

**Council Meeting Date:**

March 7, 2019

**Item 3****Posting Language**

Authorize negotiation and execution of a multi-term contract with DNV GL Energy Insights USA Inc., formerly known as KEMA, Inc., or one of the other qualified offerors to Request For Proposals 1100 SMB0112, to provide an evaluation and benchmarking study on savings resulting from demand side management and Green Building programs, for up to five years for a total contract amount not to exceed \$600,000.

(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 \$255,000 is available in the Fiscal Year 2018-2019 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 SMB0112 for these services. The solicitation issued on April 30, 2018 and it closed on May 29, 2018. Of the five 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](mailto: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](mailto:Sandy.Brandt@austinenergy.com).

**Council Committee, Boards and Commission Action:**

February 11, 2019 - Recommended by the Electric Utility Commission on a 7-1 vote with Commissioner Osborne voting against, Commissioners Tuttle and Wray absent, and one vacancy.

February 19, 2019 – To be reviewed by the Resource Management Commission.

**Additional Backup Information:**

The contract is to provide Austin Energy with a benchmarking study on savings resulting from Austin Energy's demand side management and Green Building programs. Austin Energy's demand side management

programs reduce energy use during periods of peak demand and provide energy savings for the customer through incentives, energy efficiency measures or altering usage behaviors.

The study will include review of calculations, baselines, and assumptions for energy and demand savings; and identification and recommendation of best practices through benchmarking for future use by Austin Energy.

In June 2015, City Council adopted the Austin Community Climate Plan to reach net-zero community-wide greenhouse gas emissions by 2050, which set aggressive goals to achieve energy demand savings of 800 megawatts by 2020 and 900 megawatts by 2025. Austin Energy is examining its current energy efficiency and demand side management programs to ensure they are cost effective and producing the desired outcomes in support of the city's energy efficiency goals.

An evaluation team with expertise in this area evaluated the offers and scored DNV GL Energy Insights USA Inc., formerly known as KEMA, Inc. as the best to provide these services based on concept and solution, prior experience and personnel, cost, local business presence, and service disabled veteran business enterprise.

This request allows for the development of a contract with a qualified offeror selected by Council. If the City is unsuccessful in negotiating a satisfactory contract with the selected offeror, negotiations will cease with that provider. Staff will return to Council so that another qualified offeror may be selected, authorizing new contract negotiations.

**Contract Detail:**

<b><u>Contract Term</u></b>	<b><u>Length of Term</u></b>	<b><u>Contract Authorization</u></b>
Initial Term	1 yr.	\$435,490
Optional Extension 1	1 yr.	\$164,510
Optional Extension 2	1 yr.	\$ -
Optional Extension 3	1 yr.	\$ -
Optional Extension 4	1 yr.	\$ -
<b>TOTAL</b>	<b>5 yrs.</b>	<b>\$600,000</b>

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