

## AGENDA



Thursday, May 8, 2008

**Contract and Land Management  
RECOMMENDATION FOR COUNCIL ACTION****Item No. 13**

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**Subject:** Authorize negotiation and execution of a design-build agreement with PB AMERICAS, INC. + TIC (THE INDUSTRIAL COMPANY) JOINT VENTURE, Kingwood, TX, to provide design-build services at the Sand Hill Energy Center site, in an amount not to exceed \$24,000,000.

**Amount and Source of Funding:** Funding is available in the 2007-2008 Capital Budget of Austin Energy.

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

**Purchasing Language:** Best qualification statement of five received.

**MBE/WBE:** This contract will be awarded in compliance with Chapter 2-9B of the City Code (Minority Owned and Women Owned Business Enterprise Procurement Program) by meeting the goals with 16.5% MBE and 14.2% WBE subcontractor participation.

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

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The Work consists of the addition of two gas turbine generators and associated auxiliary equipment at the existing Sand Hill Energy Center site. Design-build services for this project will provide engineering, design, construction, start-up and commissioning of an additional 100 MW of gas turbine electrical power generation. The selected firm will furnish new equipment, install Austin Energy supplied equipment, perform site work, and interface with and/or modify existing equipment and systems.

This request allows for the development of a design-build agreement with the recommended firm. Should the City be unsuccessful in negotiating a satisfactory agreement with the recommended firm, negotiations will cease with that firm. Staff will then return to Council and request authorization to begin negotiations with the alternate recommendation listed below.

Participation subgoals stated in the solicitation for the design phase were 1.7% African American; 9.5% Hispanic; 5.3% Native American/Asian American and; 14.2% WBE. The recommended and alternate firms provided an MBE/WBE Compliance Plan that met the goals of the solicitation and were approved by the Department of Small and Minority Business Resources.

MBE/WBE goals for the construction phase will be established as the bid packages are prepared for release.