

## A G E N D A

**RCA - CLMD**

Austin City Council

**Item ID:**

6307

**Meeting Date:**

May 12, 2011

**Department:**

Contract and Land Management

**Subject**

Authorize negotiation and execution of a contract with TRC ENVIRONMENTAL CORPORATION, Austin, Texas, or one of the other qualified offerors for RFP Solicitation No. CLMB301A, for the Reissue - Holly Street Power Plant Decommissioning Project for \$11,502,518, plus \$575,126 contingency for a total not-to-exceed amount of \$12,077,644. Related to Item #2.

**Amount and Source of Funding**

Funding is available in the Fiscal Year 2010-2011 Capital Budget of Austin Energy.

**Fiscal Note**

A fiscal note is attached.

**Purchasing Language:**

Best Value to the City of Austin of four proposals received.

**Prior Council Action:**

April 28, 2011 – item postponed to May 12, 2011. September 24, 2009- Authorized the use of Competitive Sealed Proposal Alternative Project Delivery Method.

**For More Information:**

Rose San Miguel, 322-6260; Rolando Fernandez, 974-7749; April Shaw 974-7141

**Boards and Commission Action:**

Not recommended by the Electric Utility Commission.

**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) by meeting the goals with 30.89% MBE and 3.80% WBE subcontractor participation.

**Related Items:****Additional Backup Information**

The retirement of the Holly Street Power Plant met goals set by the City Council and Austin Energy in the early 1990's to retire the plant at the earliest practical date, due to its location within a residential neighborhood that has increased in density over the 47-year life of the facility. Holly's four generating units were constructed between 1960 and 1974. Holly Units 1 and 2 ceased operation in October 2004 and Units 3 and 4 ceased operation in September 2007. Regular communications with neighborhood representatives and the Holly neighborhood at large continue to provide information on the progress of this project through the use of monthly newsletters and meetings.

The decommissioning project consists of specialized construction services necessary for the deconstruction of an electrical power production facility, including but not limited to construction of a temporary road to facilitate removal of materials and equipment from the plant site, skilled labor and heavy equipment as required for the demolition and/or removal of equipment, tanks, boilers, structural steel and associated buildings. The services are to be provided by a duly qualified and experienced contractor offering best value to the City.

A 5% contingency is being requested for any unforeseen circumstances during decommissioning and will also allow for expeditious processing of change orders, if required.

The Holly Street Power Plant Decommissioning Project was issued as Competitive Sealed Proposal procurement. Local Government Code Chapter 271, Subchapter H, Section. 271.116, provides for governmental entities to first attempt to negotiate a contract with the top-ranked firm who is determined to be the best value to the governmental entity. Pursuant to Statute, the "best value" determination shall be on weighted criterion and may include, but is not limited to, price, reputation, quality of product, past relationship with the governmental entity, total long-term cost to require goods or services, compliance with the historically underutilized business programs, and other relevant factors. In order to establish a level playing field for all prospective Offerors, the solicitation must contain the evaluation criteria factors and relative weights. The statute goes on to state that if negotiations with the top-ranked firm are unsuccessful, the governmental entity shall end those negotiations and proceed to negotiate with the next contractor in the order of selection ranking. Council's authorization of this request allows for such negotiations. If negotiations are required with the next contractor in the order of selection ranking, staff will return to Council prior to contract execution.

The Holly Street Power Plant Decommissioning project included fourteen evaluation criteria factors with weights ranging from 5 points to 25 points maximum. Of the fourteen evaluation criteria items, the three which had the greatest maximum points are: "Price" valued at a maximum of 25 points; "Comparable Project Experience" valued at a maximum of 25 points; and "Team Structure, Work Approach and Delivery Schedule" valued at a maximum 25 points. These criteria factors with the larger weights applied indicate criticality and importance of those elements.

Notification of issuance of a Request for Competitive Sealed Proposals (RFP) for the subject services was issued on January 31, 2011. Eighteen contractors who identified themselves as Prime Contractors obtained solicitation packets and on March 14, 2011, four proposals were received. None of the four contractors who submitted proposals are certified MBE/WBE firms.

TOP RANKED FIRM: TRC Environmental Corporation, Austin, TX  
SECOND RANKED FIRM: Dixie Demolition, LLC, Birmingham, AL

Participation goals stated in the solicitation were: 1.15% African American; 3.58% Hispanic; 0.90% Native/Asian; and 1.26% WBE subcontractor participation. The top ranked and second ranked firms provided a MBE/WBE Compliance Plan that met the goals of the solicitation and were approved by the Small and Minority Business Resources Department.