

A G E N D A



Recommendation for Council Action (Purchasing)

Austin City Council	Item ID:		Agenda Number	35.
Meeting Date:	March 31, 2016			
Department:	Purchasing			

Subject

Authorize negotiation and execution of a 60-month contract with OPEN SYSTEMS INTERNATIONAL, INC. for the upgrade and continued maintenance and support of Austin Energy's generation management system in an amount not to exceed \$1,394,427.

Amount and Source of Funding

Funding in the amount of \$675,776 is available in the Fiscal Year 2015-2016 Capital Budget of Austin Energy and funding in the amount of \$101,250 is available in the Fiscal Year 2015-2016 Operating Budget of Austin Energy. Funding for the remaining 55 months of the original contract is contingent upon available funding in future budgets.

Fiscal Note

A fiscal note is attached.

Purchasing Language:	Sole Source
Prior Council Action:	
For More Information:	Gage Loots, Corporate Purchasing Manager, 512-322-6251
Boards and Commission Action:	February 22, 2016 – Unanimously recommended by the Electric Utility Commission on an 11-0 vote.
Related Items:	
MBE / WBE:	This contract is exempt from City Code Chapter 2-9C Minority and Women Owned Business Enterprise Procurement Program; therefore, no subcontracting goals were established.

Additional Backup Information

The contract is for the upgrade and continued maintenance and support of Austin Energy's generation management system (GMS). The GMS monitors and controls Austin Energy's generation portfolio.

As Austin Energy is an Electric Reliability Council of Texas (ERCOT) registered qualified scheduling entity, the GMS is critical in the real-time management and regulation of Austin Energy's generation portfolio and market operations with ERCOT. As an ERCOT qualified scheduling entity, Austin Energy submits bids to buy and/or offers to sell energy in the ERCOT wholesale market.

The current GMS was procured through a competitive solicitation in 2007. The system has proven very reliable and flexible; however, the current version will not be supported after 2017. In addition, Austin Energy's current version

of the GMS is not North American Electric Reliability Corporation (NERC) Critical Infrastructure Protection (CIP) complaint; which is a requirement starting April 1, 2017. The upgraded version of the GMS will comply with NERC CIP requirements.

Open Systems International, Inc. is the sole producer and provider of this proprietary software and associated maintenance, support, and upgrade services. The current contract expires on May 19, 2016.