

AGENDA



Recommendation for Council Action (Purchasing)

Austin City Council	Item ID:	68506	Agenda Number	34.
Meeting Date:	March 23, 2017			
Department:	Purchasing			
Subject				
Authorize negotiation and execution of a 60-month contract with TEXAS ELECTRIC COOPERATIVES to provide electric meters, in an amount not to exceed \$30,000,000.				
Amount and Source of Funding				
Funding in the amount of \$2,500,000 is available in the Fiscal Year 2016-2017 Capital Budget of Austin Energy. Funding for the remaining 54 months of the original contract period are contingent upon available funding in future budgets.				
Fiscal Note				
A fiscal note is attached.				
Purchasing Language:	Sole Source			
Prior Council Action:	[REDACTED]			
For More Information:	Darralyn N. Johnson, Buyer II, 512-505-7293			
Boards and Commission Action:	February 27, 2017- Unanimously recommended by the Electric Utility Commission on a 9-0 vote, with two vacancies.			
Related Items:	[REDACTED]			
MBE / WBE:	This contract is exempt from the City Code Chapter 2-9C Minority Owned and Women Owned Business Enterprise Procurement Program; therefore, no subcontracting goals were established.			
Additional Backup Information				

The contract is for the purchase of commercial and residential electric meters to be deployed throughout Austin Energy's service territory on an as needed basis. The meters are to provide electric service to new customers in response to growth and maintenance needs in Austin Energy's services territory, including an expected increase in the number of solar installations. The meters have increased functionality and reliability to support increased functionality requirements such as flexible and multi-tier rate structures, enhanced outage notification, meter and event alarming for detecting theft and installation issues, and [enhanced customer energy usage]. The meters will improve overall revenue collections on customer accounts and support customer experience and operational requirements. Additionally, these meters will streamline complex metering operations to reduce costs for Austin Energy.

This contract is not directly related to the electric meter contracts approved by Council last year. The meters purchased last year were for specific residential and commercial meter replacement projects: commercial meters for a replacement project in June 2016; residential meters for a replacement project in October 2016; and installation services for the commercial meter replacement project in December 2016.

Landis+Gyr is the sole manufacturer of these proprietary products and Texas Electric Cooperatives is the exclusive authorized distributor of Landis+Gyr products for the public power market in Texas. Texas Electric Cooperatives will stock the meters locally and provide them to Austin Energy as required.

Austin Energy utilizes Landis + Gyr's Grid Stream and Command Center as its advanced metering infrastructure communication network and headend system. Only Landis + Gyr meters will interface with this proprietary system to allow Austin Energy to optimize usage of the features and functionality of the new meters, including over-the-air programming which will allow the meters to be reprogrammed remotely, eliminating the need to send an employee into the field for a meter exchange in the field. The meters also have advanced temperature measurement capabilities that can send an alert if its temperature exceeds the specified level indicating a wiring issue or hot socket.

These meter system features and functions support Austin Energy's strategic goals and objectives regarding system reliability and outage management, reduction of greenhouse gas emissions, and safety.

These products are currently being procured as part of another contract that includes many other products. The previous spend for these meters has averaged approximately \$5,167,000 annually. The authorization requested represents this amount plus an approximately 17% allowance for growth.