



## Recommendation for Action

**File #:** 23-2356, **Agenda Item #:** 56.

7/20/2023

### **Posting Language**

Authorize negotiation and execution of a contract for hosted software for valuing, simulating, and managing Austin Energy's energy portfolio with Ascend Analytics LLC, for up to five years for a total contract amount not to exceed \$1,320,000.

[Note: Sole source contracts are exempt from the City Code Chapter 2-9C (Minority Owned and Women Owned Business Enterprise Procurement Program); therefore, no subcontracting goals were established].

### **Lead Department**

Financial Services Department.

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

Austin Energy.

### **Fiscal Note**

Funding in the amount of \$245,000 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:**

Sole Source.

### **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:**

July 10, 2023 - To be reviewed by the Electric Utility Commission.

### **Additional Backup Information:**

The contract is for analytic software to aid Austin Energy (AE) with evaluating its power assets and load in the Electric Reliability Council of Texas marketplace. By using real-time variables such as weather, renewable energy generation, electric market spot pricing, and customer load, the software will enable AE to quantify the risk inherent in its power and fuel portfolios. This information results in more informed decision-making regarding hedging activity of various lengths and products in the markets AE participates in. At a time of lower revenues and higher costs, obtaining this software is critical to AE's business.

AE's portfolio has an ever-increasing exposure to power prices from resources over which it has limited control and this information will help AE reduce the risks related to its market and fuel purchases, thereby ensuring more stability in its costs and ultimately the rates it charges its customers.

### **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.	\$ 251,125
Optional Extension 1	1 yr.	\$ 257,405
Optional Extension 2	1 yr.	\$ 263,839
Optional Extension 3	1 yr.	\$ 270,435
Optional Extension 3	1 yr.	\$ 277,196
<b>TOTAL</b>	<b>5 yrs.</b>	<b>\$1,320,000</b>

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