

**AGENDA**



**Recommendation for Council Action (Purchasing)**

Austin City Council	Item ID:	62606	Agenda Number	30.
Meeting Date:	October 6, 2016			
Department:	Purchasing			
Subject				
<p>Authorize negotiation and execution of an 84-month contract with TEXAS ELECTRIC COOPERATIVES, to provide electric meters for Austin Energy's residential meter replacement project, in an amount not to exceed \$29,100,000.</p>				
Amount and Source of Funding				
<p>Funding in the amount of \$4,157,143 is available in the Fiscal Year 2016-2017 Capital Budget of Austin Energy. Funding for the remaining 72 months of the original contract period is contingent upon available funding in future budgets.</p>				
Fiscal Note				
<p>A fiscal note is attached.</p>				
Purchasing Language:	Sole Source			
Prior Council Action:				
For More Information:	Darralyn N. Johnson, Buyer II, 512-505-7293			
Boards and Commission Action:	September 19, 2016 - Recommended by the Electric Utility Commission on a 9-1 vote with Commissioner Biedrzycki voting against and Commissioner Roa absent.			
Related Items:				
MBE / WBE:	This contract is exempt from the City Code Chapter 2-9C Minority Owned and Women Owned Business Enterprise Procurement Program; therefore, no subcontracting goals were established.			
Additional Backup Information				

The contract is for the purchase of residential electric meters to be deployed throughout Austin Energy's service territory over a seven-year period to provide customers and the utility with increased functionality and reliability. Austin Energy plans to replace approximately 245,000 residential meters installed in its service area. The meters were installed between 2006 and 2009 to replace manually-read meters with electronically-read meters.

At the Austin Energy Utility Oversight Committee meeting on September 19, Council members received a briefing on the Residential Meter Replacement Project. As reported, due to changes in technology since deployment, the old meters have limited capabilities that do not support more advanced functions and requirements such as superior outage notification, theft and maintenance detection, and over-the-air programming. This procurement will allow the replacement of the old meters over a seven-year period. The meters will provide advanced functionality to support customer experience and operational requirements, and streamline complex metering operations to reduce costs for Austin Energy.

Austin Energy utilizes Landis+Gyr's Grid Stream and Command Center as its Advanced Metering Infrastructure communication network and headend system. Only Landis+Gyr meters will interface with this proprietary system to allow Austin Energy to optimize usage of the features and functionality of the new meters, including over-the-air programming, and temperature measurement. Over-the-air programming allows the meter to be reprogrammed from the office, eliminating the need to send personnel to perform a meter exchange in the field. The new meter can send an alert if its temperature exceeds the specified level indicating a wiring issue or hot socket.

These meter system features and functions support Austin Energy's strategic goals and objectives regarding system reliability and outage management, safety, and reduction of greenhouse gas emissions.

Landis+Gyr is the sole manufacturer of these proprietary products and Texas Electric Cooperatives is the exclusive authorized distributor of Landis+Gyr products for the public power market in Texas.