



## Recommendation for Action

**File #:** 22-3023, **Agenda Item #:** 24.

9/29/2022

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### **Posting Language:**

Authorize negotiation and execution of a multi-term contract with SMS LLC d/b/a Security Management to provide inspection, maintenance, small project installations and hosting of the Austin Energy Security systems, for up to five years for a total contract amount not to exceed \$20,000,000.

(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:**

Financial Services Department.

### **Client Department(s):**

Austin Energy.

### **Fiscal Note:**

Funding in the amount of \$2,500,000, is available in the Fiscal Year 2022-2023 Operating Budget of Austin Energy. Funding for the remaining contract term is contingent upon available funding in future budgets.

### **Purchasing Language:**

Professional Services.

### **For More Information:**

Inquiries should be directed to Melita Harden, at 512-322-6149 or [Melita.Harden@austintexas.gov](mailto:Melita.Harden@austintexas.gov)  
<<mailto:Melita.Harden@austintexas.gov>>.

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

September 12, 2022 - Recommended by the Electric Utility Commission on a 7-0-2 vote with Commissioners Hadden and Reed abstaining and two vacancies.

### **Additional Backup Information:**

The contract will provide 24/7 hard utility security services for Austin Energy's existing Integrated Security Management System (ISMS) as it relates to monitoring, maintenance, repairs, new installations, and North American Electric Reliability Corporation (NERC) compliance. NERC Reliability Standards require protection of critical infrastructure in compliance of physical and cyber security for the bulk power system to maintain electric service utility reliability.

The ISMS is an enterprise system that combines a physical access control, alarm and monitoring system, employee identification badging and video surveillance into a single primary environment at Austin Energy's Security Operations Center. The Security Operations Center manages all security activities as it relates to

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deterrence, response, and protection of utility assets.

The contractor has extensive and specialized experience in the design of Austin Energy's ISMS and currently hosts these systems at their facilities. This system is in place throughout Austin Energy's physical locations and is critical to effectively protecting and monitoring remote facilities, electrical substations, power plants, payment centers, warehouses, and both physical assets and NERC related assets. To accommodate these hosted systems and stay in NERC compliance, Austin Energy has built network infrastructure to the contractor's remote site.

**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.	\$ 4,000,000
Optional Extension 1	1 yr.	\$ 4,000,000
Optional Extension 2	1 yr.	\$ 4,000,000
Optional Extension 3	1 yr.	\$ 4,000,000
Optional Extension 4	1 yr.	\$ 4,000,000
<b>TOTAL</b>	<b>5 yrs.</b>	<b>\$20,000,000</b>

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

**Strategic Outcome(s):**

Government that Works for All.