



## Recommendation for Action

**File #:** 23-1926, **Agenda Item #:** 30.

6/1/2023

### **Posting Language**

Ratify additional funding for utility advanced meter infrastructure services with Landis+Gyr Technology Inc., in the amount of \$2,000,000 and authorize negotiation and execution of an amendment of the contract to extend the term by one year and increase the contract amount by \$12,800,000 for a revised total contract amount not to exceed \$69,977,434.

[Note: This contract was awarded in compliance with City Code Chapter 2-9C (Minority Owned and Women Owned Business Enterprise Procurement Program). No subcontracting opportunities were identified; therefore, no goals were established for this contract].

### **Lead Department**

Financial Services Department.

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

Austin Energy.

### **Fiscal Note**

Funding was available in the Fiscal Year 2022-2023 Operating Budget of Austin Energy.

### **Purchasing Language:**

Ratification, Contract Amendment.

### **Prior Council Action:**

August 8, 2013 - Council approved the original contract, item 27 on a vote of 7-0.

### **For More Information:**

Direct questions regarding this Recommendation for Council Action to the Financial Services Department - Central Procurement at: [FSDCentralProcurementRCAs@austintexas.gov](mailto:FSDCentralProcurementRCAs@austintexas.gov) or 512-974-2500.

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

May 8, 2023 - Recommended by the Electric Utility Commission on a 6-0-1 vote with three absences and one vacancy.

### **Additional Backup Information:**

The contract provides advanced metering infrastructure services.

The ratification is to cover services provided to Austin Energy (AE) during the months of March, April, and May 2023. Invoices for the services provided through this 10-year contract are fluid from month to month as AE pays "per meter" for services rather than a flat monthly fee; growth in the City of Austin escalated contract

spend beyond the previously approved Council authority. Although full funding is available in its existing budget, AE discovered a shortfall of Council authority to cover its expenses for the months of March, April, and May 2023. To avoid this issue in the future, AE has increased monitoring of this contract.

The proposed amendment and term extension provide additional time and funding for AE to review and revise (if needed) the scope of contractual services before finalization of a new agreement for advanced metering infrastructure services. Without this contract, AE would be required to manually gather basic meter read data (physical examination of meters and their electrical usage).

AE relies on these services to provide daily meter read data for use in billing residential and commercial customers for electricity consumption. These services are also utilized to gather meter diagnostic data, which is the basis for several AE customer service driven programs, including outage and restoration management support, real time and historical meter read data, theft and diversion protection, identification of meters for meter maintenance, and remote service connection and disconnection.

Landis+Gyr Technology Inc. is the sole provider of these services, which are embedded throughout approximately 545,000 smart meters in the AE service territory.

Contract Detail:

| <u>Contract Term</u> | <u>Length of Term</u> | <u>Current Contract Authorization</u> | <u>Requested Additional Authorization</u> | <u>Revised Total Authorization</u> |
|----------------------|-----------------------|---------------------------------------|---|------------------------------------|
| Initial Term         | 10 yrs.               | \$55,177,434                          |   | \$55,177,434                       |
| Ratification         |                       |                                       | \$ 2,000,000                              | \$ 2,000,000                       |
| Proposed Amendment   | 1 yr.                 |                                       | \$12,800,000                              | \$12,800,000                       |
| <b>TOTAL</b>         | <b>11 yrs.</b>        | <b>\$55,177,434</b>                   | <b>\$14,800,000</b>                       | <b>\$69,977,434</b>                |

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