

**AGENDA**



**Recommendation for Council Action**

Austin City Council	<b>Item ID</b>	54122	<b>Agenda Number</b>	5.
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<b>Meeting Date:</b>	1/28/2016	<b>Department:</b>	Austin Energy
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**Subject**

Authorize recurring exempted sole source procurements (postage, electronic subscriptions and professional dues and memberships) under Texas Local Government Code 252 for expenditures necessary to conduct routine City business with multiple agencies and vendors in an amount not to exceed \$3,333,000.

**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.

<b>Purchasing Language:</b>	Exempt Purchases – Sole Source
<b>Prior Council Action:</b>	
<b>For More Information:</b>	Jeff Vice, Director, Local Government Issues (512) 322-6087; Mark Dreyfus, VP, Regulatory Affairs and Corporate Communications (512) 322-6544.
<b>Council Committee, Boards and Commission Action:</b>	January 25, 2016 – To be reviewed by the Electric Utility Commission.
<b>Related Items:</b>	
<b>MBE / WBE:</b>	These expenses will be expended in compliance with City Code Chapter 2-9D (Minority-Owned and Women-Owned Business Enterprise Procurement Program). No subcontracting opportunities were identified; therefore, no goals were established.

**Additional Backup Information**

The City routinely enters into transactions that are exempt from State of Texas competitive procurement law. While exempt from competitive procurement law, these routine transactions can exceed the City Manager’s authority when aggregated for an entire fiscal year. Texas Local Government Code 252.022 (a) (7)(A) allows for items that are available from only one source because of patents, copyrights, secret processes, or natural monopolies to be excluded from the competitive procurement process.

In the event that a specific vendor identified below discontinues services or is otherwise not available to provide the required goods and services, the City will attempt to use a similar vendor to fulfill the City’s requirements without returning for additional Council action. For example, should one of the providers of electronic subscription services no longer provide the service, the City will attempt to acquire an alternate provider, subject to the same anticipated expenditure level.

The table below identifies the anticipated vendor or agency and provides a description of the expenditure and

estimated amount to be expended in Fiscal Year 2015-2016.

VENDOR	CATEGORY	DESCRIPTION	AMOUNT
U.S. Postal Service (USPS)	Postage	Austin Energy (AE) requires postage for customer-related mailings including: utility bills (average \$185,000/month), Customer Assistance Program correspondence, line clearance and tree trimming notifications and hearings notifications. Postage is needed for mailings on issues related to meter tampering and theft investigations. AE distributes materials to promote its program offerings and incentives related to energy efficiency, demand response, solar, etc. Postage is used for community event outreach announcements, mandatory compliance and regulatory reports and for real estate matters including utility easements and transmission maintenance notices, and for miscellaneous routine mail as needed.	\$2,770,000
E-Source	Electronic Subscription Service	E-Source is an internationally utilized service that provides unbiased, independent analysis of retail energy markets, services and technologies. Members may receive training, research services, strategic consulting and access to industry experts. The service provides proprietary surveys and databases not available by other means including benchmarking surveys of customers nationwide, survey results from 32,000 US households used for evaluating potential new products and services, and databases with data and information on demand response programs and rate cases.	\$155,000
Large Public Power Council (LPPC)	Professional Dues and Memberships	Created in 1987, LPPC consists of 25 of the nation's largest public power systems, including AE, CPS Energy and LCRA. LPPC provides forums where public power electric utility professionals exchange information and best practices. LPPC has four Task Forces—Governmental Relations, Environmental, Tax and Finance and Energy Regulation—that deal with federal legislation, environmental rules and regulations, tax implications, and electric and energy policy. LPPC hires professional consultants in each of these areas to assist the organization and its individual members. LPPC is extremely valuable in lobbying the Congress and federal agencies on public policies related to the industry.	\$128,000
American Public Power Association (APPA)	Professional Dues and Memberships	APPA is the national trade association for the more than 2,000 public power electric utility members. Created in 1940, the Washington, DC based association's mission is to advance the interests of its members and consumers. APPA provides an array of services to assist Austin Energy in fulfilling its mission to provide clean, affordable and reliable service. APPA provides detailed analyses of federal legislation related to the electric utility industry, and a full array of advocacy, education and information services and programs. APPA's policy positions emphasize the importance of hometown decision making.	\$120,000
Texas Public Power Association (TPPA)	Professional Dues and Memberships	TPPA is the state trade association representing the interests of 72 public power providers located throughout Texas, including Austin Energy, CPS Energy and LCRA. TPPA is a central entity through which members can extend their influence on policy matters affecting the public power industry, especially at the Texas Legislature. TPPA provides forums for the transfer of information, technology and training in the public power arena.	\$75,000
VENDOR	CATEGORY	DESCRIPTION	AMOUNT

M.J. Bradley & Associates— Clean Energy Group (MJB&A and CEG)	Professional Dues and Memberships	MJB&A coordinates national coalitions to advance clean energy policy, protect air and water, reduce methane emissions, and support safe, reliable and cost-effective natural gas service. AE is a member of the CEG, a coalition made up of public and private electric utilities to promote clean energy initiatives. The CEG provides AE with a forum to have influence at the federal level to further the goals of the Resource, Generation and Climate Protection Plan to reduce greenhouse gas (GHG) emissions from power plants to 20 percent of 2005 levels by 2020 and to promote clean energy and energy efficiency. The CEG and its individual electric utilities, including Calpine, Nextera, PG&E, PSEG, Exelon, National Grid, Seattle City Light, SMUD, Entergy, NYPA and LADWP, are vocal advocates of progressive environmental policies and AE benefits from belonging to a coalition that promotes like-minded environmental policies. The CEG also provides its members with technical information and analyses that address federal environmental policies. It provides AE with detailed and technical information to respond to environmental rules and regulations proposed and administered by the EPA including rules and regulations dealing with the Clean Power Plan to reduce GHGs, replacement rules for NOx and SO2 cap and trade programs, ozone and new particulate matter standards, rules for disposal and processing of coal combustion products, wastewater effluent standards at utilities and cooling water intake structure standards among others.	\$85,000
		Total	\$3,333,000