



Recommendation for Action

File #: 19-1290, **Agenda Item #:** 25.

3/28/2019

Posting Language

Authorize negotiation and execution of a multi-term contract with CLEAResult Consulting Inc., to provide commercial and industrial demand response services, for up to five years for a total contract amount not to exceed \$1,750,000.

(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 \$204,166 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 SMB3002 for these services. The solicitation was issued on May 14, 2018 and it closed on June 21, 2018. Of the three 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](https://www.austintexas.gov/financeonline/account_services/solicitation/solicitation_details.cfm?sid=124851)
<https://www.austintexas.gov/financeonline/account_services/solicitation/solicitation_details.cfm?sid=124851>.

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 Persons: Liz Lock, at 512-322-6251 or Liz.Lock@austinenergy.com

<<mailto:Liz.Lock@austinenergy.com>> or Terry Nicholson, at 512-322-6586 or

Terry.Nicholson@austinenergy.com <<mailto:Terry.Nicholson@austinenergy.com>>.

Council Committee, Boards and Commission Action:

February 26, 2019 - Recommended unanimously by the Resource Management Commission on a 7-0 vote, with Commissioner White absent and three vacancies.

March 11, 2019 - Recommended unanimously by the Electric Utility Commission on a 9-0 vote, with Commissioner Funkhouser absent and one vacancy.

Additional Backup Information:

The contract will provide expertise and technical services required to operate and expand Austin Energy's Commercial and Industrial Demand Response Program. The expansion will increase participation in the Load Cooperative and Emergency Response Service programs, which provide incentives directly to demand-rate customers for curtailing energy use upon request during peak demand periods. This contract supports identifying and recruiting customers for the program in order to achieve goals. The program contributes to Electric Reliability Council of Texas grid reliability and supports the City's sustainability goals, which call for savings through energy efficiency and conservation efforts. The contractor will work with Austin Energy and its customers to grow the program through marketing, education, participant enrollment, customer system design and installation, event functions, post-event reporting, and maintenance.

Customers who participate in the Load Cooperative program agree to curtail energy use during peak demand periods in the months of June through September upon notification from Austin Energy. Customers perform load curtailment through their preferred strategies and after each event Austin Energy remotely reads the customer's meter to determine incentive payments based on performance. In 2018 over 500 customers participated in the Commercial and Industrial Demand Response Program, which contributed approximately 32 megawatts (MW) towards Austin Energy's demand side management goal of 50 MW. By the end of the new contract term, Austin Energy aims to service between 750 and 1,000 customers in the program. Increased participation and demand response event performance lowers costs to all customers and increases incentives paid to participating customers.

The previous contract expired October 31, 2018. The estimated amount for a new contract was determined using departmental estimates based on historical spend. The recommended contractor is the previous provider for these services.

An evaluation team with expertise in this area evaluated the offers and scored CLEAResult Consulting 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 enterprise.

Contract Detail:

Contract Term	Length of Term	Contract Authorization
Initial Term	1 yr.	\$ 350,000
Optional Extension 1	1 yr.	\$ 350,000
Optional Extension 2	1 yr.	\$ 350,000
Optional Extension 3	1 yr.	\$ 350,000
Optional Extension 4	1 yr.	\$ 350,000
TOTAL	5 yrs.	\$1,750,000

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