

Posting Language

Authorize negotiation and execution of a contract with iDefender, LLC for license agreement, maintenance, and other services to support North American Electric Reliability Corporation Critical Infrastructure Protection compliance reporting, for a term of five years in an amount not to exceed \$1,277,000.

(Note: Sole source contracts are 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

Financial Services Department.

Client Department(s)

Austin Energy.

Fiscal Note

Funding in the amount of \$530,000 is available in the Capital Budget of Austin Energy. Funding for the remaining contract term is contingent upon available funding in future budgets.

Purchasing Language:

Sole Source.

For More Information:

Inquiries should be directed to Paula Barriffe, at 512-322-6118 or Paula.Barriffe@austintexas.gov.

Council Committee, Boards and Commission Action:

September 12, 2022 - To be reviewed by the Electric Utility Commission.

Additional Backup Information:

The contract will facilitate transition from a pay-per-license model to an Enterprise License Agreement in addition to maintenance, support, and professional services to support compliance reporting to meet North American Electric Reliability Corporation (NERC) Critical Infrastructure Protection (CIP) requirements.

The Industrial Defender (iDefender) Automated Systems Manager (ASM) offers a comprehensive NERC CIP compliance solution that allows Austin Energy to meet NERC CIP compliance requirements. iDefender ASM automatically collects the necessary information across a heterogeneous asset base, analyzes it, reports anomalies, and provides a turnkey solution to compliance reporting. Austin Energy uses iDefender to monitor and alert any unauthorized changes on assets subject to NERC cyber security regulations. Failure to do so can result in fines up to \$1 million/day/event. Austin Energy has successfully utilized iDefender since 2016 and requires uninterrupted support as it is a critical piece of NERC CIP reporting.

iDefender, LLC owns all rights, title, and interest in the iDefender ASM suite of software solutions and is the sole provider of support and professional services.

Strategic Outcome(s):

Government that Works for All, Safety.

Posting Language

Authorize award of a contract with Hi-Tech Industrial Services, LLC to provide commercial surface preparation and protective coatings, for a term of five years in an amount not to exceed \$2,400,000.

(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 certified M/WBEs; therefore, no subcontracting goals were established).

Lead Department

Financial Services Department.

Client Department(s)

Austin Energy.

Fiscal Note

Funding in the amount of \$20,000 is available in the Fiscal Year 2021-2022 Operating Budget of Austin Energy. Funding for the remaining contract term is contingent upon available funding in future budgets.

Purchasing Language:

The Financial Services Department issued an Invitation for Bids (IFB) 1100 MMH1012 for these services. The solicitation was issued on March 28, 2022 and closed on April 21, 2022. Of the six offers received, the recommended contractor submitted the lowest responsive offer. 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](#).

For More Information:

Respondents to this solicitation, and their representatives, shall continue to direct inquiries to the solicitation's Authorized Contact Person: Melita Harden, at 512-322-6149 or Melita.Harden@austintexas.gov.

Council Committee, Boards and Commission Action:

September 12, 2022 – To be reviewed by the Electric Utility Commission.

Additional Backup Information:

The contract will provide commercial surface preparation, cleaning, painting, and protective coating application services of various surface structures such as, but not limited to, metal, galvanized stainless steel, fiberglass, concrete, and gravel surfaces for Austin Energy. The services will be used at Austin Energy power production facilities and cooling plants for surface preparation, painting, and coating application services. The services are used to protect equipment from corrosion and harsh environmental conditions.

The recommended contractor is not the current provider for these services.

Strategic Outcome(s):

Government that Works for All.

Posting Language

Authorize negotiation and execution of a multi-term contract with Altec Inc. to provide customized utility vehicles, for up to 10 years for a total contract amount not to exceed \$65,520,903.

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

Lead Department

Financial Services Department.

Client Department(s)

Austin Energy.

Fiscal Note

There is no fiscal impact. Funding for the remaining contract term is contingent upon available funding in future budgets.

Purchasing Language:

Critical Business Need.

For More Information:

Inquiries should be directed to Melita Harden, at 512-322-6149 or Melita.Harden@austintexas.gov.

Council Committee, Boards and Commission Action:

September 12, 2022 – To be reviewed by the Electric Utility Commission.

Additional Backup Information:

The contract will provide the lease and maintenance of customized utility vehicles equipped with aerial mounted devices used by Austin Energy field crews to support infrastructure, maintenance, and construction projects at various worksites within the Austin Energy service area.

The contractor will deliver the vehicles in multiple phases, and Austin Energy will order each phase and put vehicles into service based on budget availability, equipment life, and department needs. Lead times for these custom-made vehicles are currently at unprecedented levels with delivery at 24 to 36 months after orders are placed. Austin Energy declared a Critical Business Need due to the expanded manufacturing times for vehicle delivery within lease replacement schedules. This contract will enable the ordering of vehicles that will be delivered in 2024.

To drastically reduce equipment down time, the contract includes all regular maintenance as well as loaner equipment should leased equipment be unavailable for more than a week. At the end of the contract, the equipment will be returned to the contractor.

Contract Detail:

<u>Contract Term</u>	<u>Length of Term</u>	<u>Contract Authorization</u>
Initial Term	8 yrs.	\$ 65,520,903
Optional Extension 1	1 yr.	\$ -
Optional Extension 2	1 yr.	\$ -
TOTAL	10 yrs.	\$ 65,520,903

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

Strategic Outcome(s):

Government that Works for All.

Posting Language

Authorize negotiation and execution of a multi-term contract with SMS LLC d/b/a Security Management to provide inspection, maintenance, small project installations and hosting of the Austin Energy Security systems, for up to five years for a total contract amount not to exceed \$20,000,000.

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

Lead Department

Financial Services Department.

Client Department(s)

Austin Energy.

Fiscal Note

Funding in the amount of \$2,500,000, is available in the Fiscal Year 2022-2023 Operating Budget of Austin Energy. Funding for the remaining contract term is contingent upon available funding in future budgets.

Purchasing Language:

Professional Services.

For More Information:

Inquiries should be directed to Melita Harden, at 512-322-6149 or Melita.Harden@austintexas.gov.

Council Committee, Boards and Commission Action:

September 12, 2022 – To be reviewed by the Electric Utility Commission.

Additional Backup Information:

The contract will provide 24/7 hard utility security services for Austin Energy's existing Integrated Security Management System (ISMS) as it relates to monitoring, maintenance, repairs, new installations, and North American Electric Reliability Corporation (NERC) compliance. NERC Reliability Standards require protection of critical infrastructure in compliance of physical and cyber security for the bulk power system to maintain electric service utility reliability.

The ISMS is an enterprise system that combines a physical access control, alarm and monitoring system, employee identification badging and video surveillance into a single primary environment at Austin Energy's Security Operations Center. The Security Operations Center manages all security activities as it relates to deterrence, response, and protection of utility assets.

The contractor has extensive and specialized experience in the design of Austin Energy's ISMS and currently hosts these systems at their facilities. This system is in place throughout Austin Energy's physical locations and is critical to effectively protecting and monitoring remote facilities, electrical substations, power plants, payment centers, warehouses, and both physical assets and NERC related assets. To accommodate these hosted systems and stay in NERC compliance, Austin Energy has built network infrastructure to the contractor's remote site.

Contract Detail:

<u>Contract Term</u>	<u>Length of Term</u>	<u>Contract Authorization</u>
Initial Term	1 yr.	\$ 4,000,000
Optional Extension 1	1 yr.	\$ 4,000,000
Optional Extension 2	1 yr.	\$ 4,000,000
Optional Extension 3	1 yr.	\$ 4,000,000
Optional Extension 4	1 yr.	\$ 4,000,000
TOTAL	5 yrs.	\$20,000,000

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

Strategic Outcome(s):

Government that Works for All.

Posting Language

Authorize negotiation and execution of contracts with terms of up to 15 years for capacity and energy with certain Austin Energy customers with on-site backup generation as part of a Resiliency-as-a-Service (RaaS) pilot program, for an aggregate contracted capacity of up to 25 megawatts and estimated annual contracted amount of \$3,375,000.

Lead Department

Austin Energy

Fiscal Note

There is no unanticipated fiscal impact. A fiscal note is not required.

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

Amy Everhart, Director, Local Government Relations (512) 322-6087; Michael Enger, Director, Energy and Market Operations (512) 322-6183; Erika Bierschbach, Vice President, Energy Market Operations & Resource Planning (512) 322-6476; Stuart Reilly, Interim Chief Operating Officer (512) 322-6817.

Council Committee, Boards and Commission Action:

September 12, 2022- To be reviewed by the Electric Utility Commission.

Additional Backup Information:

The Resiliency-as-a-Service (RaaS) program is a proposed regulatory project associated with statutory obligations established by Senate Bill (SB) 398,¹ under which Austin Energy (AE) and other municipally-owned electric utilities (MOUs) as well as electric cooperatives (Coops) must allow and facilitate certain customer back-up generation projects supporting the food supply chain.

This legislation was driven by post-Winter Storm Uri customer interest in on-site back-up generation. In particular, grocers advocated for the adoption of legislation, ultimately passed as Section 3 of SB 398, to provide the opportunity to install on-site generation sited at grocer facilities in a manner similar to their installations in retail competitive areas of the State as well as some municipal services territories. Under this arrangement, grocers who are customers of MOUs and Coops are allowed by law to contract with power generation companies to install and manage on-site natural gas generators that can be used as backup power when needed, including during emergency situations such as hurricanes or emergency load shed events. To bring down the up-front costs to the customer, these generators are allowed to export energy from the resource to be sold into the ERCOT grid at times when the customer does not need it.

The requested action will allow AE to establish an RaaS program similar to that already put in place by other MOUs. These will consist of generation with a capacity between 250 kW and 10 MW. This will allow AE to use the capacity – which the customer already has the legal right to install and operate – at opportune times to reduce its transmission load on the ERCOT system and pass those savings on to the AE customer base at times when not in use for on-site backup purposes.

¹ The enrolled version of SB 398 is accessible here:

<https://capitol.texas.gov/tlodocs/87R/billtext/pdf/SB00398F.pdf#navpanes=0>

Strategic Outcome(s):

Government that Works for All.

Posting Language

Approve a resolution finding that the property located at 2201 Grove Boulevard, Austin, Texas, is not essential to the maintenance and continued operation of the electric utility, that it is advisable to sell such property, and that such sale will not prevent the City from complying with the conditions of any revenue bond covenants.

Lead Department

Austin Energy

Fiscal Note

There is no unanticipated fiscal impact. A fiscal note is not required.

Prior Council Action:

For More Information:

Robin Cappello, Director, Corporate Support Services, 702-496-3171; Amy Everhart, Director Local Government Affairs, 512-322-6087

Council Committee, Boards and Commission Action:

Additional Backup Information:

On October 21, 2021, City Council approved the sale by Austin Energy of the property located at 2201 Grove Boulevard, Austin, Texas, to the Austin Housing and Finance Corporation for a price not to exceed \$3.6 million.

The master bond ordinance governing electric system revenue bonds provides that the Council may lease or dispose of electric utility system property provided it determines that (1) it is advisable to lease, dispose of, or not operate and maintain the property, (2) the operation of the property is not essential to the maintenance and continued operation of the remainder of the electric utility system, and (3) the lease, disposition, or failure to maintain or operate such property will not prevent the City from complying with the requirements of the City's electric rate covenants to bondholders.

The requested action will memorialize the Council's making of those determinations.

Strategic Outcome(s):

Government that Works for All.

CITY OF AUSTIN
RECOMMENDATION FOR COUNCIL ACTION
CONTRACTOR: GE ENERGY CONTROL SOLUTIONS INC

COUNCIL DATE: 10/13/2022

Item 8

SUBJECT:

Authorize negotiation and execution of a contract with GE Energy Control Solutions Inc for the purchase and installation of a control system for Sand Hill Energy Center in an amount not to exceed \$2,600,000.

MBE/WBE:

Sole source contracts are 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: Financial Services Department

CLIENT DEPARTMENT: Austin Energy

FISCAL NOTE:

Funding in the amount of \$2,600,000 is available in the Capital Budget of Austin Energy. Funding for the remaining contract term is contingent upon available funding in future budgets.

PURCHASING:

Sole Source

PRIOR COUNCIL ACTION:

FOR MORE INFORMATION CONTACT: Inquiries should be directed to Julia Finn, at 512-322-6060 or Julia.Finn@austintexas.gov

BOARD AND COMMISSION ACTION:

September 12, 2022 - To be reviewed by the Electric Utility Commission.

ADDITIONAL BACKUP INFORMATION (RCA BODY)

The contract will provide upgrades to the GE Mark VI system controls on Unit 5 at Sand Hill Energy Center. The Mark VI system monitors turbine and generator parameters required for unit operation. The current controls system is nine years old and some components being replaced are over 15 years old.

The contractor provided the existing system, preventative maintenance, and required repairs. The contractor owns the patent and trademark for design and configuration of the Mark VI system and is the original equipment manufacturer.

Strategic Outcome: Government that Works for All

Posting Language

Authorize amendments to contracts for polyvinyl chloride conduit and accessories with Texas Electric Cooperatives, Techline Inc., and Wesco Distribution, Inc. d/b/a Hi-Line Utility Supply Co, LLC a/k/a Power Supply to increase the amount by \$370,000, for revised total contract amounts not to exceed \$1,428,663, divided among the contractors.

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

Lead Department

Financial Services Department.

Client Department(s)

Austin Energy.

Fiscal Note

Funding is available in the Fiscal Year 2022-2023 Operating Budget of Austin Energy.

Purchasing Language:

Contract Amendments.

Prior Council Action:

June 14, 2018 – Council approved the original contract, item 44, on a 11-0 vote. Techline Inc. was awarded the contract for line items 13 and 105 through the casting of lots.

For More Information:

Inquiries should be directed to Maria Andrade, at 512-974-2484 or Maria.Andrade@austintexas.gov.

Council Committee, Boards and Commission Action:

September 12, 2022 – To be reviewed by the Electric Utility Commission.

Additional Backup Information:

These contracts provide polyvinyl chloride (PVC) conduit and accessories for Austin Energy to run cable to underground electrical vaults and duct banks. These products are utilized to maintain and install underground feeders that run electric current to customers' meters.

Global supply chain disruptions have severely impacted the PVC market. An unprecedented shortage of PVC has caused extremely long lead times to fill orders and pushed prices to a record high, causing faster than anticipated spend rates on these contracts. Additional funding is needed to secure PVC conduit and accessories in Fiscal Year 2022-2023.

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 Contract	5 yrs.	\$828,663		\$ 828,663
Ratification Amendments			\$230,000	\$ 230,000
Proposed Amendments			\$305,100	\$ 370,000
TOTAL	5 yrs.	\$828,663	\$535,100	\$1,428,663

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

Strategic Outcome(s):

Government that Works for All.

Posting Language

Authorize negotiation and execution of a contract with SUBNET Solutions Inc. for software, professional services, training, and enhancements to the current suite of solutions to advance grid modernization, for a term of five years in an amount not to exceed \$3,870,000.

(Note: Sole source contracts are 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

Financial Services Department.

Client Department(s)

Austin Energy.

Fiscal Note

Funding in the amount of \$109,000 is available in the Fiscal Year 2022-2023 Operating Budget of Austin Energy. Funding for the remaining contract term is contingent upon available funding in future budgets.

Purchasing Language:

Sole Source.

For More Information:

Inquiries should be directed to Paula Barriffe, at 512-974-6118 or Paule.Barriffe@austintexas.gov.

Council Committee, Boards and Commission Action:

September 12, 2022 - To be reviewed by the Electric Utility Commission.

Additional Backup Information:

The contract will enable improvements to meet Austin Energy Control Engineering Strategic Roadmap initiatives. SUBNET systems allow intelligent electronic devices (IED) on the Austin Energy power grid to communicate any data to the Austin Energy business systems (including Advanced Distribution Management System, Supervisory Control and Data Acquisition, Energy Management System, PI Data Historian, Asset Management) over any mix of communication, high bandwidth, fiber, cellular, and other channels.

SUBNET module expansion will support all integration projects including transmission grid operations and will control Austin Energy relays and substations. It also accommodates any gateways to the Austin Energy control center to enable grid monitoring diagnostics and power quality event analysis.

SUBNET Solutions Inc. is the only software manufacturer capable of providing Austin Energy with multi-vendor grid modernization integration solutions and associated services.

Strategic Outcome(s):

Safety, Government that Works for All.