

## AGENDA



Thursday, July 29, 2010

**Purchasing Office  
RECOMMENDATION FOR COUNCIL ACTION****Item No. 55**

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**Subject:** Authorize award and execution of a 12-month requirements supply contract with UNISYS CORPORATION, Austin, TX, for the purchase of a Remittance Processing Transport hardware, software, and implementation for Austin Energy in an estimated amount not to exceed \$530,000, with seven 12-month extension options for maintenance, support, and supplies in estimated amounts not to exceed \$54,000 for the first extension option, \$56,700 for the second extension option, \$60,535 for the third extension option, \$62,512 for the fourth extension option, \$65,638 for the fifth extension option, \$68,920 for the sixth extension option, and \$72,366 for the seventh extension for a total estimated contract amount not exceed \$970,671.

**Amount and Source of Funding:** Funding in the amount of \$530,000 is contingent upon approval of the Fiscal Year 2010-2011 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:** Sole Source.

**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.

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

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Austin Energy's (AE) Remittance Processing Unit processes an average of 3.3 million items annually using transports or check processing hardware. This contract is for the purchase of two replacement Unisys Corporation Quantum 21300 Transports with XP Microsoft Technology and Diamond Courtesy Amount Read functionality.

The new transports will replace existing check processing transport machines that are over 10 years old. The new transports will allow electronic cash letters of deposit to be sent to the bank versus delivery of hardcopy encoded and processed checks. The new equipment will also result in the elimination of paper deposits. Enhanced processing functionality and speed will decrease daily processing time and errors which may result in customer issues.

The existing hardware currently runs on an outdated software platform resulting in machine downtime due to non-preventative maintenance issues. The needed repairs exceeded three weeks (total) in Fiscal Year 2008-2009 and resulted in increased maintenance costs. The purchase of two new machines will allow for duality and backup for processing functions. Without the new hardware, AE may not be able to maintain 100% same-day processing of customer payments which could have a negative impact on customers as well as the other City departments whose services are included on utility bills.

These products are only available from Unisys Corporation because it holds the patent and copyrighted source code of the software.