

## A G E N D A



## Recommendation for Committee Action (Purchasing)

Austin Energy Utility Oversight Committee	Item ID:	46762	Agenda Number	4.
Meeting Date:	June 25, 2015			
Department:	Purchasing			
Subject				
Consider and develop recommendations on the award, negotiation and execution of a contract with PACE GLOBAL, a wholly-owned subsidiary of SIEMENS INDUSTRY, INC., or another qualified offeror to Request For Proposal No. GAL0021, for an independent review of Austin Energy's Resource, Generation and Climate Protection Plan in an amount not to exceed \$300,000.				
Amount and Source of Funding				
Funding is available in the Fiscal Year 2014-2015 Operating Budget of Austin Energy.				
Fiscal Note				
There is no unanticipated fiscal impact. A fiscal note is not required.				
Purchasing Language:	Best evaluated proposal for the independent review of the generation plan.			
Prior Council Action:				
For More Information:	Gage Loots, Corporate Purchasing Manager, 512-322-6251			
Boards and Commission Action:	June 15, 2015 – On a 6-0 vote with Commissioner Rai absent, the Electric Utility Commission recommended Council to select one of the three highest rated offerors.			
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 by meeting the goals with 5.0% MBE and 2.0% WBE participation.			
Additional Backup Information				

The Austin Energy Resource, Generation and Climate Protection Plan to 2025, approved December 11, 2014, identified the potential for retirements and additions to its generation fleet. In particular, the updated plan projected the potential retirement of 735 MW of steam gas fired generation at Austin Energy's Decker Creek Power Station and the construction of a new combined cycle gas unit with a nominal rating of 500 MW by the end of 2018. The plan also included reducing dispatch beginning in 2020 and retiring Austin Energy's share of the Fayette Power Project (602 MW) by as early as 2023.

As part of the updated resource plan, Austin Energy committed to sponsoring an independent economic, financial and environmental review of a new gas plant and other options for filling the resulting energy and capacity gaps. In addition to the new gas plant and other options for filling the resulting energy and capacity gaps. In addition to the new gas plant, the review will consider large-scale and distributed storage, renewables, demand response, energy efficiency and purchased power. The review is intended to provide an economic cost/benefit perspective of a new plant taking into consideration the construction and operating costs, changes in emissions and water usage, along with potential wholesale market revenue and benefits to the Austin Energy load zone and costs and risks.

To perform the independent review, Austin Energy requires a qualified and experienced firm capable of providing analysis and consulting in the areas of wholesale power markets and the financial assessment of power generation facilities in those markets.

Pace Global is a leading provider of energy consulting and management consulting services. For more than 35 years, they have provided innovative services to support business strategies, complex energy transaction, asset development and operations. In 2012, Siemens Industry, Inc. acquired Pace Global.

An Austin Energy evaluation team with expertise in this area evaluated the proposals and rated this proposal as the best to provide these services. Evaluation criteria used to evaluate the proposals include solution and program to accomplish the work, demonstrated applicable experience and personnel qualifications, cost, and local business presence.

This request allows for the development of a contract with a qualified offeror selected by Council. If the City is unable to negotiate a satisfactory contract with the selected offeror, negotiations will cease with that provider. Staff will return to Council so that another qualified offeror may be selected, authorizing contract negotiations with this provider.

MBE/WBE solicited: 179/138

MBE/WBE bid: 0/0

#### **PRICE ANALYSIS**

- a. Adequate competition.
- b. 2763 notices were sent, including 179 MBEs and 138 WBEs. 12 proposals were received, with no response from the MBEs/WBEs.

#### **APPROVAL JUSTIFICATION**

- a. Best evaluated proposal.
- b. The Purchasing Office recommends contract award consistent with the findings of the evaluation committee.
- c. Advertised on the internet.