal note is not required.				
Purchasing Language:	Best evaluated proposals.			
Prior Council Action:				
For More Information:	Oralia Jones, Senior Buyer Specialist, 512-322-6594			
Boards and Commission Action:	February 17, 2015 - Recommended by the Resource Management Commission on a 7-0 vote. February 23, 2015 - To be reviewed by the Electric Utility Commission.			
Related Items:				
MBE / WBE:	This contract will be awarded in compliance with City Code Chapter 2-9C Minority-Owned and Women-Owned Business Enterprise Procurement Program. No subcontracting opportunities were identified; therefore, no goals were established for this solicitation.			
Additional Backup Information				

These contracts will provide Austin Energy with access to demand side management and supply side resource consulting services with up to three companies which, together, cover a breadth of knowledge related to Austin Energy's distributed energy management programs. The contracts will assist the utility in achieving the energy efficiency and renewable energy goals initiated in the City's Resource, Generation and Climate Protection Plan established in 2007, which have been updated with more aggressive targets of 900 megawatts (MW) of energy efficiency and demand side management by 2025 and 200 MW of local solar by 2025, as well as other action items from Council. These services will be used only if necessary, to augment existing staff resources. Consistent with past practice, specific projects will be awarded based on competitive price quotes.

While Austin Energy has enhanced its capabilities for delivering energy efficiency, demand side management, renewable energy, smart grid, demand response, and the associated carbon reduction and other environmental benefits, addressed in the Resource, Generation and Climate Protection Plan, from time to time its staff will also require specialized independent consulting services to assist in the evaluation of energy plans and strategies for achieving the City's goals. The consultants will provide additional experience and expertise in demand side management, demand response technologies, distributed supply side resources, Electric Reliability Council of Texas (ERCOT) markets, financing, and business model development required for the successful attainment of the City's goals as well as third-party verification or independent, objective assessment of City's policies and program proposals as necessary.

Having these consulting services on contract will enable Austin Energy to respond in a cost effective and timely manner to requests from Council or Commissions, and to ongoing business needs as they arise, without issuing multiple separate Request For Proposals for each small project.

The consultants may review programs and make recommendations to increase participation and cost effectiveness, recommend enhancements in response to changes in energy codes and standards, analyze current and proposed Federal and State legislation for efficiency and demand side management programs and their impact on energy programs, as well as carbon management strategies including carbon offsets and the ability to claim savings. The consultants may also assist Austin Energy with the development of solar implementation strategies required to meet its goals for solar power, including rebates, production-based incentives, feed-in tariffs, net metering and the impact on customer bills, and the local electrical distribution system.

Other projects expected to require the consultants' expertise include:

- Site selection and financial analysis of residential, commercial, and utility scale solar from first cost, operation cost, and various financing ownership options.
- ERCOT market analysis to determine the market options and associated values of distributed energy resource management programs and their impacts, load shifting, and storage technologies, as well as associated strategies.
- Designing electric rates for technologies such as solar photovoltaic, load shifting, and thermal and electric energy storage to properly value the impacts of these technologies.
- Conducting production, financial, and grid impact analyses of distributed generation resources, including customer-sited, behind the meter installations and utility scale energy storage and generation on the distribution or transmission grid.
- Evaluating and projecting the penetration rates, financial impacts, infrastructure upgrades, market impacts of electric vehicles as a load, a controllable load, and active electric storage vehicle to grid.

City Council's mandated 2025 energy efficiency goals necessitate independent, objective consultant analysis of energy efficiency technologies and programs that will:

- provide an up-to-date assessment and baseline to replace the current five year old version;
- lead to internal program improvements through responsive methodology development and deployment;
- create or improve savings verification metrics; and
- enhance the professional skill set of staff.

An Evaluation Committee composed of personnel from Austin Energy with expertise in this area evaluated the proposals and based on the criteria, scored these proposals as those which best meet its requirements. Evaluation criteria included system concept and solutions proposed, experience, evidence of project management practices, personnel qualifications, cost and local business presence.

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

MBE/WBE solicited: 23/13

MBE/WBE bid: 0/0

PRICE ANALYSIS

- Adequate competition.
- 349 notices were sent including 23 MBEs and 13 WBEs. Six proposals were received, with no response from the MBE/WBEs.

APPROVAL JUSTIFICATION

- Best evaluated proposals of six proposals received.
- The Purchasing Office concurs with Austin Energy's recommended award.
- Advertised on the Internet.