

## A G E N D A



## Recommendation for Council Action (Purchasing)

|   |  |       |               |     |
|---|--|-------|---------------|-----|
| Austin City Council   | Item ID:   | 70413 | Agenda Number | 24. |
| Meeting Date:   | May 4, 2017  |       |               |     |
| Department:   | Purchasing   |       |               |     |
| Subject   |  |       |               |     |
| Authorize negotiation and execution of a 24-month contract with PRIME CONTROLS, L.P., or one of the other qualified offerors to Request for Proposals MEA0306, to provide installation and upgrades for the control automation systems for Austin Energy's District Cooling Plants, in an estimated amount not to exceed \$1,705,000, with two 12-month extension options in an amount not to exceed \$852,500 per extension option, for a total contract amount not to exceed \$3,410,000. |  |       |               |     |
| Amount and Source of Funding  |  |       |               |     |
| Funding in the amount of \$426,000 is available in the Fiscal Year 2016-2017 Operating Budget of Austin Energy. Funding for the remaining 19 months of the original contract period and extension options are contingent upon available funding in future budgets.  |  |       |               |     |
| Fiscal Note   |  |       |               |     |
| A fiscal note is not required.  |  |       |               |     |
| Purchasing Language:  | The Purchasing Office issued a Request for Proposals (RFP) MEA0306 for these services on November 21, 2016 and it closed on December 20, 2016 with three offers received. The recommended offer is the best evaluated offer submitted by a responsible offeror. Additional information on the solicitation is included below the line. The recommended offeror is the current provider for these services. |       |               |     |
| Prior Council Action:   |  |       |               |     |
| For More Information:   | Maria Andrade, Buyer II, 512-972-9424  |       |               |     |
| Boards and Commission Action:   | April 17, 2017 - Recommended by Electric Utility Commission on a 7-0 vote, with Commissioners Reel and Wray absent and two vacancies.  |       |               |     |
| 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 and an insufficient number of certified M/WBEs; therefore, no subcontracting goals were established.

#### Additional Backup Information

The contract is for control system integration hardware, software, and ancillary services for new installations, upgrades, and corrective maintenance at Austin Energy's district cooling plants. The new installations, modifications, and upgrades using Allen Bradley Programmable Automation Controllers will occur at all district cooling plants and customer sites in order to continue standardization of the control systems to provide consistency in plant operations and user interface.

These industrial grade controls are used to efficiently operate plant equipment and systems. At customer sites, they provide consistent and highly reliable chilled water parameters including temperature and pressure, and function as billing meters.

Austin Energy sites to be served under this contract include the Paul Robbins District Cooling Plant, District Cooling Plant 2, the Domain District Cooling Plant, and the Mueller Energy Center. Austin Energy is designing a third plant on the Crescent Tract in downtown Austin and is in discussion with convention center staff for a fourth plant at the Austin Convention Center. The two new plants will be added to the scope of services under this contract if they are approved and become operational during the contract term.

An Austin Energy evaluation team with expertise in this area evaluated the offer and scored Prime Controls L.P. as the best to provide these services based on technical solution and program, experience and qualifications, and total evaluated cost.

If the contract is not approved, Austin Energy will be unable to add new customers to its chilled water system, restricting the utility's ability to accommodate growth in areas served by its district cooling plants (Downtown, Mueller and Domain); the utility will have difficulty achieving its thermal demand management goal of 20 megawatts (MW) by 2025, approved by Council as part of the Austin Energy Resource, Generation and Climate Protection Plan, without increasing the number of new customers to shift demand; and Austin Energy's ability to update existing plant controls will be limited, thereby introducing operational risks to reliability and efficiency.

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](#)

| <b>PRIME CONTROLS L.P.</b> |                 |                        |                           |                       |
|----------------------------|-----------------|------------------------|---------------------------|-----------------------|
|                            | <b># months</b> | <b>Contract Amount</b> | <b>Contract Amendment</b> | <b>Revised Amount</b> |
| Original Term              | 24              | \$ 1,705,000           | n/a                       | n/a                   |
| Extension Option 1         | 12              | \$ 852,500             | n/a                       | n/a                   |
| Extension Option 2         | 12              | \$ 852,500             | n/a                       | n/a                   |
| <b>TOTAL</b>               | <b>48</b>       | <b>\$ 3,410,000</b>    | <b>\$ -</b>               | <b>\$ -</b>           |