



**Purchasing Contract
CITY OF AUSTIN
RECOMMENDATION FOR COUNCIL ACTION**

AGENDA ITEM NO.: 24
AGENDA DATE: Thu 01/27/2005
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SUBJECT: Authorize execution of Amendment No. 4 to the service agreement with HONEYWELL DMC SERVICES LLC, Saugus, MA, to increase the three extensions for the installation of programmable thermostats and water heater switches and administration of the direct load controllers for the Power Partner Program, in an amount not to exceed \$452,472 per extension option, for a revised total agreement not to exceed \$5,869,284.

AMOUNT & SOURCE OF FUNDING: Funding in the amount of \$301,648 is available in the Fiscal Year 2004-2005 Approved Operating Budget of Austin Energy. Funding for the remaining four months of the contract period and the extension options is contingent upon available funding in future budgets.

FISCAL NOTE: There is no unanticipated fiscal impact. A fiscal note is not required.

REQUESTING Purchasing
DEPARTMENT: for Austin Energy;

DIRECTOR'S
AUTHORIZATION: Vickie Schubert

FOR MORE INFORMATION CONTACT: Sandy Calles, Buyer II/322-6487

PRIOR COUNCIL ACTION: 10/9/03 - Approved original contract. 5/5/04 - Approved contract increase to original period and extension options.

BOARD AND COMMISSION ACTION: N/A

PURCHASING: N/A

MBE / WBE: This contract will be awarded in compliance with Chapter 2-9 of the City Code (Minority-Owned and Women-Owned Business Enterprise Procurement Program). No subcontracting opportunities were identified; therefore, no goals were established for this solicitation.

This service agreement with Honeywell DMC Services, LLC, is part of the Austin Energy Power Partner Program. It provides for the installation of load control devices such as programmable thermostats and water heater switches/timers in residential and multi-family dwellings and in commercial facilities. The agreement also includes a customer service center for enrollment in the program, appointment setting, problem solving, and removal from the program.

On October 9, 2003, Council approved a 12-month service agreement with Honeywell DMC Services LLC in an amount not to exceed \$893,967 with three 12-month extension options in an amount not to exceed \$893,967 per extension. On May 6, 2004, Council approved the execution of an amendment to increase the original contract authorization in an amount not to exceed \$234,000 and to increase the three extension options in an amount not to exceed \$234,000 per extension option, for a revised total agreement amount not to exceed \$4,511,868. (Amendment #1) Amendment No. 2 was to exercise the first extension option. Amendment #3 simply corrected an administrative error.

This increase request (Amendment #4) is part of Austin Energy's efforts to reach the conservation goals stated in the ten-year AE Strategic Plan approved by the City Council. AE's FY2004-2005 Approved Operating Budget included increased installation rates for the Power Partner Program. The Residential Efficiency Program has established a goal of 5,000 additional load control devices for air conditioners and water heaters. The Commercial Energy Management Program has increased its goal by 500 units. To



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meet this demand, the contract with Honeywell DMC Services LLC must be increased by \$452,472 per year.

	Year 1	Year 2	Year 3	Year 4
Original Award	\$893,967.00	\$893,967.00	\$893,967.00	\$893,967.00
Amendment #1	\$234,000.00	\$234,000.00	\$234,000.00	\$234,000.00
Proposed Amendment	N/A	\$452,472.00	\$452,472.00	\$452,472.00
Total Amount	\$1,127,967.00	\$1,580,439.00	\$1,580,439.00	\$1,580,439.00

In accordance with the procurement policy approved by Council in March, 2000, Austin Energy may increase a contract by more than 25%.