# Recommendation for Council Action (CCO)

**Austin City Council**

**Item ID:** 73180  
**Agenda Number:** 6

**Meeting Date:** August 31, 2017

**Department:** Capital Contracting Office

**Subject**

Authorize award and execution of a construction contract with CDMtek, LLC, for Austin Energy’s Cooling Tower Expansion Project at the Paul Robbins District Cooling Plant, in the amount of $2,587,000 plus a $388,050 contingency, for a total contract amount not to exceed $2,975,050. (District 9)

**Amount and Source of Funding**

Funding is available in the Fiscal Year 2016-2017 Capital Budget of Austin Energy.

**Fiscal Note**

A fiscal note is not required.

**Purchasing Language:** Lowest responsive bid of three bids received through a competitive Invitation for Bid solicitation.

**Prior Council Action:** N/A

**For More Information:**

Inquiries should be directed to the City Manager’s Agenda Office, at 512-974-2991 or AgendaOffice@ austintexas.gov.

NOTE: Respondents to this solicitation, and their representatives, shall direct inquiries to Rolando Fernandez, 512-974-7749 or Garrett Cox, 512-974-9423.

**Boards and Commission Action:** August 14, 2017 - Recommended by the Electric Utility Commission on a vote of 7-0 with Commissioner Wray off the dais, Commissioners Stout and Zell absent, and one vacancy.

**Related Items:**

**MBE / WBE:** This contract will be awarded in compliance with City Code Chapter 2-9A (Minority Owned and Women Owned Business Enterprise Procurement Program) by meeting the goals with 15.06% MBE and 14.17% WBE participation.
Additional Backup Information

Austin Energy operates four district cooling plants, two in Downtown Austin, one at the Domain, and one at Mueller. These plants deliver chilled water through a system of underground pipes to 69 customers. The chilled water is used to cool and dehumidify customers’ buildings, consisting primarily of large hotels, office buildings, condominiums, apartments, and in the case of Mueller, the Dell Children’s Medical Center of Central Texas. These plants operate 24 hours a day, seven days a week. A valuable feature of these district cooling plants includes thermal storage which allows Austin Energy to produce chilled water and ice during off peak electric hours (at night), and discharge the chilled water and ice during peak hours when it is most needed.

The Paul Robbins District Cooling Plant (formerly DCP 1) is one of two plants serving customers in Downtown Austin. It was built in 2000 within a state parking garage facility located at 300 San Antonio Street. Although the plant’s five chillers have a cooling capacity of 8,000 tons, the plant is currently limited to 7,100 tons of cooling capacity produced by eight cooling tower cells of 900 tons each. In order to meet growing customer demand, an additional 1,800 tons of cooling tower capacity is needed to operate all five chillers at full capacity and maintain 900 tons of cooling tower cell redundancy.

The objective of this project is to construct an 1,800-ton cooling tower adjacent to the plant’s existing cooling towers, along with necessary structural, mechanical, and electrical components. This project is critical to providing reliable and uninterrupted service to chilled water customers located in Downtown Austin. In addition, this expansion will assist in meeting the thermal storage goal of 20 MW by 2025 included in the current Austin Energy Resource, Generation and Climate Protection Plan.

Due to the potential for the contractor to encounter uncovered conditions or utilities associated with the existing parking garage facility, potential spatial, and schedule adjustments needed to accommodate the operational requirements of the Texas Facilities Commission, a 15% contingency in funding has been included to allow for the expeditious processing of any change orders. A contingency is an additional amount of money added to the construction budget to cover any unforeseen construction costs associated with the project.

A delay in award could result in a reduction of service to approximately 39 district cooling customers in Downtown Austin. DCP1 is part of the downtown district cooling system, which also includes District Cooling Plant 2 (DCP2). These plants supply cooling to approximately 39 large downtown hotels, office, and condominium buildings. There are presently 8 more large customers under construction. Depending on the heat load and circumstance, the downtown system may not have the capacity to meet the system load. This could potential trigger a restricted amount of cooling to many high profile downtown businesses and residences. This may cause rolling cooling “blackouts” in downtown Austin while temporary chillers are added to the system. It is imperative that the Paul Robbins District Cooling Plant cooling tower addition be done before the summer of 2018 to meet Austin Energy Mission of supplying clean, reliable energy.

The contract allows 248 Calendar days for completion of this project. This project is located within zip code 78701 (District 9). The project will be managed by Austin Energy.

CDMtek, LLC is located in Austin, Texas.

Information on this solicitation is available through the City’s Austin Finance Online website. Link: Solicitation Documents.