

## AGENDA



Thursday, July 23, 2009

**Purchasing Office  
RECOMMENDATION FOR COUNCIL ACTION****Item No. 64**

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**Subject:** Authorize ratification of Amendment No. 4 to increase a contract with COMVERGE, Inc., Norcross, GA, for purchased Superstats® programmable thermostats and Digital Control Unit switches for Austin Energy's Power Partner Program in an amount not to exceed \$1,161,568.03, for a revised total contract amount not to exceed \$7,945,806.43.

**Amount and Source of Funding:** Funding is available in the Fiscal Year 2008-2009 Operating Budget of Austin Energy.

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

**For More Information:** Mark Walsh, Programmer Analyst Senior, 974-1891

**Purchasing Language:** Contract Amendment.

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

**Boards and Commission Action:** Recommended by the Electric Utility Commission.

**Prior Council Action:** July 29, 2004 - Approved 12-month contract with three 12-month extension options.

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This request is for ratification of an amendment to an Austin Energy (AE) supply contract with Comverge, Inc., to provide additional Council spending authority for orders issued on or before the contract's normal expiration date of November 30, 2008, as a result of an accounting system conversion error.

At the end of the second year of the contract, the City upgraded its financial accounting system. During this conversion, the remaining balance for this contract was incorrectly transferred to the new accounting system. This conversion error resulted in spending \$1,161,568 over the contract authorization. However, the funds were available and did not impact any other program's budget.

While under contract from 2004 to 2008, the products provided by Comverge, performed to AE's satisfaction and received high customer satisfaction remarks. Since the inception of the Power Partner Program, AE has installed over 81,000 programmable thermostats (Superstats®) and over 2500 Digital Control Units (DCU) switches, supplied by Comverge. Austin Energy estimates an overall peak demand savings of 48MW.

The City's expenditures resulted in the City acquiring an additional 6,000 programmable thermostats and 500 DCU switches, all of which were placed in service with Austin Energy customers. Austin Energy estimates the savings that resulted from these installations to be 6200 kW.

This contract has been replaced by a new contract with the same vendor, authorized by Council in October 2008.