Recommendation for Council Action (Purchasing)

Austin City Council		**Item ID:**	33738	**Agenda Number**		42.

Meeting Date:	August 7, 2014
Department:	Purchasing

Subject

Authorize negotiation and execution of a contract with OSISOFT, LLC, for the purchase and implementation of an enterprise wide process information software license in support and management of Austin Energy's critical systems in an amount not to exceed $1,847,099 with 60 months maintenance and support services following implementation completion in an amount not to exceed $1,652,900, for a total amount not to exceed $3,499,999.

Amount and Source of Funding

Funding in the amount of $1,847,099 is available in the Fiscal Year 2013-2014 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.

Purchasing Language:	Sole Source.
Prior Council Action:	
For More Information:	Jim Howard, Senior Buyer Specialist, 512-322-6307
Boards and Commission Action:	July 21, 2014 - Recommended by the Electric Utility Commission.
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 contract.

Additional Backup Information

This contract with OSIsoft LLC, San Leandro, CA is for the acquisition and implementation of an enterprise wide process information (PI) license including maintenance support. This software is currently used at System Control Center (SCC), Backup Control Center (BUCC), Sand Hill Energy Center, Decker Creek Power Station, Town Lake Center, Downtown District Cooling Plant No. 2, Mueller Energy Center, Domain Plant and Downtown District Cooling Plant No. 1. The software provides the capability to collect and process data such as temperature, pressure, load percent available, and equipment usage status, and to communicate this data between Austin Energy's facilities. It allows for storage of the data for two years, a requirement for insurance and regulatory purposes. In addition, this software allows management to utilize the near real time data from the power plants to troubleshoot and optimize generation assets at these locations. OSIsoft software has proven to be very beneficial when analyzing critical system events that occur on the Austin Energy electric grid. The OSIsoft software has also been used in Texas Reliability Entity audits, investigating market issues and ensuring regulatory compliance.

The purpose of this contract is to procure an enterprise license to use OSIsoft PI server and client licenses throughout Austin Energy (to be deployed at the minimum to the following): Energy Management System (EMS), Advanced Distribution Management System (ADMS) system, Power plants and Chilled Water plant systems. This license will address the growth and change issues in Austin Energy's current system. The contract will also be providing support services such as installation/upgrade support, support to identify/design new uses of PI at Austin Energy, technical support for problem resolution, and training.

Failure to upgrade will prevent the SCADA/EMS from historizing real-time telemetry data, preventing AE from analyzing critical system events. AE personnel are trained using this software and are Subject Matter Experts (SMEs) on operations developed using this software.

OSIsoft, LLC is the sole developer and service supporter of the proprietary PI software and does not permit outsourcing of these products and services through third-parties. OSIsoft, LLC is the sole owner of the PI software source code. Expansion and upgrades of the existing system can only be accomplished through OSIsoft LLC. Therefore, OSIsoft, LLC is the sole source provider of the products and services to be provided under this contract.

The original purchase for this software product was as a pass through on a contract signed with ABB, Inc. in July 2001. A separate purchase was approved as a Sole Source in April 2009.