



Recommendation for Action

File #: 20-2955, **Agenda Item #:** 25.

10/1/2020

Posting Language

Authorize negotiation and execution of a multi-term contract with Power Cost, Inc., to provide a cloud hosted energy trading and risk management solution, for up to 12 years for a total contract amount not to exceed \$4,700,000.

(Note: This solicitation was reviewed for subcontracting opportunities in accordance with City Code Chapter 2-9C Minority Owned and Women Owned Business Enterprise Procurement Program. For the goods and services required for this solicitation, there were no subcontracting opportunities; therefore, no subcontracting goals were established).

Lead Department

Purchasing Office.

Client Department(s)

Austin Energy.

Fiscal Note

Funding in the amount of \$1,992,198 is available in the Fiscal Year 2020-2021 Capital Budget of Austin Energy. Funding for the remaining contract term is contingent upon available funding in future budgets.

Purchasing Language:

The Purchasing Office issued a Request for Proposals (RFP) 1100 PAX3150REBID for these goods and services. The solicitation issued on October 7, 2019 and it closed on December 3, 2019. Of the four offers received, the recommended contractor submitted the best evaluated responsive offer. A complete solicitation package, including a log of offers received, is available for viewing on the City's Financial Services website, Austin Finance Online. Link: [Solicitation Documents](https://www.austintexas.gov/financeonline/account_services/solicitation/solicitation_details.cfm?sid=133856)
<https://www.austintexas.gov/financeonline/account_services/solicitation/solicitation_details.cfm?sid=133856>.

For More Information:

Inquiries should be directed to the City Manager's Agenda Office, at 512-974-2991 or AgendaOffice@austintexas.gov <<mailto:AgendaOffice@austintexas.gov>>

NOTE: Respondents to this solicitation, and their representatives, shall continue to direct inquiries to the solicitation's Authorized Contact Person: Sai Xoomsai Purcell, at 512-505-7601 or sai.xoomsai@austintexas.gov <<mailto:sai.xoomsai@austintexas.gov>>.

Council Committee, Boards and Commission Action:

September 14, 2020 - Recommended unanimously by the Electric Utility Commission on a 10-0 vote, with Commissioner Wray absent.

Additional Backup Information:

The contract will provide cloud hosted energy trading and risk management (ETRM) solution. The solution will

provide services including implementation, cloud hosting, maintenance and support, and related professional services. The solution will provide a single platform to capture, record, track, monitor, value, and report, the commodities, transaction types, and instruments used by Austin Energy for energy market risk management in the Electric Reliability Council of Texas and natural gas markets. Additionally, the solution will include load, generation, and long-term power purchase agreements as well as third party transactions in the position report and in portfolio risk exposure calculations. The ETRM solution will support creation of new instrument types and will provide data extraction and interfacing capabilities with other applications. The system will also allow Austin Energy to perform risk analysis on the combined data set or any subset of the data.

The recommended contractor is not the current provider for these goods and services. This contract will replace a contract which expires December 31, 2020.

An evaluation team with expertise in this area evaluated the offers and scored Power Cost, Inc. as the best to provide these services based on concept and solution including Appendix A, functional, technical, and non-functional requirements; experience, references, and qualifications; price; local preference; and service-disabled veteran business enterprise.

Contract Detail:

<u>Contract Term</u>	<u>Length of Term</u>	<u>Contract Authorization</u>
Initial Term	6 yrs.	\$2,881,963
Optional Extension 1	3 yrs.	\$ 846,697
Optional Extension 2	3 yrs.	\$ 971,340
TOTAL	12 yrs.	\$4,700,000

Note: Contract Authorization amounts are based on the City's estimated annual usage.

Strategic Outcome(s):

Economic Affordability and Opportunity; Government That Works for All; Health and Environment.