

A G E N D A



Recommendation for Council Action (CMD)

Austin City Council	Item ID:	37784	Agenda Number	13.
Meeting Date:	December 11, 2014			
Department:	Contract Management			
Subject				
Authorize extension of a contract with Bilfinger Tepsco Inc. for chilled water piping construction services in the right-of-way for an additional 12-month period in the amount of \$1,280,000, for a total contract in an amount not to exceed \$6,426,538.00.				
Amount and Source of Funding				
Funding is available in the Fiscal Year 2014-2015 Capital Budget of Austin Energy.				
Fiscal Note				
A fiscal note is attached.				
Purchasing Language:				
Prior Council Action:	February 14, 2013 - Approved original contract.			
For More Information:	James Matlock (512) 322-6273; Elizabeth Godfrey (512) 974-7141.			
Boards and Commission Action:	November 17, 2014 - Unanimously approved by the Electric Utility Commission on a 7-0 vote.			
Related Items:				
MBE / WBE:	This contract was awarded in compliance with City Code Chapter 2-9A (Minority Owned and Women Owned Business Enterprise Procurement Program) with 5.10% MBE and 14.00% WBE participation to date.			
Additional Backup Information				

Austin Energy (AE) owns and operates approximately 10 miles of underground chilled water piping in Downtown Austin and at Mueller. AE also provides operation and maintenance services for the Domain chilled water loop which is approximately three miles long. All lines are fed by four plants, two in the downtown area (the Paul Robbins Plant and District Cooling Plant # 2) and one each at Mueller and the Domain. These District Cooling Systems, managed by AE's On-Site Energy Resources, provide chilled water services to approximately 60 customers with over 14 million square feet of facilities in the City of Austin. The chilled water is used to cool and dehumidify customers' buildings which include: Hilton Downtown Austin, JW Marriott, W Austin Hotel, Hyatt Place Hotel, The Austonian, Four Seasons Residences, AMLI Residential, The Monarch, City Hall and the Convention Center, Whole Foods, 515 Congress, Cirrus Logic, and in the case of the Mueller District, the Dell Children's Medical Center.

The contract with Bilfinger Tepsco Inc. is an indefinite delivery and indefinite quantity (IDIQ) contract with a total spending authority of \$5,146,538. It was established for additions, extensions and retrofits to existing transmission and distribution chilled water piping with the objective of increasing system load, improving efficiency and maintaining reliability. The construction projects completed from the inception of this contract include: Van Zandt Hotel, Westin Hotel, 3rd St. transmission line upgrades, 5th St. transmission line extension, Seaholm District and Green Water Treatment Plant Redevelopment transmission line.

In Fiscal Year 2014, Austin Energy's On-Site Energy Resources (OSER) established chilled water service agreements with eight new customers. The previous highest number of service agreements established in a single year was five in 2009. The unprecedented growth and the resulting increase in new chilled water customers was not anticipated when establishing quantities in the original IDIQ contract. Additionally, most of the contract authority was used for two large transmission projects to install chilled water lines prior to construction of the customers' buildings. This allowed for open trench method of construction instead of tunneling which reduced the cost of the planned expansion of transmission lines to serve these customers and improved the efficiency of the Downtown chilled water loop.

Austin Energy's On-Site Energy Resources coordinates closely with developers interested in chilled water services to design and install chilled water service lines to their buildings in accordance with customers' construction schedules. Given that developers' project timetables often change due to numerous reasons, OSER cannot identify specific customers to be connected during this 12-month extension.

On-Site Energy Resources is currently working with the Contract Management Department to establish a new contract for these services, which, once approved by City Council, will replace the existing Bilfinger Tepsco Inc. contract.

This project is managed by Austin Energy.

This item has been approved by the City's Change Control Committee.

Bilfinger Tepsco, Inc. is located in Deer Park, TX.