

CITY OF AUSTIN
RECOMMENDATION FOR COUNCIL ACTION
VENDOR: SIRIUS COMPUTER SOLUTIONS, INC.

COUNCIL DATE: AUGUST 23, 2018

SUBJECT: Authorize an amendment to the existing contract with Sirius Computer Solutions, Inc., to provide additional International Business Machines' software licenses, support, and related services, for an increase in the amount of \$5,898,463, for a revised contract amount not to exceed \$18,225,143.

MBE/WBE: This contract was reviewed for subcontracting opportunities in accordance with City Code Chapter 2-9C Minority Owned and Women Owned Business Enterprise Procurement Program. For the goods and services required for this contract, there were an insufficient number of M/WBEs; therefore, no subcontracting goals were established.

LEAD DEPARTMENT: Purchasing Office

CLIENT DEPARTMENT(S): Austin Energy

FISCAL NOTE: Funding in the amount of \$500,000 is available in the Fiscal Year 2017-2018 Operating Budget of Austin Energy. Funding for the remaining contract term is contingent upon available funding in future budgets.

PURCHASING:

Contract Amendment

PRIOR COUNCIL ACTION:

May 18, 2017 – Council approved original contract, item 27, on an 11-0 vote.

FOR MORE INFORMATION CONTACT: Inquiries should be directed to the City Manager's Agenda Office, at 512-974-2991 or AgendaOffice@austintexas.gov or to the buyer, Debbie DePaul, at 512-322-6235 or debbie.depaul@austinenergy.com

BOARD AND COMMISSION ACTION:

August 13, 2018 – To be reviewed by the Electric Utility Commission.

ADDITIONAL BACKUP INFORMATION (RCA BODY)

In 2017, a contract was established with Sirius Computer Solutions, Inc. for the purchase of International Business Machines (IBM) software, maintenance and support, and managed and professional services related to the use of IBM software products by Austin Energy. The products and services covered by the contract provide Austin Energy with software, consulting, installation, and customizations for the management of critical business applications and infrastructure systems. Applications and services provided under the contract include utility asset and inventory management, customer-facing websites, web analytics, identity and access management for applications, software testing, security, training, application integration, web application platforms, and other business and technology processes.

Additional funding is needed for utility software portfolio compliance, new software and services purchases, and to address an administrative error that occurred at the 2017 RCA request. Services cost in the 2017 RCA was inadvertently omitted resulting in an underfunded authorization amount of 3 million. Staff chose to manage and monitor the contract's services and software purchases against forecasted needs rather than immediately seeking a contract amendment. If this request is not approved, the support and maintenance services required to effectively manage Austin Energy's business applications and infrastructure systems will not be available.

The contract was executed under the State of Texas Department of Information Resources (DIR) cooperative purchase program. The DIR cooperative establishes competitively bid contracts that may be utilized by the State and other government agencies through a cooperative agreement. Cooperative agreements save taxpayer dollars by leveraging the State's volume-buying power to drive down costs on hundreds of contracts through a streamlined cooperative purchasing program.

Posting Language

Authorize negotiation and execution of a cooperative contract with RFD & Associates Inc., to provide unlimited software licensing, software maintenance and professional services, for a term of three years in an amount not to exceed \$11,000,000.

(Note: This procurement was reviewed for subcontracting opportunities in accordance with City Code Chapter 2-9C Minority Owned and Women Owned Business Enterprise Procurement Program. For the goods and services required for this procurement, there were no subcontracting opportunities; therefore, no subcontracting goals were established).

Lead Department

Purchasing Office.

Client Department(s)

All City departments.

Fiscal Note

Funding in the amount of \$4,630,000 is available in the Fiscal Year 2017-2018 Operating Budget of Austin Energy. Funding in the amount of \$836,000 is available in the Fiscal Year 2017-2018 Operating Budget of Communications and Technology Management. Funding for the remaining contract term is contingent upon available funding in future budgets.

Purchasing Language:

Multiple vendors within this cooperative purchasing program were reviewed for these goods and services. The Purchasing Office has determined this contractor best meets the needs of the departments to provide the goods and services required at the best value for the City.

Prior Council Action:**For More Information:**

Inquiries should be directed to the City Manager's Agenda Office, at 512-974-2991 or AgendaOffice@austintexas.gov or to the buyer, Jim Howard, at 512-974-2031 or jim.howard@austintexas.gov.

Council Committee, Boards and Commission Action:

August 8, 2018 – To be reviewed by the Water and Wastewater Commission.

August 13, 2018 - To be reviewed by the Electric Utility Commission.

Additional Backup Information:

The contract is for an Oracle unlimited license agreement (ULA), software maintenance, and professional services. The City uses Oracle software for the operation and support of over 200 essential business capability applications citywide, transcending all major departments, supporting critical services, 24 hours a day, seven days a week, for Public Safety, Austin Energy, Austin Water, Financial Services, and other enterprise departments.

The ULA offers the opportunity to deploy unlimited software licenses and provide for future growth from a list of essential Oracle products that the City considers critical for security and performance of the database systems. The Oracle software will promote smart technology decisions and support best practices in a

number of areas towards modernization of the City's information systems, disaster recovery, secondary data centers, information technology standardization, and upgrades of multi-core processors, which will reduce complexity and lower costs over the period of the contract. Five hundred hours of professional services, as well as the spending authority for support costs for the City's existing Oracle products through the duration of this contract period are included.

It is also the City's intention to purchase Oracle Cloud Services in the near future. These include performance monitoring to improve system uptime, pre-built system integration tools and adapters, and database environments for testing and disaster recovery, big data platform and services to store, query and process data for decision making; each of these services will reduce reliance on more expensive city-owned hardware. This authorization includes only those services expiring this month. It was deemed necessary to take the City's Oracle purchases in two phases instead of one. This will allow the City more time to negotiate additional provisions for new cloud services.

The State of Texas Department of Information Resources cooperative purchasing program establishes competitively bid contracts that can be utilized by the State and other government agencies through a cooperative agreement. Cooperative agreements save taxpayer dollars by leveraging the State's volume-buying power to drive down costs on hundreds of contracts through a streamlined cooperative purchasing program.

RFD & Associates Inc. is certified as a women-owned historically underutilized business with the State of Texas located in Austin.

Department Estimates
Oracle ULA, software maintenance and services

	Austin Energy	Austin Water	CTM	Total
Year 1	\$4,630,000	\$136,000	\$700,000	\$5,466,000
Year 2	\$2,352,000	\$69,000	\$346,000	\$2,767,000
Year 3	\$2,352,000	\$69,000	\$346,000	\$2,767,000
Total	\$9,334,000	\$274,000	\$1,392,000	\$11,000,000

Posting Language

Authorize negotiation and execution of various cooperative contracts through the State of Texas Department of Information Resources cooperative purchasing program during Fiscal Year 2018-2019, for the purchase of computer, network and other technology hardware, software, and related maintenance and technology services, in an amount not to exceed \$61,242,000.

(Note: These procurements will be reviewed for subcontracting opportunities in accordance with City Code Chapter 2-9 Minority Owned and Women Owned Business Enterprise Procurement Program. State of Texas Department of Information Resources contracts also have historically underutilized business (HUB) requirements for subcontracting).

Lead Department

Purchasing Office.

Client Department(s)

All City Departments.

Fiscal Note

Funding in the amount of \$45,689,249 is available in Fiscal Year 2018-2019 Operating Budgets of various City departments. Funding in the amount of \$14,527,090 is available in Fiscal Year 2018-2019 Capital Budgets of various City departments. Funding in the amount of \$1,025,661 is available from other funding sources.

Purchasing Language:

Multiple vendors within this cooperative purchasing program will be reviewed for goods and services. The Purchasing Office will determine the contractor that best meets the needs of the departments to provide the goods and services required at the best value for the City.

Prior Council Action:**For More Information:**

Inquiries should be directed to the City Manager's Agenda Office, at 512-974-2991 or AgendaOffice@austintexas.gov or to the buyer, Jim Howard, at 512-974-2031 or jim.howard@austintexas.gov.

Council Committee, Boards and Commission Action:

August 8, 2018 - To be reviewed by the by the Water and Wastewater Commission.

August 13, 2018 - To be reviewed by the Electric Utility Commission.

Additional Backup Information:

The authorization is to enable City departments to purchase the following through contracts solicited by the State of Texas Department of Information Resources (DIR) cooperative purchasing program.

- Various computer, network and other technology hardware products and hardware maintenance including but not limited to desktop personal computers, laptop computers, servers, data storage systems, and storage area networks. This authorization will also include networking products and maintenance services for the City's local and wide area networks and networking devices such as

switches, routers, and other equipment used to interconnect desktop computers, servers, and printers throughout the City and to transmit and receive information via the internet.

- Software and software maintenance and support.
- Technology consulting, technical training, information resources technology services and technology staffing.

This aggregated request for authorization goes before Council annually at the end of each fiscal year. The spending authority does not carry over from year to year. The current DIR authority expires September 30, 2018. Without new authorization in place, it will be very difficult for departments to purchase technology goods and services in an efficient manner, in turn leading to potential delays in the ability to provide needed services to citizens. Bringing forward all the requests for authorization at one time greatly reduces the number of individual Recommendations for Council Actions and significantly reduces the workloads of all staff involved.

DIR has continued to provide additional products and services through its cooperative purchasing program at competitively bid prices. The purchasing power of the State is used to leverage purchasing effectiveness. This spending authority request includes specifically identified technology needs as well as anticipated technology purchases that have been budgeted, but which are as yet unspecified.

Some of the significant planned purchases for 2018-2019 through this cooperative include:

- Austin Water hardware and equipment
- Citywide contractual hardware maintenance
- Citywide contractual software maintenance
- Austin Energy data storage
- Aviation hardware and equipment for the new administration building
- Communications and Technology Management (CTM) and Combined Transportation, Emergency and Communications Center (CTECC) and airport critical technology replacement
- Austin Energy software for security products and enterprise tools
- Austin Water software for Supervisory Control and Data Acquisition (SCADA), Laboratory Information Management Systems (LIMS), and Geographic Information System (GIS)
- Austin Energy information technology staffing services for operations and projects
- Austin Energy consulting for security system upgrades
- Austin Energy technical programming services for enterprise application support, mobility, GIS, project management, asset management, and financial management
- CTM staff augmentation for Help Desk, Application Management and Data Automation, Maximo implementation, and other projects and operational needs
- CTM information technology security related software

All items represented in this request have either been approved through the Fiscal Year 2018-2019 budgeting process or through prior approved capital improvement project budgets (including IT Governance approved projects). In addition, all technology purchases are reviewed for compliance with the City's technical and security standards.

FY19 DIR Department Estimates

<u>Department</u>	<u>Estimated Amount</u>
Austin Code Department	340,000
Austin Convention Center	3,227,000
Austin Energy	20,349,951
Austin Fire Department	512,000
Austin Police Department	490,000
Austin Public Health	100,000
Austin Public Library	210,000
Austin Resource Recovery	135,000
Austin Transportation Department	887,554
Austin/Travis County Emergency Medical Services	125,000
Austin Water	4,638,500
Aviation	4,595,000
Budget Office	150,000
Building Services	5,000
Communications and Technology Management	18,946,098
Controller's Office	876,000
Development Services Department	1,550,000
Director's Office	15,000
Economic Development Department	166,000
Fleet Services	889,534
Law Department	262,694
Municipal Court	955,000
Neighborhood Housing & Community Development	19,389
Office of Performance Management	58,000
Office of Real Estate Services	4,400
Parks and Recreation Department	195,000
Planning and Zoning Department	38,000
Public Works Department	417,500
Purchasing Office	281,000
Watershed Protection Department	802,719
Total	61,241,339

Council Meeting Date: September 20, 2018

Posting Language:

Approve issuance of a rebate to the Austin Centre Unit Association, for performing energy efficiency improvements at its facility located at 701 Brazos St., in an amount not to exceed \$59,185.07. (District 9)

Fiscal Note:

Funding in the amount of \$59,185.07 is available in the Fiscal Year 2017-2018 Operating Budget of Austin Energy.

For More Information:

Jeff Vice, Director, Local Government Relations (512) 322-6087; Denise Kuehn, Director, Energy Efficiency Services (512) 322-6138.

Boards and Commission Action:

To be reviewed by the Electric Utility Commission on August 13, 2018 and by the Resource Management Commission on August 21, 2018.

Additional Backup Information:

Austin Energy requests authorization to issue a rebate to Austin Centre Unit Association, in the amount of \$59,185.07, for energy efficiency measures at The Austin Centre Unit Association facility located at 701 Brazos St. in Council District 9. The energy efficiency measures include: water cooled centrifugal chillers and variable frequency drive condenser water pumps. The estimated total cost of these measures is \$1,600,000. The rebate will cover 3.7% of the total cost.

These improvements are in accordance with Austin Energy's Commercial Rebate Program guidelines and the Energy Conservation Audit and Disclosure (ECAD) Ordinance. The rebate program is one element of the comprehensive Austin Energy Resource, Generation and Climate Protection Plan to realize 900 MW of energy efficiency and demand response by 2025. It is designed in part to reduce local air pollution through energy conservation, reduce peak demand, reduce the need to purchase additional generation and assist customers in reducing electric consumption.

The avoided kilowatt-hours (kWh), estimated at 301,329 kWh per year, represent a major benefit to the local environment. This project is estimated to prevent the production of the following air emissions annually: 161 metric tons of Carbon Dioxide (CO₂). The project savings is equivalent to an estimated 362,229 vehicle miles traveled, the removal of 31 cars from our roadways, or the planting of 4,145 trees or 207 acres of forest in Austin's parks.



COMMERCIAL REBATE FACT SHEET

The Austin Centre Unit Association

Property Name	The Austin Centre Unit Association			
Customer Name	Austin Centre Unit Association			
Property Address	701 Brazos St, Austin, TX 78701			
Total Square Feet	663,732			
Year Built	1985			
Air Conditioner Tonnage	1720			
Water Heater Type	District Cooling/Heating			
Energy Conservation Audit and Disclosure (ECAD) Status[1]	Compliant			
Total Project Costs				
	\$1,600,000.00			
Total Rebate – Not to Exceed				
	\$59,185.07			
% of Total Construction Costs				
	3.70%			
Note(s)				
Location contains 3 chillers: two large chillers and 1 pony chiller. The pony chiller was determined to be redundant and will not receive a rebate.				
Project Annual Savings (Estimated)				
Kilowatt (kW)	170			
\$/kW	\$349.17			
Kilowatt-hours (kWh)	301,329			
Scope of Work				
Measure	Rebate Amount	kW Saved – Estimated	kWh Saved – Estimated	\$/kW
Water Cooled Centrifugal Chillers (2)	\$ 42,197.83	114	215,439	\$ 371.79
Variable Frequency Drive Condenser Water Pumps (2)	\$ 16,987.24	56	85,890	\$ 303.34
Total	\$ 59,185.07	170	301,329	\$ 349.17
Measures Performed - Last 10 Years at this Property			Completion Date	Rebate Amount
Lighting Retrofit and Lighting Controls			7/18/2018	\$ 19,166.00
Lighting Retrofit			9/27/2017	\$ 53,841.48
Custom Technology (Elevators)			10/20/2015	\$ 18,245.78

[1] Owner agrees to comply with TITLE 6. ENVIRONMENTAL CONTROL AND CONSERVATION. CHAPTER 6-7. ENERGY CONSERVATION code (ECAD Ordinance) prior to the issuance of the rebate payment.

Council Meeting Date: September 20, 2018

Posting Language:

Approve issuance of a rebate to SL Domain LP, for performing energy efficiency improvements at the Domain Office Building located at 10721 Domain Drive, in an amount not to exceed \$78,741. (District 7)

Fiscal Note:

Funding in the amount of \$78,741 is available in the Fiscal Year 2017-2018 Operating Budget of Austin Energy.

For More Information:

Jeff Vice, Director, Local Government Relations (512) 322-6087; Denise Kuehn, Director, Energy Efficiency Services (512) 322-6138.

Council Committee, Boards and Commission Action:

To be reviewed by the Electric Utility Commission on August 13, 2018 and by the Resource Management Commission on August 21, 2018.

Additional Backup Information:

Austin Energy requests authorization to issue a rebate to SL Domain LP, in an amount not to exceed \$78,741, for energy efficiency measures at the Domain Office Building located at 10721 Domain Drive, in Council District 7. The energy efficiency measures include: custom technology (high efficiency elevators), water cooled centrifugal chillers, cooling tower, electronically commutated motors, energy recovery ventilator, lighting and lighting controls and variable frequency drives (VFDs). The estimated total cost of the facility is \$60,000,000. The rebate will cover less than 1% of the total cost of the facility.

These improvements are in accordance with Austin Energy's Commercial Rebate Program guidelines and the Energy Conservation Audit and Disclosure (ECAD) Ordinance. The rebate program is one element of the comprehensive Austin Energy Resource, Generation and Climate Protection Plan to realize 900 MW of energy efficiency and demand response by 2025. It is designed in part to reduce local air pollution through energy conservation, reduce peak demand, reduce the need to purchase additional generation and assist customers in reducing electric consumption.

The avoided kilowatt-hours (kWh), estimated at 1,047,049 kWh per year, represent a major benefit to the local environment. This project is estimated to prevent the production of the following air emissions annually: 560 metric tons of Carbon Dioxide (CO₂), 0.2 metric tons of Nitrogen Oxides (NO_x), and 0.6 metric tons of Sulfur Dioxide (SO₂). The project savings is equivalent to an estimated 1,258,663 vehicle miles traveled, the removal of 107 cars from our roadways, or the planting of 14,402 trees or 720 acres of forest in Austin's parks.



COMMERCIAL REBATE FACT SHEET

Domain Office Building

Property Name	Domain Office Building			
Customer Name	SL Domain LP			
Property Address	10721 Domain Drive, Austin, TX 78758			
Total Square Feet	322,730			
Year Built	2018			
Air Conditioner Tonnage	1140			
Water Heater Type	Electric			
Total Rebate – Not to Exceed				
	\$78,741			
Note(s)				
Domain Tower, a new construction project, installed the energy conservation measures below, resulting in a rebate of \$78,741. The rebate amount is 0.13% of the total construction cost (\$60,000,000) of the building.				
Project Annual Savings (Estimated)				
Kilowatt (kW)	337			
\$/kW	\$233.65			
Kilowatt-hours (kWh)	1,047,049			
Scope of Work				
Measure	Rebate Amount	kW Saved – Estimated	kWh Saved – Estimated	\$/kW
Custom Technology - High Efficiency Elevators (9)[1]	\$ 16,576.00	75	93,345	\$ 220.78
Water Cooled Centrifugal Chillers (2)	\$ 27,452.52	74	115,501	\$ 371.90
Cooling Tower	\$ 4,264.21	17	56,623	\$ 247.92
Electronically Commutated Motors (3)	\$ 202.14	1	2,423	\$ 238.43
Energy Recovery Ventilator	\$ 1,919.97	8	11,767	\$ 248.06
Lighting Controls	\$ 803.70	8	54,072	\$ 103.31
New Construction Lighting[2]	\$ 9,685.26	95	623,134	\$ 101.75
Variable Frequency Drives (10)[3]	\$ 17,836.61	59	90,184	\$ 300.53
Total	\$ 78,740.41	337	1,047,049	\$ 233.65
Measures Performed - Last 10 Years at this Property			Completion Date	Rebate Amount
N/A - New Construction				

[1] Commercial Custom Technology comprised of installation of high efficiency Gearless Regenerative Elevators.

[2] The New Construction Lighting baseline is the 2015 Energy Code. While LED lighting is becoming the standard, efficiencies can still be achieved by choice of lamps, fixtures and design of the amount and placement of lighting installed.

[3] Variable Frequency Drives (VFDs) adjust the speed of a pump or motor by varying its input frequency and voltage, thereby reducing its peak power when full speed is not required. VFDs are installed on chilled water pump, condenser water pump and domestic pump.

Council Meeting Date: September 20, 2018

Posting Language:

Approve issuance of a rebate to the Texas Facilities Commission, for performing energy efficiency improvements at the William P. Clements Building located at 300 W. 15th Street, in an amount not to exceed \$80,692.52. (District 9)

Fiscal Note:

Funding in the amount of \$80,692.52 is available in the Fiscal Year 2017-2018 Operating Budget of Austin Energy.

For More Information:

Jeff Vice, Director, Local Government Relations (512) 322-6087; Denise Kuehn, Director, Energy Efficiency Services (512) 322-6138.

Council Committee, Boards and Commission Action:

To be reviewed by the Electric Utility Commission on August 13, 2018 and by the Resource Management Commission on August 21, 2018.

Additional Backup Information:

Austin Energy requests authorization to issue a rebate to the Texas Facilities Commission, in an amount not to exceed \$80,692.52, for energy efficiency measures at William P. Clements Building located at 300 W. 15th St. in Council District 9. The energy efficiency measures include: variable frequency drives (VFDs) for air volume, VFDs for water pumps, custom technology (VFDs for chilled water pumps) and chillers. The estimated total cost of these measures is \$3,687,700. The rebate will cover 2.19% of the total cost.

These improvements are in accordance with Austin Energy's Commercial Rebate Program guidelines and the Energy Conservation Audit and Disclosure (ECAD) Ordinance. The rebate program is one element of the comprehensive Austin Energy Resource, Generation and Climate Protection Plan to realize 900 MW of energy efficiency and demand response by 2025. It is designed in part to reduce local air pollution through energy conservation, reduce peak demand, reduce the need to purchase additional generation and assist customers in reducing electric consumption.

The avoided kilowatt-hours (kWh), estimated at 472,462 kWh per year, represent a major benefit to the local environment. This project is estimated to prevent the production of the following air emissions annually: 253 metric tons of Carbon Dioxide (CO₂). The project savings is equivalent to an estimated 567,949 vehicle miles traveled, the removal of 48 cars from our roadways, or the planting of 6,499 trees or 325 acres of forest in Austin's parks.



COMMERCIAL REBATE FACT SHEET

William P. Clements Building

Property Name	William P. Clements Building			
Customer Name	Texas Facilities Commission			
Property Address	300 West 15th Street, Austin, TX 78701			
Total Square Feet	473,338			
Year Built	1985			
Air Conditioner Tonnage	1500			
Water Heater Type	Natural Gas			
Total Construction Costs				
	\$3,687,700.00			
Total Rebate – Not to Exceed				
	\$80,692.52			
% of Total Construction Costs				
	2.19%			
Note(s)				
Facilities owned by the State of Texas are exempt from Austin Energy's Conservation Audit and Disclosure Ordinance (ECAD) Ordinance.				
Project Annual Savings (Estimated)				
Kilowatt (kW)	207			
\$/kW	\$388.90			
Kilowatt-hours (kWh)	472,462			
Scope of Work				
Measure	Rebate Amount	kW Saved – Estimated	kWh Saved – Estimated	\$/kW
Variable-Frequency Drive (VFD) - Air Volume (2)	\$ 79.56	0	378	\$ 361.64
Variable-Frequency Drive (VFD) - Water Pump (2)	\$ 8,493.62	23	40,362	\$ 363.60
Custom Technology (VFD) - Chilled Water Pumps (2)	\$ 37,244.34	106	276,672	\$ 350.01
Chillers (2)	\$ 34,875.00	78	155,050	\$ 450.00
Total	\$ 80,692.52	207	472,462	\$ 388.90
Measures Performed - Last 10 Years at this Property			Completion Date	Rebate Amount
Electronically Commutated Motors			9/30/2008	\$ 360.00
Variable-Frequency Drive (VFD) - Air Volume			9/30/2008	\$ 2,518.75
Commercial Lighting Retrofit			6/16/2010	\$ 73,106.85
Electronically Commutated Motors			5/19/2011	\$ 1,540.00
Variable-Frequency Drive (VFD) - Air Volume			5/19/2011	\$ 19,686.57

Posting Language

Authorize negotiation and execution of a multi-term contract with KPMG LLP, to provide zero-based budgeting and benchmarking consulting services, for up to five years for a total contract amount not to exceed \$417,971.

(Note: This solicitation was reviewed for subcontracting opportunities in accordance with City Code Chapter 2-9C Minority Owned and Women Owned Business Enterprise Procurement Program. For the services required for this solicitation, there were no subcontracting opportunities; therefore, no subcontracting goals were established).

Lead Department

Purchasing Office.

Client Department(s)

Austin Energy.

Fiscal Note

Funding in the amount of \$6,966 is available in the Fiscal Year 2017-2018 Operating Budget of Austin Energy. Funding for the remaining contract term is contingent upon available funding in future budgets.

Purchasing Language:

The Purchasing Office issued a Request for Proposals (RFP) 1100 SMB0108 for these services. The solicitation issued on February 12, 2018 and it closed on April 17, 2018. Of the four offers received, the recommended contractor submitted the best evaluated responsive offer. A complete solicitation package, including a log of offers received, is available for viewing on the City's Financial Services website, Austin Finance Online. Link: [Solicitation Documents](#).

Prior Council Action:**For More Information:**

Inquiries should be directed to the City Manager's Agenda Office, at 512-974-2991 or AgendaOffice@austintexas.gov

NOTE: Respondents to this solicitation, and their representatives, shall continue to direct inquiries to the solicitation's Authorized Contact Person: Sandy Brandt, at 512-322-6594 or Sandy.Brandt@austinenergy.com.

Council Committee, Boards and Commission Action:

August 13, 2018 - To be reviewed by the Electric Utility Commission.

Additional Backup Information:

The contract will provide consulting services to guide Austin Energy's development of an operating expense budget and capital budget five year spending plan using a zero-based budget approach. The contractor will also identify cost reduction opportunities based on comparable benchmark data. Austin Energy business units participating in the study will include Customer Care Services, Customer Account Management, Corporate Services, and Customer Energy Solutions. Austin Energy may request other business units to be studied at a future date.

In 2011, upon implementation of the Austin Energy Resource, Generation and Climate Protection Plan, the Council adopted an affordability goal calling for Austin Energy to operate so as to control rate increases by two percent or less per year and maintain competitive rates in the lower 50 percent of Texas rates. With this in mind, Austin Energy must find ways to operate in the most efficient manner, and is exploring implementation of a zero-based budgeting process to help drive operational efficiency. Zero-based budgeting assumes a budget of zero and allocates funding based on program efficiency and necessity rather than budget history. The zero-based budgeting approach offers Austin Energy the possibility of reducing costs while bringing additional value through operational efficiency.

An evaluation team with expertise in this area evaluated the offers and scored KPMG LLP as the best to provide these services based on demonstrated experience and qualifications, technical solution and program proposed, total evaluated cost, local business presence, and service disabled veteran business enterprise.

Contract Detail:

<u>Contract Term</u>	<u>Length of Term</u>	<u>Contract Authorization</u>
Initial Term	3 yr.	\$417,971
Optional Extension 1	1 yr.	-
Optional Extension 2	1 yr.	-
TOTAL	5 yrs.	\$417,971

Note: Contract Authorization amounts are based on the City's estimated annual usage.

EVALUATION MATRIX
RFP 1100 SMB0108
Consulting Services, Zero Based Budgeting and Benchmarking for Austin Energy

EVALUATION FACTORS	# Possible Points	KPMG LLP	Avant Energy	MCR Performance Solutions, LLC	Odum Group, LLC
Demonstrated Experience and Qualifications	35	32	11	7	*
Technical Solution and Program Proposed	32	29	17	9	*
Total Evaluated Cost	20	17	20	18	*
Local Business Presence	10	10	0	0	*
Service Disabled Veteran Business Enterprise	3	0	0	0	*
Total	100	88	48	34	*

NOTE: As per Section 252.049 of the local government code, contents of a proposal shall remain confidential until a contract is awarded. Therefore, the matrix will include points awarded for price but exact pricing will not be disclosed.

*Deemed non-responsive - Did not meet requirements of the solicitation.

