



Recommendation for Action

File #: 21-1010, **Agenda Item #:** 40.

2/4/2021

Posting Language

Authorize negotiation and execution of a multi-term contract with Power Cost, Inc., to provide market operations and settlement cloud solutions and related services, for up to 12 years for a total contract amount not to exceed \$6,600,000.

(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 \$2,000,000 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 PAX3160 for these goods and services. The solicitation issued on February 24, 2020 and it closed on April 14, 2020. 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=134049)
<https://www.austintexas.gov/financeonline/account_services/solicitation/solicitation_details.cfm?sid=134049>.

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:

January 11, 2021 - Recommended by the Electric Utility Commission on a 9-0 vote, with Commissioner Stone off the dais and Commissioner Wray absent.

Additional Backup Information:

The contract will provide cloud hosted market operations and settlement cloud solutions including

implementation, maintenance and support, and related professional services. The new solution will be used for Austin Energy's real-time and day-ahead market operations, executive management reporting, risk control, regulatory compliance monitoring, and back office settlement and accounting. The solution will allow Austin Energy to participate in the Electric Reliability Council of Texas (ERCOT) wholesale market and cover the entire bid-to-settlement process.

This is a new contract. The solution will replace Austin Energy legacy Market Operations and Settlement systems to include the Bidding and Scheduling System, Market Operating System, Power Operating System, ERCOT Web Listener, Shadow and ERCOT Settlement applications. These existing legacy systems have been in place since the early 2000s and can no longer adequately support Austin Energy's growing portfolio due to the increase in Austin Energy's renewables and the changes in the ERCOT NODAL market.

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.	\$3,755,827
Optional Extension 1	3 yrs.	\$1,337,705
Optional Extension 2	3 yrs.	\$1,506,468
TOTALS	12 yrs.	\$6,600,000

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.