

A G E N D A



Recommendation for Council Action (Purchasing)

Austin City Council - Commissioners Court Meeting		Item ID:	36692	Agenda Number	31.
Meeting Date:		October 2, 2014			
Department:		Purchasing			
Subject					
Authorize award and execution of a 24-month service contract with NEWGEN STRATEGIES AND SOLUTIONS, LLC., or one of the other qualified offerors to RFP No. RML0027, for regulatory consulting services for Austin Energy, in an amount not to exceed \$465,000.					
Amount and Source of Funding					
Funding in the amount of \$360,000 is available in the Fiscal Year 2014-2015 Operating Budget of Austin Energy. Funding for the remaining 12 months of the contract period is contingent upon available funding in future budgets.					
Fiscal Note					
There is no unanticipated fiscal impact. A fiscal note is not required.					
Purchasing Language:		Best evaluated proposal received.			
Prior Council Action:		June 26, 2014 - Approved Resolution No. 20140626-073.			
For More Information:		Rosemary Ledesma, Purchasing Manager, 512-322-6155			
Boards and Commission Action:		September 15, 2014 – Reviewed by the Electric Utility Commission: Motion to not recommend approval failed on a vote of 3-2-2 with Fath, Hadden and Osborne voting yes; Heidebrecht and Shaw voting no; and Butler and Rai abstaining. Motion to recommend approval also failed on a vote of 2-3-2 with Heidebrecht and Shaw voting yes; Fath, Hadden and Osborne voting no; and Butler and Rai abstaining.			
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

Under the terms of this contract, the selected firm will provide independent regulatory consulting services to Austin Energy and will develop expert recommendations on multiple regulatory, financial, and rate issues. By the winter of 2015, the selected firm will research, analyze, and advise the utility on a variety of regulatory issues, which may include the following:

- Advice and input to the 2016 Austin Energy Cost of Service study;
- Assessment of rate design components adopted by Council in 2012, including the assessment of the impact

of rate classes and demand charges on small business customers above 10 kilowatts in accordance with Council Resolution No. 20140626-073;

- Impact of Austin Energy's rate structure on customer adoption of conservation measures;
- Review of financial reserves policies;
- Review of cost allocation methodologies;
- Affordability comparisons;
- Analysis of decommissioning costs; and
- Other regulatory reviews and studies as required.

A second phase of the contracted consultant work may be required to assist Austin Energy with regulatory research and analysis required in Ordinance No. 20120607-055, the most recent rate restructuring. Austin Energy will return to Council for authorization of funds for Phase II if a third year of consulting services is required.

The evaluation committee consisted of staff knowledgeable of this industry. In order to determine the best offer to the City, the evaluation criteria included Concept and Solution proposed, experience, organization and management practices, schedule, cost and local business presence. NewGen Strategies and Solutions, Inc. was the best evaluated proposal, offering a robust concept plan and possessing the best applicable experience.

This request allows for the development of an agreement with a qualified offeror that Council selects. If the City is unsuccessful in negotiating a satisfactory agreement with the selected offeror, negotiations will cease with that provider. Staff will return to Council so that Council may select another qualified offeror and authorize contract negotiations with this provider.

MBE/WBE solicited: 1/2

MBE/WBE bid: 0/0

PRICE ANALYSIS

- a. Adequate competition.
- b. Two hundred thirteen notices were sent including one MBE and two WBEs. Four proposals were received, with no response from the MBE/WBEs.

APPROVAL JUSTIFICATION

- a. Best evaluated proposal.
- b. The Purchasing Office concurs with Austin Energy's recommended award.
- c. Advertised on the Internet.