

Posting Language

Authorize negotiation and execution of a power purchase agreement for up to 20 years with Gulf Wind 2 LLC, a Pattern Development subsidiary, for up to 170 megawatts of electricity from a utility-scale wind-generation facility, in an estimated amount of \$12,000,000 per year, for a total estimated amount of \$240,000,000.

Lead Department

Austin Energy

Fiscal Note

Funding will be provided through Power Supply Adjustment and Green Choice revenue.

Prior Council Action:

Click or tap here to enter text.

For More Information:

Jeff Vice, Director, Local Government Issues (512) 322-6087; Erika Bierschbach, Director, Energy and Market Operations (512) 322-6476.

Council Committee, Boards and Commission Action:

February 26, 2019 – Recommended unanimously by the Resource Management Commission on a 7-0 vote, with Commissioner White absent and three vacancies.

March 11, 2019 – To be reviewed by the Electric Utility Commission.

Additional Backup Information:

On May 4, 2018, Austin Energy issued a Request for Proposals (RFP) for renewable capacity and energy. Offers resulting from the solicitation provided Austin Energy with competitively priced renewable energy and environmental attributes, and the opportunity to continue progress toward its renewable energy acquisition goal. The renewable purchase recommended in this action, with existing renewable energy commitments, is projected to result in Austin Energy reaching approximately 56% renewable energy after the project begins commercial operation in 2020 (for calendar year 2021), and will increase the utility's purchase portfolio to 1,595 megawatts (MW) of installed utility-scale wind capacity.

On August 17, 2017, the Austin City Council approved the Austin Energy Resource, Generation and Climate Protection Plan to 2027 which updated the strategic energy policy for Austin Energy. The updated plan includes a goal of achieving an overall renewable energy portfolio of approximately 65% of Austin Energy's generating fleet by 2027.

This utility-scale contract will provide for the purchase of up to 170 MW of wind power from a project to be constructed in the Electric Reliability Council of Texas (ERCOT) South Zone. The agreement will not require Austin Energy to invest any funds in the construction, operation, or maintenance of the project. The agreement will provide for a non-escalating fixed price per megawatt-hour (MWh) of energy that allows Austin Energy to realize the pricing benefit due to the federal production tax credit (PTC) available to wind developers which is set to begin declining for projects that begin commercial operation after 2020. The quantity of production will vary in accordance with the actual wind availability at any given time. The agreement is projected to have a beneficial impact on the Power Supply Adjustment given current market prices and projected future price expectations.

RECOMMENDATION FOR COUNCIL ACTION**City Council Meeting Date:**

3/28/2019

Posting Language

Approve issuance of a rebate to Arbor Properties, for performing energy efficiency improvements at the Metropolis Apartments located at 2200 S. Pleasant Valley Rd., in an amount not to exceed \$152,409. (District 3)

Lead Department

Austin Energy

Fiscal Note

Funding is available in the Fiscal Year 2018-2019 Operating Budget of Austin Energy.

For More Information:

Jeff Vice, Director, Local Government Relations (512) 322-6087; Denise Kuehn, Director, Energy Efficiency Services (512) 322-6138.

Council Committee, Boards and Commission Action:

March 11, 2019 – To be reviewed by the Electric Utility Commission. March 19, 2019 – To be reviewed by the Resource Management Commission.

Additional Backup Information:

Austin Energy requests authorization to issue a rebate to Arbor Properties, in an amount not to exceed \$152,409, for energy efficiency measures at the Metropolis Apartments, located at 2200 S. Pleasant Valley Rd. in Council District 3. This property consists of 308 apartment units as documented in ApartmentTrends.com. The average rent for a one-bedroom unit is \$929, a two-bedroom unit is \$1,189, and a three-bedroom unit is \$1,364.

The efficiency measures to be implemented at the Metropolis Apartments include solar screens and duct remediation. The estimated total cost of the project is \$152,409 and the rebate will cover 100% of the total cost. This property is listed in the 2018 Austin Tenants Council “Guide to Affordable Housing in the Greater Austin Area.” This rebate is funded by Austin Energy’s Multifamily Weatherization Assistance Program. While similar to the standard Multifamily Rebate Program, the rebates are larger for low income housing and are customized for each measure, based on historical savings and cost data.

These improvements are in accordance with Austin Energy’s Multifamily Weatherization Assistance Rebate Program guidelines and the Energy Conservation Audit and Disclosure (ECAD) Ordinance. The rebate program is one element of the comprehensive Austin Energy Resource, Generation and Climate Protection Plan to realize 900 megawatts (MW) of energy efficiency and demand response by 2025. It is designed to support energy conservation, reduce peak demand, and the need to purchase additional generation.

The avoided kilowatt-hours (kWh), estimated at 345,384 kWh per year, represent a major benefit to the local environment. This project is estimated to prevent the production of the following air emissions annually: 185 metric tons of Carbon Dioxide (CO₂), 0.1 metric tons of Nitrogen Oxides (NO_x), and 0.2 metric ton of Sulfur Dioxide (SO₂). The project savings is equivalent to an estimated 415,188 vehicle miles traveled, the removal of 35 cars from our roadways, or the planting of 4,751 trees or 238 acres of forest in Austin’s parks.



MULTIFAMILY REBATE FACT SHEET

Metropolis Apartments

Property Name	Metropolis Apartments				
Customer Name	Arbor Properties				
Property Address	2200 S Pleasant Valley Rd				
Year Built	1973				
Average Rent per Floor Plan	1 BR \$929; 2 BR \$1189; 3 BR \$1364; 4 BR \$1699; 5 BR \$1899				
Number of Rentable Units ¹	308				
Housing Type	Income Level A, B, C, D. Income Restricted Units, TCHFC Bond Program				
Water Heater Type	Gas				
Electric Utilization Intensity (EUI)	9.38				
Average Electric Utilization Intensity for cohort ²	8.24 kWh/sq ft for properties built before 1985 with gas heat				
Total Project Costs	\$152,409				
Total Rebate – Not to Exceed	\$152,409				
% of Total Construction Costs	100%				
Rebate per Unit	\$494.84				
Note(s)					
Perform duct and plenum remediation on 308 furred down air handlers with gas heat. Install 13,513 square feet of solar screens to non-north oriented and non-shaded windows.					
Estimated Annual Savings at 100% Occupancy					
Kilowatt (kW) Saved	292.16 kW				
Kilowatt-hours (kWh)	345,384				
\$/kW	\$632 / kW				
Monthly Savings Per Customer ³	\$8.80				
Scope of Work ⁴					
Measure	Rebate Amount	kW Saved (Estimated)	kWh Saved (Estimated)	\$/kW	Average Annual Dollar Savings Per Customer
Duct Remediation	\$111,379	224.61	219,103	\$496	\$66.86
Solar Screens	\$41,030	67.55	126,281	\$607	\$38.53
Total	\$152,409	292.16	345,384		\$105.39
Measures Performed in last 10 years at this property		Completion Date	Rebate Amount		
None		N/A	N/A		

¹ Source: ApartmentTrends.com (<https://www.apartmenttrends.com/>)

² Cohort Type is determined by the year the property is built and the heating type (either gas or electric)

³ Calculation based on 10 cents per kWh

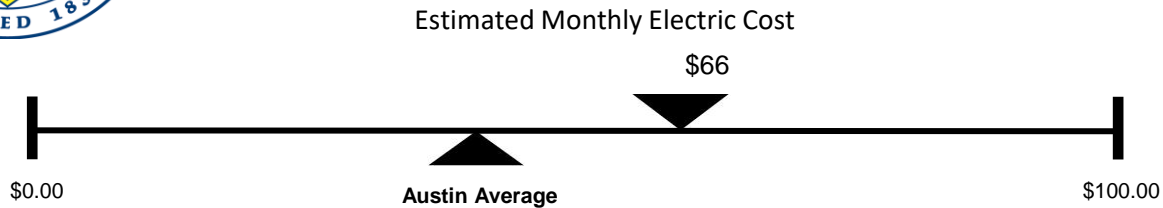
⁴ Energy (kWh) and dollars saved per project varies by size of project and type of heating. Projects with electric heat generally have higher savings than projects with gas heat.



Austin City Code Chapter 6-7, Energy Conservation

ENERGY GUIDE FOR PROSPECTIVE TENANTS

2018



THIS PROPERTY

The graph above represents the range of electric costs for Austin properties of a similar type to this one.

This property is:

- **Heating/Cooling:** Gas & Electric
- **Year Built:** Before 1985
- **Average apt size (sqft):** 870

Cost Information:

- Is based on this facility's average size apartment,
- Based on a cost of \$0.10 per kWh, and
- Is updated annually.

ESTIMATED MONTHLY ELECTRIC USE 659 kWh

For details, visit the web site

austinenergy.com/go/ECAD,

Call (512) 482-5278 or see QR Code:



YOUR BILL

Your actual bill will depend on many factors:

- Weather (bills are higher in extreme heat or cold – especially if electric heat is used),
- Thermostat settings,
- Number of occupants,
- Lifestyle habits,
- Size and location of unit (upper floors and south and west facing units are generally warmer),
- Energy efficiency measures in place, and
- Age and type of heating/cooling equipment.

ENERGY AUDIT RESULTS FOR THIS PROPERTY:

2200 S Pleasant Valley Austin, TX 78741

STREET ADDRESS

ENERGY EFFICIENCY MEASURES EVALUATED

AUSTIN ENERGY RECOMMENDS (AVERAGED)

AUDIT RESULTS (AVERAGED)

Air Duct System	Less Than 15%	31 %
Attic or Roof	Between R22-R30	N/A
Solar Screens or Window Film	On all East, South, and West Windows	Needed

"Average" values are calculated from results obtained from multiple buildings and systems.

CONSTRUCTION YEAR: 1973 ENERGY UTILITIES: Gas and Electric ENERGY AUDIT CONDUCTED BY: 1st Choice Energy

NUMBER OF UNITS: 306 DATE OF ENERGY AUDIT: 02/17/11 DATE OF DISCLOSURE NOTICE: 3/22/2018

I acknowledge that I have been given the opportunity to review the results of this multi-family property's Energy audit conducted in accordance with Austin City Code, Chapter 6-7.

Signature/Date

Owner's Representative

Signature/Date

286710

RECOMMENDATION FOR COUNCIL ACTION**City Council Meeting Date:**

03/28/2019

Posting Language

Approve issuance of a rebate to THE WATERS AT BLUFF SPRINGS LLC, for performing energy efficiency improvements at Waters at Bluff Springs located at 7707 S IH 35 SVRD NB, in an amount not to exceed \$187,829. (District 2)

Lead Department

Austin Energy

Fiscal Note

Funding is available in the Fiscal Year 2019 Operating Budget of Austin Energy. A fiscal note is not required.

Prior Council Action:

N/A

For More Information:

Jeff Vice, Director, Local Government Relations (512) 322-6087; Denise Kuehn, Director, Energy Efficiency Services (512) 322-6138.

Council Committee, Boards and Commission Action:

March 11, 2019 – To be reviewed by the Electric Utility Commission. March 19th, 2019 - To be reviewed by the Resource Management Commission.

Additional Backup Information:

Austin Energy requests authorization to issue a rebate to THE WATERS AT BLUFF SPRINGS LLC, in an amount not to exceed \$187,829, for energy efficiency measures at Waters at Bluff Springs located at 7707 S IH 35 SVRD NB, in Council District 2. This property consists of 300 apartment units as documented in ApartmentTrends.com. The average rent for a one-bedroom unit is \$869, a two-bedroom unit is \$1068, and a three-bedroom unit is \$1419. This property is recognized by the IRS as a 501(c)(3) not-for-profit provider of low-income housing.

The efficiency measures proposed to be implemented at Waters at Bluff Springs include: Lighting, solar screens, and duct remediation. The estimated total cost of the project is \$187,829. The rebate will cover 100% of the total cost. This rebate is funded by Austin Energy's Multifamily Weatherization Assistance Program. While similar to the standard Multifamily Rebate Program, the rebates are larger for low income housing and are customized for each measure, based on historical savings and cost data.

These improvements are in accordance with Austin Energy's Multifamily Weatherization Assistance Rebate Program guidelines and the Energy Conservation Audit and Disclosure (ECAD) Ordinance. The rebate program is one element of the comprehensive Austin Energy Resource, Generation and Climate Protection Plan to realize 900 MW of energy efficiency and demand response by 2025. It is designed to support energy conservation, reduce peak demand, and the need to purchase additional generation.

The avoided kilowatt-hours (kWh), estimated at 709,610 kWh per year, represent a major benefit to the local environment. This project is estimated to prevent the production of the following air emissions annually: 380 metric tons of Carbon Dioxide (CO₂), 0.2 metric tons of Nitrogen Oxides (NO_x), and 0.4 metric ton of Sulfur Dioxide

(SO2). The project savings is equivalent to an estimated 853,025 vehicle miles traveled, the removal of 73 cars from our roadways, or the planting of 9,760 trees or 488 acres of forest in Austin's parks.



MULTIFAMILY REBATE FACT SHEET

Waters at Bluff Springs

Property Name	Waters at Bluff Springs				
Customer Name	THE WATERS AT BLUFF SPRINGS LLC				
Property Address	7707 S. IH 35				
Year Built	2002				
Average Rent per Floor Plan	1BR \$869; 2BR \$1068; 3BR \$1419				
Number of Rentable Units ¹	300				
Housing Type ²	501(c)3, not-for-profit provider of low-income housing				
Water Heater Type	Electric				
Electric Utilization Intensity (EUI)	15.42				
Average Electric Utilization Intensity for cohort ³	8.89 kWh/sq ft				
Total Project Costs	\$187,829				
Total Rebate – Not to Exceed	\$187,829				
% of Total Construction Costs	100%				
Rebate per Unit	\$626.10				
Note(s)					
Perform Duct and Plenum Remediation on 300 Furred Down Air Handlers with Electric Heat. Replace 4152 60-Watt incandescent lamps with a like number of 9-Watt LED lamps. Install 20,504 square feet of Solar Screens on qualifying windows.					
Project Estimated Annual Savings at 100% Occupancy					
Kilowatt (kW) Saved	354 kW				
Kilowatt-hours (kWh)	709,610 kWh				
\$/kW	\$641/kW				
Monthly Savings Per Customer ⁴	\$18				
Scope of Work ⁵					
Measure	Rebate Amount	kW Saved (Estimated)	kWh Saved (Estimated)	\$/kW	Average Annual Dollar Savings Per Customer
Duct Remediation	\$123,073	248	500,389	\$496	\$157
Solar Screens	\$52,051	86	64,575	\$607	\$20
Lighting	\$12,705	20	144,645	\$620	\$45
Total	\$187,829	354 kW	709,610 kWh		\$222
Measures Performed in last 10 years at this property	Completion Date		Rebate Amount		
None	N/A		N/A		

¹ Source: ApartmentTrends.com (<https://www.apartmenttrends.com/>)

² Per IRS tax documentation for 501(c)3 not-for-profit entities

³ Cohort Type is determined by the year the property is built and the heating type (either gas or electric).

⁴ Calculation based on 10 cents per kWh

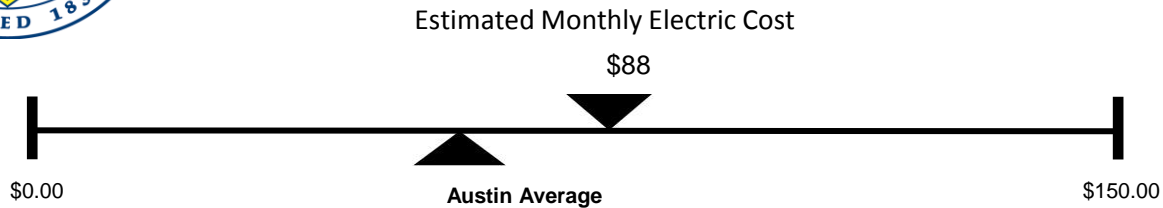
⁵ Energy (kWh) and dollars saved per project varies by the size of the project and the type of heating. Projects with electric heat generally have higher savings than projects with gas heat.



Austin City Code Chapter 6-7, Energy Conservation

ENERGY GUIDE FOR PROSPECTIVE TENANTS

2018



THIS PROPERTY

The graph above represents the range of electric costs for Austin properties of a similar type to this one.

This property is:

- **Heating/Cooling:** All Electric
- **Year Built:** After 2001
- **Average apt size (sqft):** 667

Cost Information:

- Is based on this facility's average size apartment,
- Based on a cost of \$0.10 per kWh, and
- Is updated annually.

ESTIMATED MONTHLY ELECTRIC USE 880 kWh

For details, visit the web site
austinenergy.com/go/ECAD,
Call 482-5278 or see QR Code:



YOUR BILL

Your actual bill will depend on many factors:

- Weather (bills are higher in extreme heat or cold – especially if electric heat is used),
- Thermostat settings,
- Number of occupants,
- Lifestyle habits,
- Size and location of unit (upper floors and south and west facing units are generally warmer),
- Energy efficiency measures in place, and
- Age and type of heating/cooling equipment.

ENERGY AUDIT RESULTS FOR THIS PROPERTY:

7707 S INTERSTATE HWY 35 Austin, TX 78744

STREET ADDRESS

ENERGY EFFICIENCY MEASURES EVALUATED

AUSTIN ENERGY RECOMMENDS (AVERAGED)

AUDIT RESULTS (AVERAGED)

Air Duct System	Less Than 15%	39.26 %
Attic or Roof	Between R22-R30	R - 22
Solar Screens or Window Film	On all East, South, and West Windows	Needed

"Average" values are calculated from results obtained from multiple buildings and systems.

CONSTRUCTION YEAR: 2001 ENERGY UTILITIES: Electric ENERGY AUDIT CONDUCTED BY: 1st Choice Energy
NUMBER OF UNITS: 300 DATE OF ENERGY AUDIT: 05/18/17 DATE OF DISCLOSURE NOTICE: 11/20/2018

I acknowledge that I have been given the opportunity to review the results of this multi-family property's Energy audit conducted in accordance with Austin City Code, Chapter 6-7.

Signature/Date

Owner's Representative

Signature/Date

533183

Item 19-1290**Posting Language**

Authorize negotiation and execution of a multi-term contract with CLEAResult Consulting Inc., to provide commercial and industrial demand response services, for up to five years for a total contract amount not to exceed \$1,750,000.

(Note: 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 no subcontracting opportunities; therefore, no subcontracting goals were established).

Lead Department

Purchasing Office.

Client Department(s)

Austin Energy.

Fiscal Note

Funding in the amount of \$204,166 is available in the Fiscal Year 2018-2019 Operating Budget of Austin Energy. Funding for the remaining contract term is contingent upon available funding in future budgets.

Purchasing Language:

The Purchasing Office issued a Request for Proposals (RFP) 1100 SMB3002 for these services. The solicitation was issued on May 14, 2018 and it closed on June 21, 2018. Of the three offers received, the recommended contractor submitted the best evaluated responsive offer. A complete solicitation package, including a log of offers received, is available for viewing on the City's Financial Services website, Austin Finance Online. Link: [Solicitation Documents](#).

Prior Council Action:**For More Information:**

Inquiries should be directed to the City Manager's Agenda Office, at 512-974-2991 or AgendaOffice@austintexas.gov

NOTE: Respondents to this solicitation, and their representatives, shall continue to direct inquiries to the solicitation's Authorized Contact Persons: Liz Lock, at 512-322-6251 or Liz.Lock@austinenergy.com or Terry Nicholson, at 512-322-6586 or Terry.Nicholson@austinenergy.com.

Council Committee, Boards and Commission Action:

February 19, 2019 – To be reviewed by the Resource Management Commission

March 11, 2019 - To be reviewed by the Electric Utility Commission.

Additional Backup Information:

The contract will provide expertise and technical services required to operate and expand Austin Energy's Commercial and Industrial Demand Response Program. The expansion will increase participation in the Load Cooperative and Emergency Response Service programs which provide incentives directly to demand-rate customers for curtailing energy use upon request during peak demand periods. This contract supports

identifying and recruiting customers for the program in order to achieve goals. The program contributes to Electric Reliability Council of Texas grid reliability and supports the City's sustainability goals which call for savings through energy efficiency and conservation efforts. The Contractor will work with Austin Energy and its customers to grow the program through marketing, education, participant enrollment, customer system design and installation, event functions, post-event reporting, and maintenance.

Customers who participate in the Load Cooperative program agree to curtail energy use during peak demand periods in the months of June through September upon notification from Austin Energy. Customers perform load curtailment through their preferred strategies and after each event Austin Energy remotely reads the customer's meter to determine incentive payments based on performance. In 2018 over 500 customers participated in the Commercial and Industrial Demand Response Program which contributed approximately 32 megawatts (MW) towards Austin Energy's demand side management goal of 50 MW. By the end of the new contract term Austin Energy aims to service between 750 and 1,000 customers in the program. Increased participation and demand response event performance lowers costs to all customers and increases incentives paid to participating customers.

The previous contract expired October 31, 2018. The estimated amount for a new contract was determined using departmental estimates based on historical spend. The recommended contractor is the previous provider for these services.

An evaluation team with expertise in this area evaluated the offers and scored CLEAResult Consulting Inc. as the best to provide these services based on concept and solution, prior experience and personnel, cost, local business presence, and service-disabled veteran enterprise.

Contract Detail:

<u>Contract Term</u>	<u>Length of Term</u>	<u>Contract Authorization</u>
Initial Term	1 yr.	\$ 350,000
Optional Extension 1	1 yr.	\$ 350,000
Optional Extension 2	1 yr.	\$ 350,000
Optional Extension 3	1 yr.	\$ 350,000
Optional Extension 4	1 yr.	\$ 350,000
TOTAL	5 yrs.	\$1,750,000

Note: Contract Authorization amounts are based on the City's estimated annual usage.

Item 19-1287**Posting Language**

Approve ratification of a contract amendment with ABB Inc., to replace obsolete equipment at Fiesta Substation, for an increase in the amount of \$26,120, for a revised total contract amount not to exceed \$792,240.

(Note: This contract is exempt from the City Code Chapter 2-9C Minority Owned and Women Owned Business Enterprise Procurement Program; therefore, no subcontracting goals were established).

Lead Department

Purchasing Office.

Client Department(s)

Austin Energy.

Fiscal Note

Funding in the amount of \$26,120 is available in the Fiscal Year 2018-2019 Capital Budget of Austin Energy.

Purchasing Language:

Ratification.

Prior Council Action:

June 15, 2017 – Council approved the original contract, item 37, on an 11-0 vote.

For More Information:

Inquiries should be directed to the City Manager's Agenda Office, at 512-974-2991 or AgendaOffice@austintexas.gov or to Sandy Brandt, at 512-322-6594 or Sandy.Brandt@austinenergy.com.

Council Committee, Boards and Commission Action:

March 11, 2019 – To be reviewed by the Electric Utility Commission.

Additional Backup Information:

The ratification amendment is necessary to complete the final phase of an upgrade project for the Fiesta Substation. In 2015, Austin Energy System Operations lost supervisory control of the substation's gas-insulated switchgear (GIS) breakers. To regain safe and reliable control of substation operations, Austin Energy and ABB Inc. engineers made temporary corrections. In 2017, Council approved the contract with the contractor to upgrade the GIS control system. After the contract was executed, Austin Energy discovered that additional engineering analysis of the relays was needed, and additional funding was needed for the project. Because the amount exceeds City Manager's authority, Council approval is required.

Austin Energy is using internal engineering and technical labor; however, the contractor is needed to provide proprietary knowledge of the interface and equipment. ABB Inc. is the sole manufacturer and provider of these services and equipment. The work is scheduled to be completed in April 2019.

Posting Language

Approve ratification of a contract amendment with Johnson Controls Inc., for chiller maintenance, in the amount of \$32,457, for a revised total contract amount not to exceed \$2,736,952.

(Note: This contract was awarded in compliance with City Code Chapter 2-9C of the Minority Owned and Women Owned Business Enterprise Procurement Program. No subcontracting opportunities were identified; therefore no goals were established for this contract).

Lead Department

Purchasing Office.

Client Department(s)

Austin Energy.

Fiscal Note

Funding is available in the Fiscal Year 2018-2019 Operating Budget of Austin Energy.

Purchasing Language:

Ratification.

Prior Council Action:

June 27, 2013 – Council approved the original contract, item 53, on a 7-0 vote.

For More Information:

Inquiries should be directed to the City Manager's Agenda Office, at 512-974-2991 or AgendaOffice@austintexas.gov or to Terry V. Nicholson, at 512-322-6586 or Terry.Nicholson@austinenergy.com.

Council Committee, Boards and Commission Action:

March 11, 2019 – To be reviewed by the Electric Utility Commission.

Additional Backup Information:

The contract is for preventative and corrective maintenance, improvements and upgrades on 17 Austin Energy chillers located at the Paul Robbins District Cooling Plant, District Cooling Plant 2, and the Domain District Cooling Plant. Funds were not properly encumbered against the spending authority prior to the work being performed in November 2017, and upon receipt of the invoice eight months later, all spending authority on the contract was exhausted.

This amendment will increase the contract authorization and allow Austin Energy to pay the outstanding invoice. Austin Energy has implemented steps to ensure this does not happen in the future.

Posting Language

Authorize an amendment to an existing contract with GCA Services Group Mountain States LP, to provide continued janitorial services, for an increase in the amount of \$818,000, for a revised total contract amount not to exceed \$2,453,932.

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

Lead Department

Purchasing Office.

Client Department(s)

Austin Energy.

Fiscal Note

Funding in the amount of \$205,000 is available in the Fiscal Year 2018-2019 Operating Budget of Austin Energy. Funding for the remaining contract term is contingent upon available funding in future budgets.

Purchasing Language:

Contract Amendment.

Prior Council Action:

June 15, 2017 – Council approved the terms of item 34, however amended to only authorize funds for the initial term on a 10-0 vote.

For More Information:

Inquiries should be directed to the City Manager's Agenda Office, at 512-974-2991 or AgendaOffice@austintexas.gov or to Julia Finn, at 512-322-6060 or Julia.Finn@austinenergy.com.

Council Committee, Boards and Commission Action:

March 11, 2019 - To be reviewed by the Electric Utility Commission.

Additional Backup Information:

On June 15, 2017, Council approved a contract with an initial two year term and three, one year extension options for janitorial services. However, Council amended the authorization to only fund the initial two year term in order to examine policy related to contracting versus hiring for services before approving additional funding.

The proposed amendment is for funding authorization for one of the three, one year extension options. The initial term expires July 5, 2019.

Contract Detail:

<u>Contract Term</u>	<u>Length of Term</u>	<u>Current Contract Authorization</u>	<u>Requested Additional Authorization</u>	<u>Revised Total Authorization</u>
Initial Term	2 yrs.	\$1,635,932		\$1,635,932
Proposed Amendment	1 yr.		\$818,000	\$ 818,000
TOTALS	3 yrs.	\$1,635,932	\$818,000	\$2,453,932

Note: Contract Authorization amounts are based on the City's estimated annual usage.

Posting Language

Authorize award of four multi-term contracts with Apfelbaum Industrial Inc., Techline, Inc., TelExpress, and Consolidated Electrical Distributors Inc., to provide electrical maintenance supplies, each for up to five years for total contract amounts not to exceed \$1,000,000 divided among the contractors.

(Note: This solicitation was reviewed for subcontracting opportunities in accordance with City Code Chapter 2-9D of the Minority Owned and Women Owned Business Enterprise Procurement Program. For the goods required for this solicitation, there were no subcontracting opportunities; therefore, no subcontracting goals were established).

Lead Department

Purchasing Office.

Client Department(s)

Austin Energy.

Fiscal Note

Funding in the amount of \$100,000 is available in the Fiscal Year 2018-2019 Operating Budget of Austin Energy. Funding for the remaining contract terms are contingent upon available funding in future budgets.

Purchasing Language:

The Purchasing Office issued an Invitation for Bids (IFB) 1100 JMF1000 for these goods. The solicitation issued on December 10, 2018 and it closed on January 8, 2019. Of the five offers received, the recommended contractors submitted the lowest responsive offers. A complete solicitation package, including a tabulation of the bids received, is available for viewing on the City's Financial Services website, Austin Finance Online.

Link: [Solicitation Documents](#).

Prior Council Action:**For More Information:**

Inquiries should be directed to the City Manager's Agenda Office, at 512-974-2991 or AgendaOffice@austintexas.gov

NOTE: Respondents to this solicitation, and their representatives, shall continue to direct inquiries to the solicitation's Authorized Contact Person: Julia Finn, at 512-322-6060 or Julia.Finn@austinenergy.com.

Council Committee, Boards and Commission Action:

March 11, 2019 - To be reviewed by the Electric Utility Commission.

Additional Backup Information:

These contracts are for the purchase of electrical maintenance supplies and includes items used to build and maintain substations, install transformer vaults, and splice cables. The contracts will be used to replenish stock at Austin Energy's Kramer and St. Elmo warehouses for issuance to field crews as required.

The annual spend for the existing contracts has been approximately \$167,000. The contracts represent

consolidation of seven contracts and include 26 items that were not previously on contract.

Contract Detail:

<u>Contract Term</u>	<u>Length of Term</u>	<u>Contract Authorization</u>
Initial Term	3 yrs.	\$ 600,000
Optional Extension 1	1 yr.	\$ 200,000
Optional Extension 2	1 yr.	\$ 200,000
TOTAL	5 yrs.	\$1,000,000

Note: Contract Authorization amounts are based on the City's estimated annual usage.



City of Austin

Item 10

301 W. Second Street
Austin, TX

Recommendation for Action

File #: 19-1409, **Agenda Item #:** 15.

3/28/2019

Posting Language

Authorize negotiation and execution of an 84-month lease with Field Realty Partners, Ltd., a Texas limited partnership, for approximately 6,240 square feet for a City of Austin Utilities regional customer service center at the Towne Square Shopping Center, Suite 100, located at 1901 West William Cannon Dr., with one seven-year extension option in an amount not to exceed \$1,367,497.

Lead Department

Office of Real Estate Services.

Fiscal Note

Funding in the amount of \$88,589 is included in the FY 2018-2019 Operating Budget of Austin Energy. Funding for the remaining lease term is contingent upon available funding in future budgets. A fiscal note is not required.

Prior Council Action:

Click or tap here to enter text.

For More Information:

Alex Gale, Office of Real Estate Services, (512) 974-1416; Megan Herron, Office of Real Estate Services, (512) 974-5649; Jeffrey Hill, Austin Energy, (512) 505-3726.

Council Committee, Boards and Commission Action:

March 11, 2019 - To be reviewed by the Electric Utility Commission.

Additional Backup Information:

The City is locating strategic customer service centers to better serve utility customers. The property under consideration is located in an established shopping center at the intersection of Manchaca Road and W. William Cannon Drive. The site includes ample free parking and two Capital Metro bus stops. The unit being considered was formerly occupied by a Wells Fargo branch bank. The teller stations would remain in the building and are ideally suited to serve walk-in customers. There are several hard wall offices, an adequate conference room, and a break area. The center is in the 78745 zip code, making it an ideal location to meet the needs of utility customers located in South Austin.

The initial seven-year term base rent is \$19.00 per square foot with 3 percent annual escalations. First year operating expenses are \$9.00 per square foot. Operating expenses include property taxes, common area maintenance, insurance, repairs, and maintenance. The City, as tenant, would be responsible for utilities and janitorial service. Although the premises are largely ready for move-in, the landlord has agreed to provide new flooring, paint the entire interior, and replace countertops at no expense to the City. The addition of a conference/training room and certain security related modifications is required. The bid for the modifications is

\$15,788.70, which is an expense to be funded by Austin Energy.

Term	Base Rent/psf (3% annual escalations)	OPEX/psf (Est. 4% annual escalations)	Est. Annual Costs (Base Rent + OPEX)
Year 1	\$19.00	\$9.00	\$174,720
Year 2	\$19.57	\$9.36	\$180,523
Year 3	\$20.16	\$9.73	\$186,514
Year 4	\$20.76	\$10.12	\$192,691
Year 5	\$21.38	\$10.52	\$199,056
Year 6	\$22.02	\$10.94	\$205,670
Year 7	\$22.68	\$11.38	\$212,534
Total			\$1,351,708

The cost per square foot is within the market rate per a rent study conducted by a third-party appraiser. Austin Independent School District and Travis County were contacted for potential sites; however, neither had space at this time.

The proposed lease has been reviewed and approved by the Strategic Facilities Governance Team.

City-owned space is the preferred recommendation for location of City Departments. Due to immediate need and the intended use of the property, a competitive market rental is the only immediately available option. This facility will provide City of Austin utility customers in South Austin a more convenient opportunity to make payments or other arrangements related to their accounts.