# Recommendation for Council Action (Purchasing)

**Austin City Council**  
Item ID: 69143  
Agenda Number: 26.

**Meeting Date:** May 4, 2017  
**Department:** Purchasing

## Subject

Authorize negotiation and execution of a 12-month contract with BERMEX, INC., or one of the other qualified offerors to Request For Proposals RMJ0310, to provide manual meter reading services for electric and water utility meters, in an amount of $3,500,000, with four 12-month extension options in an amount of $3,500,000 per extension option, for a total contract amount not to exceed $17,500,000.

## Amount and Source of Funding

Funding in the amount of $3,088,110 is available in the Fiscal Year 2016-2017 Operating Budget of Austin Energy. Funding for the remaining five 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) RMJ0310 for these goods and services on October 24, 2016, and it closed on December 6, 2016, with four offers received. The recommended offer best satisfies scope requirements and is submitted by a responsible offeror. Additional information on the solicitation is included below the line. The recommended offeror is not the current provider for these goods and services.

## Prior Council Action:

Board and Commission Action:

March 20, 2017 - Recommended by the Electric Utility Commission on a 6-0 vote, with Chair Hadden and Commissioner Biedrzycki absent, and with three vacancies.  
April 12, 2017 - The Water and Wastewater Commission could not review due to a lack of quorum.

## 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 goods and services required for this solicitation, there were insufficient
subcontracting opportunities and no availability of M/WBEs; therefore, no subcontracting goals were established.

The contract will provide manual meter reading services for water and electric utility meters, as well as other meter related activities. The contractor will be responsible for providing billing reads for water and select electric meters; the delivery of disconnection notices and select City event notifications; and read-verification services on an ongoing, daily basis. The solution comprises all of the software, hardware, labor, vehicles, and related equipment necessary for meter reading and related activities.

The current contract for meter reading and related services includes a four-month holdover, which extends its expiration date to September 3, 2017. This will allow for a thorough evaluation process during the transition and create sufficient time for the recommended contractor to install and calibrate their solution for accuracy. There are sufficient funds existing on the current contract to continue operations through the vendor transition.

An evaluation team comprised of utility subject matter experts from Austin Energy and Austin Water with expertise in this area evaluated the offers and scored Bermex, Inc. as the best to provide these services based on technical concept, price, experience, and local business presence.

This request allows for the development of a contract with a qualified offeror selected by Council. If the City is unsuccessful in negotiating a satisfactory contract with the selected offeror, negotiations will cease with that provider and staff will return to Council so that another qualified offeror may be selected, authorizing contract negotiations with the new provider.

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

<table>
<thead>
<tr>
<th>BERMEX INC.</th>
<th># months</th>
<th>Contract Amount</th>
<th>Contract Amendment</th>
<th>Revised Amount</th>
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<tr>
<td>Original Term</td>
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<td>Extension Option 1</td>
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<td><strong>TOTAL</strong></td>
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<td><strong>$17,500,000</strong></td>
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