

## AGENDA



Thursday, December 17, 2009

**Contract and Land Management  
RECOMMENDATION FOR COUNCIL ACTION**

**Item No. 27**

**Subject:** Authorize execution of a construction contract with MATOUS CONSTRUCTORS, LTD., Belton, TX, for the Hornsby Bend Biosolids Management Plant Digester Improvements and Sustainability Project - REBID in the amount of \$25,410,000 plus a \$2,541,000 contingency, for a total contract amount not to exceed \$27,951,000.

**Amount and Source of Funding:** Funding is available in the Fiscal Year 2009-2010 Capital Budget of the Austin Water Utility, pending action to amend the capital budget on December 17, 2009.

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

**For More Information:** Mark Schruben 974-7048; Fred Ramirez 972-0161; Ramesh Swaminathan 972-0244; April Thedford 974-7141

**Purchasing Language:** Lower bid of two (2) bids received.

**MBE/WBE:** This contract will be awarded in compliance with Chapter 2-9A of the City Code (Minority Owned and Women Owned Business Enterprise Procurement Program) through the achievements of Good Faith Efforts with 10.65% MBE and 0.17% WBE subcontractor participation.

**Boards and Commission Action:** A briefing was presented to the Water and Wastewater Commission.

**Prior Council Action:** June 18, 2009 – Council approved a resolution authorizing the City Manager to apply for funding from the Texas Water Development Board for the implementation of wastewater projects; the application was approved by TWDB in November 2009.

Hornsby Bend Biosolids Management Plant (BMP) is an award winning, nationally recognized environmental management and research facility, located on FM 973 east of the Colorado River. This project is one part of a larger mutually supporting set of capital improvements to implement green infrastructure at the Hornsby Bend Biosolids Management Plant. Funding will come from a \$31.8 million zero-interest loan from the Texas Water Development Board as part of the American Recovery and Reinvestment Act (ARRA). AWU's total debt service interest savings by using the TWDB 0% loan is \$30.7 million. This assumes our standard revenue bond issue of 30 years at approximately 5.0% interest rate over 30 years. The proposed project will significantly reduce the plant's carbon footprint by, improving plant wide energy efficiency and reliability, reducing the use of petroleum based polymers, and enhance production and capture of digester gas, a renewable energy source that will be used to generate electricity. The total carbon footprint reduction from all sources due to this and related projects is estimated to be 6,500 TCO<sub>2</sub>e/year in year 2012.

This contract will provide improvements to the Flow Equalization Basin, Blend Tank mixing, Gravity Belt Thickeners, Process Building ventilation, Digester and Sludge-Holding Basin cleaning and repairs, Process Flow Measurement, gas collection, process flow measurement, flares, and iron feed system for odor control. Overall the proposed improvements are expected to benefit the citizens and rate payers in savings in debt service, by optimizing current process to reduce energy consumption and substantially

increase the production of digester gas a renewable energy source. The increased digester gas production from this contract will serve as fuel for a combined heat and power facility that is to be implemented in a separate project.