

A G E N D A



Recommendation for Council Action (Purchasing)

Austin City Council	Item ID:	25928	Agenda Number	69.
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Meeting Date:	August 22, 2013
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Department:	Purchasing
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Subject

Approve ratification of a contract with JOHNSON CONTROLS, INC. for repair services of a chiller at an Austin Energy Downtown District Cooling Plant in an amount not-to-exceed \$197,036.

Amount and Source of Funding

Funding 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:	
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For More Information:	Oralia Jones, Senior Buyer/512-322-6594
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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 is for the repair of ice chiller #2 at the Paul Robbins District Cooling Plant by Johnson Controls, Inc., Austin, TX.

On May 6, 2013, a tube bundle failure in the ice chiller resulted in condenser water migrating into the refrigerant side of the chiller. Subsequent testing found 13 damaged condenser tubes. The damaged tubes were repaired on site, followed by a week-long drying process. A Critical Business Need memo was issued for \$138,980 to remove the compressor and ship it to the factory in Houston for disassembly, inspection, cleaning, replacement of all seals and reassembly. Upon disassembly of the compressor, the bearings were found to be worn and in need of replacement. The total contract amount represents the amount for the original repairs plus \$58,056 for additional work to replace the bearings.

With rising temperatures increasing demand on the Downtown District Cooling System, the timely repair was critical in order to provide reliable service to our chilled water customers. Not completing the repair to the failed chiller would result in a decrease in the plant's capacity to shift peak electrical demand by half, or roughly 12.5 megawatt hours (MWh). The current delivery lead time for this type of ice chiller repair is approximately four weeks; therefore, the purchase needed to be completed immediately as a critical business need in order to have the required repair in time for the summer peak season.