

AGENDA



Thursday, August 30, 2007

**Purchasing Office
RECOMMENDATION FOR COUNCIL ACTION**

Item No. 39

Subject: Authorize award, negotiation, and execution of a 12-month requirements service contract with OPEN SYSTEMS INTERNATIONAL, INC., Minneapolis, MN, for the purchase of generation management system software, annual maintenance and support, and implementation in an estimated amount not to exceed \$795,000, with four 12-month extension options in an estimated amount not to exceed \$57,750 for the first extension option, \$60,638 for the second extension option, \$63,670 for the third extension option, and \$66,854 for the fourth extension option, for a total estimated contract amount not exceed \$1,043,912.

Amount and Source of Funding: Funding is available in the fiscal Year 2006-2007 Capital Budget for Austin Energy. Funding for the extension options is contingent upon available funding in future budgets.

Fiscal Note: A fiscal note is attached.

For More Information: Art Acuña, Senior Buyer/512-322-6307

Purchasing Language: Sole proposal received.

MBE/WBE: This purchase will be awarded in compliance with Chapter 2-9C of the City Code (Minority-Owned and Women-Owned Business Enterprise Procurement Program). No subcontracting opportunities were identified; therefore, no goals were established for this solicitation.

Austin Energy (AE) is procuring a Generation Management System (GMS) to meet ERCOT (Energy Reliability Council of Texas) mandated operational requirements in the ERCOT Nodal Electric Market. This system will monitor and control power generation from all of AE's power plants as well as communicate with ERCOT, the electric grid operator, in order to ensure reliable and efficient electric operations.

ERCOT's Nodal Market will commence on December 1, 2008; however AE needs this system installed well in advance for testing with ERCOT's systems. Without the GMS, AE will not be able to participate in the ERCOT nodal market because AE would not be able to balance and settle power generating capacity at AE power plants or integrate with communication systems established and required by ERCOT.

MBE/WBE solicited: 20/15

MBE/WBE bid: 0/0

PRICE ANALYSIS

- a. Sole proposal. Numerous demands have been placed on vendors who can provide these type systems from other market participants (including ERCOT, Inc.), thereby, limiting vendor's capabilities to deliver these systems. AE contracted with a consulting firm, prior to issuing this solicitation, who stated that this industry is currently saturated with similar requests and that the City would experience limited participation in the solicitation. The four companies who submitted a "No Proposal" stated that they do not have sufficient capability to perform these services at this time.
- b. Three hundred eighty-five notices were sent, including 20 MBEs and 15 WBEs. One proposal was received, with no response from the MBE/WBE's. Four "No Proposal"s were received.
- c. This is the first purchase of its type; therefore, there is no pricing history available.

APPROVAL JUSTIFICATION

- a. Sole proposal received.
- b. The Purchasing Office concurs with Austin Energy's recommended award.
- c. Advertised on the Internet.