



## City of Austin FSD Purchasing Office

### Certificate of Exemption

DATE: 07/11/2017

DEPT: Aviation - Building Maintenance

TO: Purchasing Officer or Designee

FROM: Mike Robinson - Aviation Division Manager

BUYER: Sai Xoomsai

PHONE: (512) 530-7504

Chapter 252 of the Local Government Code requires that municipalities comply with the procedures established for competitive sealed bids or proposals before entering into a contract requiring an expenditure of \$50,000 or more, unless the expenditure falls within an exemption listed in Section 252.022.

Senate Bill 7 amended Chapter 252 of the Local Government Code to exempt from the requirements of such Chapter expenditures made by a municipally owned electric utility for any purchases made by the municipally owned electric utility in accordance with procurement procedures adopted by a resolution of its governing body that sets out the public purpose to be achieved by those procedures. The Austin City Council has adopted Resolution No. 040610-02 to establish circumstances which could give rise to a finding of critical business need for Austin Energy.

This Certification of Exemption is executed and filed with the Purchasing Office as follows:

1. The undersigned is authorized to submit this certification.
2. The undersigned certifies that the following exemption is applicable to this purchase. (Please check which exemption you are certifying)

- ☐ a procurement made because of a public calamity that requires the immediate appropriation of money to relieve the necessity of the municipality's residents or to preserve the property of the municipality
- ☐ a procurement necessary to preserve or protect the public health or safety of municipality's residents
- ☐ a procurement necessary because of unforeseen damage to public machinery, equipment, or other property
- ☐ a procurement for personal, professional, or planning services
- ☐ a procurement for work that is performed and paid for by the day as the work progresses
- ☐ a purchase of land or right-of-way
- ☒ a procurement of items available from only one source, including: items that are available from only one source because of patents, copyrights, secret processes, or natural monopolies; films, manuscripts, or books, gas, water, and other utility services, captive replacement parts or components for

equipment; books, papers, and other library materials for a public library that are available only from the persons holding exclusive distribution rights to the materials and management services provided by a nonprofit organization to a municipal museum, park, zoo, or other facility to which the organization has provided significant financial or other benefits

- ☐ a purchase of rare books, papers, and other library materials for a public library
- ☐ paving, drainage, street widening and other public improvements, or related matters, if at least one-third of the cost is to be paid by or through special assessments levied on property that will benefit from the improvements
- ☐ a public improvement project, already in progress, authorized by voters of the municipality, for which there is a deficiency of funds for completing the project in accordance with the plans and purposes as authorized by the voters

- ☐ a payment under a contract by which a developer participates in the construction of a public improvement as provided by Subchapter C, Chapter 212
- ☐ personal property sold: at an auction by a state licensed auctioneer; at a going out of business sale held in compliance with Subchapter F, Chapter 17, Business & Commerce Code; by a political subdivision of this state, a state agency of this state, or an entity of the federal government; or under an interlocal contract for cooperative purchasing administered by a regional planning commission established under Chapter 391
- ☐ services performed by blind or severely disabled persons
- ☐ goods purchased by a municipality for subsequent retail sale by the municipality
- ☐ electricity
- ☐ advertising, other than legal notices
- ☐ Critical Business Need (Austin Energy Only)

3. The following facts as detailed below support an exemption according to Section 252.022 of the Local Government Code for this purchase. Please verify the steps taken to confirm these facts. If you are citing the following exemptions, please provide the additional information requested below. A more detailed explanation of these exemptions is attached.

- **Preserve and Protect the Public Health and Safety** – Describe how this purchase will preserve and protect the public safety of residents.
- **Sole Source** – Describe what patents, copyrights, secret processes, or natural monopolies exist. Attach a letter from vendor supporting the sole source. The letter must be on company letterhead and be signed by an authorized person in company management.
- **Personal Services** – Describe those services to be performed personally by the individual contracted to perform them.
- **Professional Services** – Describe what mainly mental or intellectual rather than physical or manual and/or disciplines requiring special knowledge or attainment and a high order of learning, skill, and intelligence are required to perform this service.
- **Planning Services** – Describe the services primarily intended to guide governmental policy to ensure the orderly and coordinated development of the state or of municipal, county, metropolitan, or regional land areas.
- **Critical Business Need** – Describe the procurement necessary to protect the competitive interests or position of Austin Energy.

Austin Bergstrom International Airport currently has a Honeywell Energy Management System installed in our terminal facility and multiple support facilities on the ABIA campus. This software based system is used to monitor and control our facilities heating, ventilation and air conditioning (HVAC) systems. The Honeywell Energy Management System software and spare parts are designed, manufactured and installed by Honeywell who are the sole provider of this system.


4. Please attach any documentation that supports this exemption.
5. Please provide any evaluation conducted to support the recommendation. Include the efforts taken to ensure the selected vendor is responsible and will provide the best value to the City (Ex: evaluation of other firms, knowledge of market, etc).

This Maintenance contract will ensure the system is properly maintained to provide reliable service at City Hall and increase off-site maintenance ability. The vendor provided competitive pricing, tax exempt. Honeywell products/services have been installed at City Hall for 11 years and BSD has a good working relationship with this vendor. Honeywell provides the parts and service we request, they show up and repair on time, and they provide warranties and keep up to date on them. Aviation and Austin Water have active sole source Master Agreements with Honeywell for software service as well.

Year 1 Pricing: \$19,146.00  
 Year 2 Pricing: \$19,720.38  
 Year 3 Pricing: \$ 20,311.99  
 Year 4 Pricing: \$ 20,921.35  
 Year 5 Pricing: \$ 21,548.99  
 Total Contact Cost: \$101,648.71

6. Because the above facts and documentation support the requested exemption, the City of Austin intends to contract with Honeywell International Inc. (HON8319148) which will cost approximately \$101,648.71 (Provide estimate and/or breakdown of cost).

Recommended  
Certification

  
 Originator Date 6-21-17

Approved  
Certification

  
 Department Director or designee Date 6/21/2017

  
 Assistant City Manager / General Manager Date 6/23/17  
 or designee (if applicable)

Purchasing Review  
(if applicable)

  
 Buyer Date 8/10/17 Manager Initials JTB

Exemption Authorized  
(if applicable)

  
 Purchasing Officer or designee Date 8/16/17

02/26/2013



## City of Austin FSD Purchasing Office

### Certificate of Exemption

DATE: 04/25/2016

DEPT: Building Services

TO: Purchasing Officer or Designee

FROM: Taylor Youngblood, Contract Administrator

BUYER: Jonathan Dalchau

PHONE: (512) 974-3519

Chapter 252 of the Local Government Code requires that municipalities comply with the procedures established for competitive sealed bids or proposals before entering into a contract requiring an expenditure of \$50,000 or more, unless the expenditure falls within an exemption listed in Section 252.022.

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equipment; books, papers, and other library materials for a public library that are available only from the persons holding exclusive distribution rights to the materials; and management services provided by a nonprofit organization to a municipal museum, park, zoo, or other facility to which the organization has provided significant financial or other benefits

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- **Planning Services** – Describe the services primarily intended to guide governmental policy to ensure the orderly and coordinated development of the state or of municipal, county, metropolitan, or regional land areas.
- **Critical Business Need** – Describe the procurement necessary to protect the competitive interests or position of Austin Energy.

Building Services (BSD) is currently utilizing Honeywell Building Automation, Fire alarm and Digital Control systems at City Hall. This request will provide the Flex building automation hardware and software support to the replacement EBI Workstation server that was required to support the software upgrade. These are proprietary software systems owned by Honeywell and solely maintained by Honeywell. See attached vendor sole source letter.

4. Please attach any documentation that supports this exemption.
5. Please provide any evaluation conducted to support the recommendation. Include the efforts taken to ensure the selected vendor is responsible and will provide the best value to the City (Ex: evaluation of other firms, knowledge of market, etc).

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Year 1 Pricing: \$19,146.00

Year 2 Pricing: \$19,720.38

Year 3 Pricing: \$ 20,311.99

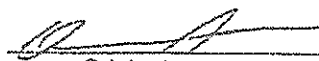
Year 4 Pricing: \$ 20,921.35

Year 5 Pricing: \$ 21,548.99

Total Contact Cost: \$101,648.71

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Originator Date 6-21-17

Approved  
Certification

  
Department Director or designee Date 6/21/2017

  
Assistant City Manager / General Manager Date 6/23/17  
or designee (if applicable)

Purchasing Review  
(if applicable)

  
Buyer Date 8/10/17 Manager Initials 

Exemption Authorized  
(if applicable)

  
Purchasing Officer or designee Date 8/16/17

02/26/2013

Bob Heine  
Business Consultant

**Honeywell Building Solutions**  
830 E. Arapaho Road  
Richardson, Texas 75081  
972.470.4324 Phone  
972.207.6276 Cell

July 10, 2017

Mr. Mike Robinson  
ABIA  
Austin, Texas

Subject: Sole Source Letter

Dear Mr. Robinson,

Honeywell has partnered with the City of Austin (ABIA) for an extended period of time providing system expansions and ongoing services for your building automation system at the Airport. To this date the City of Austin has made a substantial investment in upgrading their current system's hardware and software to keep the Airport operating and up to date with current technology.

**Sole Source:** Honeywell's products are a patented product, and are copyrighted publications available from only one source, Honeywell. The products are a component of an existing system which is only available from one supplier, Honeywell. The replacement of a component or a repair part may only be available from Honeywell. NO other vendors' software can be used with the existing Honeywell's software due to software data incompatibility. All building controls and points, including Honeywell legacy systems are integrated by Honeywell's systems for ease of monitoring, controlling, and operating alarms status to zone-by-zone temperatures on PC-based workstations and servers.

**Software License Agreement** – Under a separate License Agreement between the City of Austin and the originator of the software products, the City is legally bound to protect the trade secrets, copyrights and patents of the vendor and shall not disclose, display or otherwise make available product or copies thereof to others.

All software provided in connection with this Agreement has been licensed and will not be sold. The end user of the software has signed a license agreement with provisions limiting use of the software to the equipment provided under these specifications, limiting copying, preserving confidentiality, and prohibiting transfer to a third party. Licenses of this type are standard for computer-based equipment of the type covered by this Agreement. All software license fees have been paid.

**Hardware Support** – Honeywell will perform scheduled maintenance services on the equipment covered under the Agreement as detailed on the List of Covered Equipment.

Honeywell will repair or replace the serviceable components and parts as identified in the Honeywell Service Agreement List of Covered Equipment and Software, which have been found to be defective or have failed.

Replaced components will be new or reconditioned components of compatible design as required to maintain the City of Austin's operating requirements.

Factory Trained Technicians – It is the City of Austin's intent, that the system be "maintained to a level of performance equal to that in the published specifications when originally purchased and installed."

The purpose of this requirement is to ensure a complete working system operating at peak efficiency, to maintain the systems integrity and the U.L. Listing, and to reduce system downtime of critical control functions. In order to assure the desired level of performance, the City of Austin requires factory trained technicians to support this contract. Furthermore, due to the complex nature of the system involved, which consists of various computer-based local distributed control processors and multiplexors, the require need for system schematics communications protocol, wiring diagrams and system documentations is clear.

If I can be of further assistance, please do not hesitate to contact me.

Regards,

A handwritten signature in black ink, appearing to read "Bob Heine", with a long, sweeping horizontal line extending to the right.

Bob Heine  
Business Consultant  
Honeywell Building Solutions