

AGENDA



Thursday, September 23, 2010

**Purchasing Office
RECOMMENDATION FOR COUNCIL ACTION****Item No. 45**

Subject: Authorize award and execution of a 12-month requirements service contract with OPENLINK INC, Houston, TX, for the purchase of software maintenance and services in an estimated amount not to exceed \$136,230, with four 12-month extension options in estimated amounts not to exceed \$143,041 for the first extension option, \$150,193 for the second extension option, \$157,703 for the third extension option, and \$165,588 for the fourth extension option, for a total estimated contract amount not to exceed \$752,755.

Amount and Source of Funding: Funding in the amount of \$136,230 is included in the Fiscal Year 2009-2010 Operating Budget of Austin Energy. Funding for 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.

For More Information: Art Acuña, Senior Buyer, 322-6307

Purchasing Language: Sole Source.

MBE/WBE: This contract will be awarded in accordance with Chapter 2-9C 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.

Boards and Commission Action: To be reviewed by the Electric Utility Commission on September 20, 2010.

Prior Council Action: August 5, 2004 – Approved a 12-month service contract with three 12-month extension options for maintenance and support.

On August 5, 2004, City Council authorized a contract with OpenLink for implementation of software and maintenance services for a risk management and deal capture system, with three 12-month extension options for maintenance and support in a total amount not to exceed \$1,935,000. The OpenLink Endur system has been in use by Austin Energy (AE) since July of 2005 and the extension options for maintenance services have been exhausted.

This contract will provide extended maintenance services for an additional five years to allow continued support of the system. The maintenance contract provides for software support and version upgrades.

The OpenLink system tracks power purchases and sales, as well as natural gas purchases and associated hedges. It is critical for deal entry or capture, deal valuations, deal confirmations, counterparty credit monitoring, and ultimately, output for invoice reconciliation and payment. Without the authority to continue receiving maintenance services, this software system will be left unsupported. Significant capital and time would be required in order to replace this system. Without support, Austin Energy would be vulnerable should the system experience software problems. In addition, Austin Energy would be unable to acquire software upgrades should the system's current version become obsolete.

Openlink is the only vendor able to provide this maintenance and support for this system. Openlink is the sole owner of the software and software source code; therefore, the only party able to address necessary fixes to the source code and provide version upgrades to its software.