

AGENDA



Thursday, December 11, 2008

**Purchasing Office
RECOMMENDATION FOR COUNCIL ACTION****Item No. 41**

Subject: Authorize award and execution of a 12-month requirements service and supply contract with FACILITY SOLUTIONS GROUP, Austin, TX for energy efficient lighting retrofits in commercial buildings in an estimated amount not to exceed \$1,520,518 with four 12-month extension options in an estimated amount not to exceed \$1,520,518 per extension option, for a total estimated contract amount not to exceed \$7,602,590.

Amount and Source of Funding: Funding in the amount of \$1,267,098 is available in the Fiscal Year 2008-2009 Operating Budget of Austin Energy and the Fiscal Year 2008-2009 Austin Energy Operating Budget Performance Contracting Fund. Funding for the remaining two months of the original contract period and extension options is contingent upon available funding in future budgets.

Fiscal Note: There is no unanticipated fiscal impact. A fiscal note is not required.

For More Information: Sandy Calles, Buyer Sr., 322-6487.

Purchasing Language: Lowest bid meeting specifications of two bids received.

MBE/WBE: This contract will be awarded in compliance with Chapter 2-9D 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.

This contract will provide technical audits of lighting systems, turn-key installation and modification of lighting systems in municipal and commercial facilities. The term "commercial building" is a generic term describing an office building that has commercial-grade mechanical systems (e.g. One Texas Center, Town Lake Center, City Hall, etc.). The goals of the program are to reduce energy consumption and peak demand, and lower utility bills through lighting efficiency improvements. The contractor will audit existing lighting systems, install new systems as required, modify existing systems, add new lighting, and provide disposal of construction waste.

Since 1995, such contracts have been utilized to increase energy efficiency. These contracts are primarily used to retrofit municipal buildings. Through past Interlocal Agreements, these contracts have been used to retrofit AISD, Travis County and Capital Metro buildings. On rare occasions, services were provided to the private sector, most notably Seton and Brackenridge Hospitals.

Projects for this contract may include retrofits for the City Hall parking garage (for LED or induction lighting), ABIA parking garages, the Convention Center's Exhibition Halls and Decker Creek Power Station. Last year, under a similar contract, LED fixtures were installed in the One Texas Center parking garage as part of the City's LED initiative.

This contract could reduce electrical demand as much as 1.1 megawatts, energy use by an estimated 2,860 megawatt-hours, and a reduction of an estimated 3,352,000 pounds of CO2 for the first year, and similar amounts for each year thereafter that the contract is renewed.

MBE/WBE solicited: 1/3

MBE/WBE bid: 0/0

Price Analysis

- a. Adequate competition.
- b. Forty-four notices were sent, including one MBE and three WBEs. Two bids were received, with no response from the MBE/WBEs.
- c. The pricing offered represents a 15% increase to the last contract award in August 2003. This increase can be attributed to the rise in cost for metals and labor.

Approval Justification

- a. Lowest bid received meeting specifications. Facility Solutions Group is the current provider of these services.
- b. The Purchasing Office concurs with Austin Energy's recommended award.
- c. Advertised on the Internet.