



City of Austin

Recommendation for Action

File #: 25-1818, **Agenda Item #:** 24.

9/25/2025

Posting Language

Authorize a contract for a district energy and cooling billing solution for Austin Energy with RE/SPEC Inc., for an initial term of one year with up to four 1-year extension options in an amount not to exceed \$985,000. Funding: \$300,000 is available in the Capital Budget of Austin Energy, and \$171,000 is available in the Operating Budget of Austin Energy. Funding for the remaining contract term is contingent upon available funding in future budgets.

Lead Department

Financial Services Department.

Client Department(s)

Austin Energy.

Fiscal Note

Funding in the amount of \$300,000 is available in the Capital Budget of Austin Energy.

Funding in the amount of \$171,000 available in the Fiscal Year 2025-2026 Operating Budget of Austin Energy.

Funding for the remaining contract term is contingent upon available funding in future budgets.

Purchasing Language:

The Financial Services Department issued a Request for Proposals solicitation RFP 1100 MMH3031 for these services. The solicitation was issued on December 2, 2024, and closed on January 23, 2025. Of the six 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 website. This information can currently be found at

https://financeonline.austintexas.gov/afo/account_services/solicitation/solicitation_details.cfm?sid=141839.

MBE/WBE:

This contract will be awarded in accordance with the City Code Chapter 2-9B (Minority-Owned and Women-Owned Business Enterprise Procurement Program). For the services required for this solicitation, there were no subcontracting opportunities, therefore, no subcontracting goals were established.

For More Information:

Direct questions regarding this Recommendation for Council Action to the Financial Services Department - Central Procurement at FSDCentralProcurementRCAs@austintexas.gov or 512-974-2500. Respondents to the solicitation and their Agents should direct all questions to the Authorized Contact Person identified in the solicitation.

Council Committee, Boards and Commission Action:

September 8, 2025 - Recommended by the Electric Utility Commission on an 11-0 vote.

Additional Backup Information:

This contract is to provide an automated billing solution for Austin Energy's district energy and cooling commercial customers. The automated solution will streamline billing, improve accuracy, reduce errors, and enhance the experience for customers and employees by eliminating manual invoice calculations. As the commercial customer base who utilizes this type of energy grows, the current manual process is increasingly labor-intensive, resulting in negative impacts to financial accuracy and efficiency.

Austin Energy's district energy and cooling system provides chilled water from district cooling plants to cool multiple buildings through underground pipes. Austin Energy generates revenue from this service. The system provides service in the central business district, the Domain, and the Mueller Redevelopment Zone.

An evaluation team with expertise in this area evaluated the offers and scored RE/SPEC Inc. as the best to provide these services based on concept and solution, experience, approach, price, small business preference and local business preference.

Without this contract, the manual process will continue, increasing the risk of errors, inefficiencies, and delays.

Contract Details:		
Contract Term	Length of Term	Contract Authorization
Initial Term	1 year	\$300,000
Optional Extension 1	1 year	\$171,250
Optional Extension 2	1 year	\$171,250
Optional Extension 3	1 year	\$171,250
Optional Extension 4	1 year	\$171,250
Total	5 years	\$985,000

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