

A G E N D A



Recommendation for Council Action (Purchasing)

Austin City Council	Item ID:	51923	Agenda Number	55.
Meeting Date:	November 19, 2015			
Department:	Purchasing			
Subject				
Authorize negotiation and execution of a contract with OXFORD ADVISORS, LLC for independent consumer advocate services for residential and small commercial electric utility customers, in an amount not to exceed \$200,000.				
Amount and Source of Funding				
Funding is available in the Fiscal Year 2015-2016 Operating Budget of Austin Energy.				
Fiscal Note				
There is no unanticipated fiscal impact. A fiscal note is not required.				
Purchasing Language:	Best evaluated proposal.			
Prior Council Action:				
For More Information:	Leslie Giannattasio, Senior Buyer, 512-322-6583			
Boards and Commission Action:	November 16, 2015 - To be reviewed by the Electric Utility Commission.			
Related Items:				
MBE / WBE:	This contract will be awarded in compliance with City Code Chapter 2-C 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				

Austin Energy requests authority to engage an Independent Consumer Advocate to represent the interests of residential and small commercial electric utility customers during the upcoming cost of service study and rate review. Council adopted Ordinance No. 20120607-055 requiring Austin Energy to review its rates and underlying cost structures at least once every five years. Additionally, the ordinance requires the City of Austin to hire a consumer advocate to represent the interests of residential and small commercial customers. In 2014, Council adopted Resolution No. 20141120-099 which further clarified the role the Independent Consumer Advocate should play in future rate proceedings.

The Independent Consumer Advocate will analyze Austin Energy's costs of service study and rate design to ensure the interests of these traditionally underrepresented groups of customers are considered throughout the review process. During both the technical and public hearings, the Independent Consumer Advocate will advocate for rate-related policies and positions he or she determines to be the most advantageous to a substantial number of residential and small commercial customers.

The Independent Consumer Advocate will work in two distinct phases. In Phase I, the Independent Consumer Advocate will:

- Review City policies, resolutions, and ordinances related to Austin Energy and its operations;
- Review Austin Energy's revenue requirement, cost of service study, and proposed rate changes, and identify issues that impact its residential and small commercial customers (including houses of worship);
- Meet with members of the community, members of Council, City management, and staff as needed to gather information and form an expert opinion; and
- Brief the Electric Utility Commission on key rate-related issues affecting residential and small commercial customers.

During Phase II, the Independent Consumer Advocate will:

- Analyze Austin Energy's final rate recommendations and underlying studies to assess the potential impact on residential and small commercial customers;
- Develop written arguments and evidence in order to advocate for the interests of residential and small commercial customers in the formal review process; and
- Participate actively in rate review hearings before Council and the Impartial Hearing Examiner.

Throughout the entire review process, the Independent Consumer Advocate will determine and advocate for a rate review outcome that benefits a substantial number of residential and small commercial customers, including houses of worship. The Independent Consumer Advocate's recommendations will provide Council with objective and independent advice that will help synthesize the impacts Austin Energy's recommendations may have on these customers. The Independent Consumer Advocate will speak with an expert voice on behalf of these traditionally underrepresented customer groups throughout the review process.

An evaluation team with expertise in this area evaluated the responses and rated this response as the best to provide these services. The proposal evaluation team consisted of a diverse group of City employees with an array of professional backgrounds. Evaluation criteria used to evaluate the proposals included solutions, demonstrated applicable experience, personnel qualifications, evidence of good organization and management practices, total evaluated cost, and local business presence.

Austin Energy anticipates engaging the Independent Consumer Advocate by December 1, 2015. Phase I work is expected to run from December 7, 2015 through December 31, 2015. Phase II is expected to run from January 1 to July 31, 2016.

MBE/WBE solicited: 62/40

MBE/WBE bid: 0/0

PRICE ANALYSIS

- a. Adequate competition.
- b. 985 notices were sent including 62 MBEs and 40 WBEs. Two proposals were received with no response from the MBEs/WBEs. Multiple notices may be sent to the same vendor, e.g. one vendor may have multiple email addresses/fax numbers.

APPROVAL JUSTIFICATION

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