

AGENDA



Thursday, April 8, 2010

**Purchasing Office
RECOMMENDATION FOR COUNCIL ACTION****Item No. 18**

Subject: Authorize award, negotiation, and execution of six 24-month contracts with AIRTECH ENERGY SYSTEMS, INC., Austin, TX; CLIMATE MECHANICAL, INC., Austin, TX; GO GREEN SQUADS, Austin, TX; MCCULLOUGH HEATING & AIR CONDITIONING, INC., Austin, TX; VALDEZ REMODELING & WEATHERIZATION, INC., Austin, TX; and WEATHERIZATION MANAGEMENT GROUP, Dallas, TX for weatherization measures and improvement services in a combined amount not to exceed \$4,825,490.

Amount and Source of Funding: Funding is available from the Department of Energy (DOE) through the Texas Department of Housing and Community Affairs (TDHCA) as a result of the American Recovery and Reinvestment Act (ARRA) of 2009 for the grant period of October 1, 2009 to August 31, 2011. No match is required.

Fiscal Note: There is no unanticipated fiscal impact. A fiscal note is not required.

For More Information: Shawn Harris, Supervising Sr. Buyer/505-7351

Purchasing Language: Best six qualification statements of ten received.

MBE/WBE: This contract will be awarded in compliance with Chapter 2-9C of the City Code (Minority Owned and Women Owned Business Enterprise Procurement Program) by meeting the goals with 14.00% MBE and 2.00% WBE subcontractor participation.

Boards and Commission Action: Recommended by the Electric Utility Commission and the Resource Management Commission.

Prior Council Action: November 19, 2009 – Approved acceptance of \$2,900,000 grant from DOE amending the budget and approved related Interlocal Agreement with Travis County.

This contract is for the purchase of weatherization measures/improvements for 500 homes annually for two years. The National Energy Audit (NEAT) and the Manufactured Home Energy Audit (MHEA) systems will recommend weatherization retrofit measures/improvements tailored to a particular home by determining the appropriate building tightness levels, carbon monoxide levels, and comprehensive air infiltration levels and ensures that all approved weatherization measures/improvements identified by the National Energy Audit (NEAT) and the Manufactured Home Energy Audit (MHEA) systems are completed as identified within the solicitation.

The weatherization measures/improvements performed on each home will maintain and improve energy efficiencies that can be shown are cost-effective by ensuring that the discounted savings-to-investment ratio (SIR) is greater than or equal to one. Improvements would include measures such as caulking, adding insulation or duct work and the tune-up, repair or replacement of heating and cooling systems.

This federal grant is for \$5,800,000 for the 24 month grant period. On November 19, 2009, Council approved the acceptance of \$2,900,000 of grant funds for the 2009-2010 fiscal year from the Department of Energy (DOE) through the Texas Department of Housing and Community Affairs (TDHCA) as a result of the American Recovery and Reinvestment Act (ARRA) to weatherize homes for low income, elderly,

and disabled customers within Austin Energy's service area. Austin Energy will bring to Council a request for the acceptance of the \$2,900,000 for the second year of grant funding for the 2010-2011 budget. Council also approved an Interlocal Agreement between the City of Austin/Austin Energy and Travis County allowing the sharing of expertise and resources including those provided by these contractors.

This Federal Weatherization Assistance Program complements Austin Energy's existing Free Home Energy Improvement program which is on-going. The goals of both programs are to increase the energy efficiency of the home, increase the comfort level of the homes inhabitants, reduce energy consumption, lower utility bills, and improve the health and safety of residents.

A team of Austin Energy and Travis County employees with expertise in weatherization and testing scored the qualifications based on staff experience, number of assessments performed, testing experience and training, certifications and licenses. The team unanimously chose the top six from those submitted as the best qualified firms.

MBE/WBE solicited: 34/8

MBE/WBE bid: 1/1

PRICE ANALYSIS

- a. Adequate competition.
- b. Five hundred and twenty-five notices were sent, including thirty-four MBEs and eight WBEs. Ten Qualification Statements were received, including one MBE and one WBE.

APPROVAL JUSTIFICATION

- a. Best evaluated qualification statements received.
- b. The Purchasing Office concurs with Austin Energy's recommended award.
- c. Advertised in the Austin American-Statesman and on the Internet.