

A G E N D A



Recommendation for Council Action (CMD)

Austin City Council

Item ID:

18605

Agenda Number

19.

Meeting Date:

September 27, 2012

Department:

Contract Management

Subject

Authorize execution of a construction contract with Lambda Construction, LTD. for construction of Austin Energy's new Dunlap 345 kV Substation, in the amount of \$4,777,300 plus a \$238,865 contingency, for a total contract not to exceed \$5,016,165.

Amount and Source of Funding

Funding is available in the Fiscal Year 2012-2013 Capital Budget of Austin Energy.

Fiscal Note

A fiscal note is attached.

Purchasing Language:

Lowest responsive bid of three bids received.

Prior Council Action:

June 28, 2012 – Council denied approval of proposed contract and directed staff to resolicit.

For More Information:

Dorothy Kester 505-7041; Rolando Fernandez 974-7749; Toye Goodson-Collins 322-6450; April Shaw 974-7141.

Boards and Commission Action:

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 21.93 % MBE and 1.64% WBE subcontractor participation.

Related Items:

Additional Backup Information

In 2009, Austin Energy identified the need for a new substation in the eastern portion of the service territory to serve residential and commercial growth, relieve transmission congestion, and eliminate overloading the existing autotransformers at the Austrop Substation. This substation is due for energization in the Summer of 2013 to maintain reliable electric service not only in the Austin Energy service area, but in the ERCOT area which covers most of the state of Texas.

As directed by Council, staff re-opened the bidding process. In the interim, Austin Energy used an existing contractor to perform some site prep work that had been in the original solicitation to meet the energization date.

The recommended contractor submitted the lowest responsive bid and a compliance plan that met the goals of the solicitation and has been approved by the Small & Minority Business Resources Department. This construction contract includes additional site work, foundations, equipment setting, and erection of steel structures for the new Dunlap Substation.

Due to the potential for alterations to the project design, a 5% contingency in funding has been included to allow for the expeditious processing of any change orders.

The contract allows 150 calendar days for completion of this project. This project is located within zip code 78653. The project will be managed by Austin Energy.

Lambda Construction, LTD is located in New Braunfels, TX.