

## AGENDA



Thursday, June 21, 2007

**Austin Energy  
RECOMMENDATION FOR COUNCIL ACTION****Item No. 5**

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**Subject:** Authorize negotiation and execution of Amendment No. 1 to the construction contract service agreement with TEPCO, L.P., Deer Park, TX, to increase the first 12-month extension option by an amount not to exceed \$5,880,000, for an overall contract amount not to exceed \$17,880,000, for the installation of underground chilled water piping.

**Amount and Source of Funding:** Funding is available in the Fiscal Year 2006-2007 Capital Budget of Austin Energy.

**Fiscal Note:** A fiscal note is attached.

**For More Information:** Jim Collins, Director, On-Site Energy Resources, 322-6426; Louis Rogers, Project Manager, 505-3867

**MBE/WBE:** This contract was awarded in compliance with Chapter 2-9C of the City Code (Minority-Owned and Women-Owned Business Enterprise Procurement Program) with 14.20% MBE and 0.47% WBE subcontractor participation.

**Boards and Commission Action:** Recommended by the Electric Utility Commission.

**Prior Council Action:** 03/09/06 – Original contract approved

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Execution of this amendment will allow Austin Energy to respond to new chilled water customers in a timely manner, meeting each customer's service date requirements. The revised funding is needed due to increased construction costs and the demand of potential new customers. Austin Energy will extend chilled water piping to such customers from its existing chilled water distribution systems located Downtown, at the Domain Energy Park, and at the Mueller Energy Center located adjacent to the Dell's Children Hospital. For example, Austin Energy has recently contracted to provide chilled water services to the new High Street Rainey residential condo project being constructed at 603 Davis Street.

Council approved the original contract on March 9, 2006 for an initial period of one year in an amount not to exceed \$4,000,000, with two optional one-year extensions, not to exceed \$4,000,000 per approved annual extension. Austin Energy is currently in the first extension and anticipates starting the solicitation process for a new construction contract service agreement next year.

Participation goals stated in the original solicitation were 12.9% MBE and 12.6% WBE.