

A G E N D A



Recommendation for Council Action (Purchasing)

Austin City Council	Item ID:	25703	Agenda Number	68.
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Meeting Date:	August 8, 2013
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Department:	Purchasing
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Subject

Approve ratification of Amendment No. 3 to the contract with GRUENE ENVIRONMENTAL CONSTRUCTION LLC, for an emergency response to and remediation of a diesel oil release at the Decker Creek Power Station in an amount not to exceed \$260,000, for a total revised contract amount not to exceed \$1,767,615.

Amount and Source of Funding

Funding in the amount of \$260,000 is available in the Fiscal Year 2012-2013 Operating Budget of Austin Energy.

Fiscal Note

There is no unanticipated fiscal impact. A fiscal note is not required.

Purchasing Language:	Critical Business Need
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Prior Council Action:	December 9, 2010 - Approved contract
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For More Information:	Andrew Buyo, Buyer II / 512-322-6118
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Boards and Commission Action:	July 15, 2013 - Unanimously approved by the Electric Utility Commission on a 5-0 vote.
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Related Items:	
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MBE / WBE:	This contract was awarded in compliance with City Code Chapter 2-9C (Minority Owned and Women Owned Business Enterprise Procurement Program). This was an emergency service contract; therefore, it is exempted under Chapter 791 of the Texas Local Government Code and no goals were established for this solicitation.
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Additional Backup Information

This contract was awarded in January 2011 as a competitive procurement for a long term service contract for spill response and remediation of oil and other hazardous materials for Austin Energy. In October 2012, Amendment No. 1 was issued to administratively increase the contract amount by \$56,000. In December 2012, Amendment No. 2 was issued to exercise the first 24 month extension option to the contract term.

On May 23, 2013, Austin Energy staff discovered a diesel fuel leak below ground near a fuel storage tank at the Decker plant. Heavy rains were expected on Friday, May 24, and possibly throughout the weekend, considerably increasing the risk of surface water contamination, and a much larger remediation effort. Gruene Environmental Construction, LLC was immediately dispatched to assess the extent of contamination and begin removing oil and oil-saturated soil. The existing contract did not have adequate funds remaining to cover the response and time-critical removal and disposal of soil, but due to the nature of the incident, moving forward with the qualified contractor was the least risk option. Austin Energy declared this as a Critical Business Need and Amendment No. 3 was issued to increase the contract authorization by \$260,000.

The incident was reported to federal, state, and local authorities within the required timeframe. State environmental inspectors were onsite within hours to confirm that Austin Energy's response was appropriate and in accordance with applicable regulations.

Contract Summary

Action	Description	Amount
Original Contract awarded 01/14/2011 to Gruene Environmental Construction LLC., New Braunfels, TX	Original 24-month contract	\$580,646
Contract Amendment # 1	Administrative Increase	\$56,000
Contract Amendment # 2	Extension Option # 1	\$290,323
Contract Amendment # 3	Increase to contract per Critical Business Need.	\$260,000
Future Amendments	Extension Options # 2 & 3	\$580,646
Total Revised Contract Amount		\$1,767,615