



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

AGENDA ITEM NO.: 29
AGENDA DATE: Thu 08/18/2005
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SUBJECT: Authorize execution of a contract with FOX, SMOLEN AND ASSOCIATES, Austin, TX, to perform a rate study of the open market territories of Electric Reliability Council of Texas (ERCOT) in an amount not to exceed \$72,240.

AMOUNT & SOURCE OF FUNDING: Funding is available in the Fiscal Year 2004-2005 Amended Operating Budget of Austin Energy.

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: Karen Williams, Buyer II/322-6467

PRIOR COUNCIL ACTION: N/A

BOARD AND COMMISSION ACTION: N/A

PURCHASING: Best proposal of four proposals received.

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 contract will provide business consulting services to design and implement a research study of the electric territories open to competition within ERCOT. Due to the competitive nature of the open markets, it has become increasingly difficult for Austin Energy to collect information regarding commercial and industrial electric energy and delivery prices within the State of Texas for comparative purposes.

This energy consulting service will conduct research into and report on the commercial and industrial electric markets within the open areas of ERCOT. Austin Energy (AE) will receive the collection of price and service data from the small commercial, medium commercial and industrial, and large commercial and industrial customer segments that purchase their electric service in the open markets of Texas. Using the collected data, AE will receive a comparison of the bundled prices in these markets to AE's bundled rates within each segment. The data collection requirements are: price of electric energy, price of electric energy delivery, terms & conditions, bill components, information and payment options and value added services.

The energy consulting firm will deliver a comprehensive written report and presentations of their findings.

MBE/WBE Solicited: 5/1

MBE/WBE Bid: 0/0



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**PROPOSAL ANALYSIS
(RFP # KW0530006)**

- a. Adequate competition.
- b. Eighteen notices were sent including five MBEs and one WBE. Nine solicitations were issued. Four proposals were received. No MBE/WBEs responded.
- c. This is the first time AE has purchased this service.

APPROVAL JUSTIFICATION

- a. Best evaluated proposal.
- b. Austin Energy concurs with the recommended award.
- c. Advertised on the Internet.