

## A G E N D A



## Recommendation for Council Action (Purchasing)

Austin City Council	Item ID:	47810	Agenda Number	34.
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Meeting Date:	August 20, 2015
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Department:	Purchasing
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### Subject

Authorize negotiation and execution of Amendment No. 5 to a contract with KEMA, INC., for Phase II implementation of Austin Energy's department wide information technology strategic assessment and business and technology road-map, in an amount not to exceed \$2,000,000, for a total revised contract amount not to exceed \$3,457,334.

### Amount and Source of Funding

Funding in the amount of \$1,250,000 is available in the Fiscal Year 2014-2015 Operating Budget of Austin Energy. Funding for the remainder is contingent upon available funding in future budgets.

### Fiscal Note

There is no unanticipated fiscal impact. A fiscal note is not required.

Purchasing Language:	Contract Amendment
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Prior Council Action:	August 7, 2014 - approved original contract, item 57.
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For More Information:	Debbie DePaul, Sr. Buyer Specialist, 512-322-6235
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Boards and Commission Action:	July 20, 2015 – Approved by the Electric Utility Commission on a vote of 9-0-2 with Commissioners Biedrzycki and Hadden abstaining.
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Related Items:	
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MBE / WBE:	This contract was awarded in compliance with City Code Chapter 2-C Minority Owned and Women Owned Business Enterprise Procurement Program by meeting the goals of 5.89% MBE and 3.81% WBE participation.
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### Additional Backup Information

The amendment is for Phase II (implementation services) of Austin Energy's (AE) information technology roadmap. The contract was competitively awarded to develop an electric utility-specific technology strategy and roadmap, a plan which provides overarching guidance for AE's technology portfolio over the next five years. The roadmap leverages existing and planned investments in AE technology systems (information technology, operations technology, customer technology and financial systems) and defines business objectives and utility best practices to support future technology-related decision making.

Phase II, the implementation of the technology roadmap, was contemplated as part of the original award. With Phase I complete, AE plans to begin implementing the technology roadmap in Fiscal Year 2016 using consultant support as necessary. Anticipated needs will be project-specific and may include performing analyses, defining technical requirements and developing frameworks to further optimize AE's technology systems and applications. This authorization provides for funding of consulting services related to initiatives identified in Phase I:

- Enterprise Cybersecurity – Protecting AE systems and infrastructure against unauthorized access or attack
- Enterprise Architecture and Systems Integration – Focusing on the relationships of core systems and building interfaces to increase efficiency
- Application Rationalization and Legacy Retirement – Reducing the number of redundant applications/systems and retiring those that reach end-of-life
- Technology Lifecycle Management and Modernization – Upgrading applications/systems as new functionality becomes available and needed
- Smart Grid Evolution – Advancing the ability of the electric grid to gather and act on information
- Enterprise Data Management and Business Intelligence – Developing a structured framework for data availability and analytics
- Customer Tools and Engagement – Building tools and communications to aid the external customer in doing business with AE
- Enterprise Work and Asset Management – Managing the optimal use of AE resources including personnel, assets and equipment
- Enterprise Mobility – Enabling the work of field crews whose job requires them to gather and provide information away from the office
- Paperless Environment Strategy – Reducing the use of paper and manual processes in favor of streamlining resources

KEMA Inc. (KEMA) is a U.S. subsidiary within DNV GL, a not-for-profit organization. Headquartered in Burlington, Massachusetts, KEMA is a global provider of expert services across the energy value chain. To address AE's challenge, the firm proposed a diverse team of primary and subcontracting industry experts including top-tier consultants from DNV GL and BRIDGE Energy Group, a leading consulting and systems integration company focused exclusively on the utility industry. The diverse consultant team provided subject-matter expertise in all four focus areas of the utility technology strategy: information technology, operational technology, customer technology and financial systems. KEMA's track record of successful engagements with AE and other utilities, its comprehensive approach for an integrated technology strategy and its knowledge of the importance of a coordinated organizational change management plan solidified AE's confidence in recommending this amendment to the contract. As AE moves into Phase II of this effort, it seeks to maintain continuity and leverage the subject-matter expertise implementing the

technology roadmap initiatives.

The additional authority represents approximately a 143% increase to the original contract amount. In accordance with Senate Bill 7, as adopted by the City of Austin as Resolution No. 040610-02, Austin Energy contracts may be increased in excess of the 25% limit required by Chapter 252 of the Texas Local Government Code.

**CONTRACT SUMMARY**

Action	Description	Amount
Council Authorization - August 7, 2014	Original Authorization	\$1,400,000
Original Contract Award - October 30, 2014	Original Contract	\$1,370,434*
Amendment No. 1 - February 25, 2015	Scope modification	\$ 0
Amendment No. 2 - April 2, 2015	Scope modification	\$ 29,500
Amendment No. 3 - May 27, 2015	Update presentation and report requirements	\$ 0
Amendment No. 4 - July 28, 2015	Enterprise architecture review	\$ 57,400
Proposed Amendment No. 5	Add requirements for Phase II implementation	\$2,000,000
	Revised Total Contract Authorization	\$3,457,334

\* Council authorization amount was \$1,400,000, but the original contract award amount was \$1,370,434.