

A G E N D A



Recommendation for Council Action (Purchasing)

Austin City Council

Item ID:

24780

Agenda Number

41.

Meeting Date:

June 6, 2013

Department:

Purchasing

Subject

Authorize negotiation and execution of a 12-month requirements service contract with CIRRO ENERGY SERVICES, INC., to provide peak load forecasting for Austin Energy in an amount not to exceed \$28,000, with four 12-month extension options not to exceed \$28,000 per extension option, for a total estimated contract amount not to exceed \$140,000.

Amount and Source of Funding

Funding in the amount of \$21,000 is available in the Fiscal Year 2012-2013 Operating Budget of Austin Energy. Funding for the remaining nine 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.

Purchasing
Language:

Sole bid received.

Prior Council
Action:



For More
Information:

Terry Nicholson, Senior Buyer, 512-322-6586

Boards and
Commission
Action:

May 20, 2013 - Unanimously approved by the Electric Utility Commission on a vote of 7-0, Recommendation No. 20130520-08. May 21, 2013 - Unanimously approved by the Resource Management Commission on a vote of 6-0, Recommendation No. 20130521-008.

Related Items:

MBE / WBE:

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

Additional Backup Information

This contract will provide peak load forecasting services to support Austin Energy's demand response programs. The contractor will evaluate statewide weather data and peak load forecasting estimates and provide day-ahead and day-of notifications indicating the time and likelihood of an Electric Reliability Council of Texas (ERCOT) 4CP (Four Coincident Peak) event.

Austin Energy is assessed fees from ERCOT based on the utility's contribution to ERCOT's peak load during the summer months. One of the primary goals of Austin Energy's demand response programs is to reduce load during ERCOT's 4CP periods. Reducing load reduces the pass-through costs to customers. Historically, Austin Energy's ability to predict 4CPs and reduce demand to avoid pass-through costs has been augmented by load forecasting services provided by a contractor. This contract will provide Austin Energy with day-ahead and day-of notifications indicating predicted ERCOT peak time and load and the probability of a 4CP event. Using this information, Austin Energy's demand response staff decides whether to request customer load reductions. The information will allow utility staff to optimize the ability to reduce load during an event, benefiting customers and the utility.

MBE/WBE solicited: 5/11

MBE/WBE bid: 0/0

BID TABULATION/MATRIX

IFB TVN0085

Peak Load Forecasting

Vendor

**Cirro Energy Services, Inc.
Plano, TX**

Total Bid

\$28,000.00

PRICE ANALYSIS

- a. Sole bid received.
- b. One hundred, twenty seven notices were sent including five MBEs and 11 WBEs. One bid was received with no response from the MBE/WBE's.
- c. The pricing offered represents a 7% decrease from the last contract award made in April of 2012.

APPROVAL JUSTIFICATION

- a. Sole bid received. Cirro Energy Services, Inc. is the current provider of these services.
- b. The Purchasing Office concurs with Austin Energy's recommended award.
- c. Advertised on the Internet.