

A G E N D A



Recommendation for Council Action (Purchasing)

Austin City Council	Item ID:	69031	Agenda Number	42.
Meeting Date:	March 23, 2017			
Department:	Purchasing			
Subject				
Authorize negotiation and execution of 10 contracts with 360 ENERGY SAVERS, 1ST CHOICE ENERGY, LLC, MCCULLOUGH HEATING & AIR CONDITIONING, INC., GOOD NEIGHBOR MANAGEMENT, INC., AC & A, INC., CONSERVATION SPECIALISTS OF AUSTIN, LLC, CLIMATE MECHANICAL, INC., VALDEZ REMODELING & WEATHERIZATION INC., KL AUSTIN ROOFING & CONSTRUCTION, and ENERGY GUYS, LLC, to provide weatherization services, with an initial 12-month term in the amount of \$3,800,000, with four 12-month extension options in the amount of \$3,800,000 per extension option, for total contract amounts not to exceed \$19,000,000 divided among the contractors.				
Amount and Source of Funding				
Funding in the amount of \$1,900,000 is available in the Fiscal Year 2016-2017 Operating Budget of Austin Energy. Funding for the remaining six months of the original contract period and extension options is contingent upon available funding in future budgets.				
Fiscal Note				
A fiscal note is not required.				
Purchasing Language:	The Purchasing Office issued a Request for Qualification Statements (RFQS) RMJ0500 REBID for these goods and services on February 6, 2017 and it closed on February 21, 2017 with 13 offers received. The recommended offers are the best evaluated offers submitted by responsible offerors. Additional information on the solicitation is included below the line. Nine of the recommended offerors are the current providers for these goods and services.			
Prior Council Action:				
For More Information:	Raymundo Moncada Jr., Senior Buyer Specialist Corporate, 512-322-6594			
Boards and Commission Action:	March 20, 2017 - To be reviewed by the Electric Utility Commission.			
Related Items:				

MBE / WBE:

This solicitation was reviewed for subcontracting opportunities in accordance with City Code Chapter 2-9C Minority Owned and Women Owned Business Enterprise Procurement Program. For the services required for this solicitation, there were insufficient subcontracting opportunities; therefore, no subcontracting goals were established.

Additional Backup Information

These contracts will provide weatherization services for Austin Energy. Austin Energy's weatherization program provides home energy improvements to customers with low to moderate incomes living in single family homes. The improvements provided under this contract reduce customers' energy costs while creating a more comfortable and safe living environment. Austin Energy performs an initial audit of a home's energy performance to prioritize improvement measures necessary to increase the home's efficiency level. These weatherization services may include: sealing the building structure to address air infiltration; duct repair or replacement; installing attic insulation, solar screens, smoke detectors, carbon monoxide detectors, and high efficiency lighting; tuning up existing air conditioning systems, and through a partnership with Austin Water, installing low-flow shower heads and aerators. Additional measures may be provided through partnerships with and referrals from the Austin Housing Repair Coalition and other non-profit organizations, Texas Gas Service, and the Neighborhood Housing and Community Development Department.

The current contracts expire on April 30, 2017 with a total authorization amount of \$2,800,000 per year and an average spend of approximately \$2,668,000 per year. The increase in requested authorization reflects the amount of unspent weatherization funds carried over from last fiscal year, the addition of three new services air conditioning diagnostic testing, tune-up, and minor repair, and an increase in the number of homes to be weatherized. Austin Energy weatherized 778 homes in Fiscal Year 2015-2016 and anticipates weatherizing up to 1,000 homes per year under the new contracts, contingent on funding in future budgets.

An evaluation team with expertise in this area evaluated the offers and scored all recommended vendors as the best to provide these services based on pass/fail evaluations of minimum requirements including pricing, experience, personnel qualifications, and references.

A complete solicitation package, including a response list, is on file in the City's Purchasing Office and is available on the City's Financial Services Austin Finance Online website. Link: [Solicitation Documents](#)

360 ENERGY SAVERS, 1ST CHOICE ENERGY LLC, McCULLOUGH HEATING & AIR CONDITIONING INC., GOOD NEIGHBOR MANAGEMENT INC., AC & A INC., CONSERVATIONS SPECIALISTS OF AUSTIN LLC, CLIMATE MECHANICAL INC., VALDEZ REMODELING & WEATHERIZATION INC., KL AUSTIN ROOFING & CONSTRUCTION INC. and ENERGY GUYS LLC

	# months	Contract Amount	Contract Amendment	Revised Amount
Original Term	12	\$ 3,800,000	n/a	n/a
Extension Option 1	12	\$ 3,800,000	n/a	n/a
Extension Option 2	12	\$ 3,800,000	n/a	n/a
Extension Option 3	12	\$ 3,800,000	n/a	n/a
Extension Option 4	12	\$ 3,800,000	n/a	n/a
TOTAL	60	\$ 19,000,000	\$ -	\$ -