

AGENDA



Thursday, June 5, 2008

**Purchasing Office
RECOMMENDATION FOR COUNCIL ACTION****Item No. 29**

Subject: Approve ratification of Amendment No. 3 to the requirements supply and services contract with the STATE OF TEXAS DEPARTMENT OF INFORMATION RESOURCES (DIR) Austin, TX, for the purchase of Maximo software, installation, technical services, training, and maintenance by increasing the contract authorization in an estimated amount not to exceed \$7,298,380; and to authorize the award and execution of two additional extension options for maintenance services for this software, including one 12-month extension option in an estimated amount not to exceed \$245,771, and one 3-month extension option in an estimated amount not to exceed \$64,515, for a revised total estimated contract amount not to exceed \$30,387,815.

Amount and Source of Funding: Funding is available in the Fiscal Year 2007-2008 Capital Budget of 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, 322-6307.

Purchasing Language: Critical Business Need.

MBE/WBE: This purchase was 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.

Prior Council Action: 08/10/06 – Approved a 12-month contract with one 12-month extension option; 04/10/08 – Approved increase in the contract authorization.

On August 10, 2006 Council approved the 12-month requirements service/supply contract in an estimated amount not to exceed \$9,500,000, with one 12-month extension option in an estimated amount not to exceed \$8,000,000 for the purchase of computer software products, maintenance, training, information technology services, and telecommunications products and services through the State of Texas DIR cooperative purchasing program.

On April 10, 2008, Council approved an amendment in the amount of \$5,279,149 to add spending authority to the DIR contract so that departments could continue to purchase software and related information technology products and services that were approved in the Fiscal Year 2007–2008 Operating and Capital Budgets.

The ratification of this Amendment No. 3 is for the purchase of Maximo software, installation, technical services, training, and maintenance for AE. The purchase of this software and related services will enable AE to be in compliance with Electric Reliability Council of Texas (ERCOT) mandated deadlines.

The Nodal Market mandated 'go-live day' of all utilities in the ERCOT region is December 1, 2008. To enable AE to be in compliance with ERCOT requirements, AE must purchase, configure, and implement Maximo and Powerplant software in order to develop and create the necessary integrations to Advantage, the City of Austin's, accounting system.

The initial phase was to perform an assessment of the needed requirements, identify available options, and recommend a solution to enable AE to be in compliance with the ERCOT mandated deadline. A second phase for purchasing and implementing the recommended solution is now needed to collect adequate data to provide AE's baseline costs to ERCOT before the market opens. Ideally, AE needs the implemented software and solution system to go live and start collecting data at the Sand Hill and Decker power plants as soon as possible.