

Council Meeting Date

March 8, 2018

Posting Language

Authorize award and execution of a construction contract with Johnson Controls, Inc., for the Domain District Cooling Plant Chiller #11 Supply and Installation Project, in the amount of \$2,839,020 plus a \$141,951 contingency, for a total contract amount not to exceed \$2,980,971.

[Note: 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 1.79% MBE and 11.25% WBE participation.]

Lead Department

Capital Contracting Office

Managing Department(s)

Austin Energy

Fiscal Note

Funding is available in the Fiscal Year 2017-2018 Capital Budget of Austin Energy.

Purchasing Language:

Lowest responsive bid of three bids received through a competitive invitation for bid solicitation.

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, Aiden Cohen, 512-974-1929, or the Project Manager, Todd Shaw, 512-974-6267.

Council Committee, Boards and Commission Action:

To be reviewed by the Electric Utility Commission on February 26, 2018.

Additional Backup Information:

The Domain District Cooling Plant, located at 3120 Kramer Lane, was built in the 1980s as a vital part of the former IBM campus and was acquired by the City in 2001. The plant is located on the east side of the Domain development in an area populated with businesses, retail, and housing.

In addition to the Domain plant, Austin Energy operates three district cooling plants including two in Downtown Austin and one at Mueller. These plants transform electrical energy into thermal energy, which is then distributed, via a network of underground pipes, to external customers in the form of chilled water and steam services. The aggregation of loads enables superior efficiencies, reliability, and quality when compared to stand-alone systems. The thermal storage elements within each plant enable Austin Energy to shift electrical consumption from on-peak to off-peak electrical periods.

This contract consists of the purchase and installation of a new 2,500-ton industrial grade, centrifugal chiller at Austin Energy's Domain District Cooling Plant. The installation includes the required mechanical piping, variable speed drive, power, controls, start up and commission, new refrigeration detection system and medications to the existing air handling unit, and a new pump and breaker cell retrofit.

This item includes one allowance. The allowance of \$50,000 will be used to provide temporary cooling during the upgrades to the existing air handling unit. An allowance is an amount that is specified and included in the construction contract or specifications for a certain item(s) of work whose details are not yet determined at the time of bidding.

Due to age of the plant, the contractor may encounter unforeseen conditions that will require repair, replacement, or remediation in order to successfully complete the project. Therefore, a 5% contingency in funding has been included to allow for the expeditious processing of any required 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.

This type of chiller takes approximately 10 months to manufacture. Due to the age of the chillers at the Domain, it is critical to maintain the schedule for the purchase and installation of the new chiller to ensure reliable chilled water services for customers, especially as the load increases within the Domain development.

The contract allows 320 working days for completion of this project. This project is located within zip code 78758 (District 7).

Johnson Controls is located in Austin, TX.

Information on this solicitation is available through the City's Austin Finance Online website. Link: [Solicitation Documents](#).

M/WBE Summary

Public notice was given for this solicitation CLMC678, Domain Chiller #11 Supply and Install Project, through the City's Vendor Connection web portal. Three bids were received and opened on November 16, 2017. Of the bids received none of the firms submitting were certified MBE/WBE. Johnson Controls, Inc. submitted the lowest responsive bid of three bids received:

	<u>Base Bid</u>	<u>Base Bid + Allowances</u>
Johnson Controls, Inc.,TX	\$2,789,020	\$2,839,020
CDMTEC, PLLC, TX	\$3,322,480	\$3,372,480
Flintco, LLC	\$3,467,000	\$3,517,000

The contractor's choice of work methodology provides for 3 areas of subcontracting opportunities which are listed below. Project specific subgoals stated in the solicitation were 1.66% MBE; 7.24% WBE. Total participation estimated on base bid amount:

Base Bid: \$ 2,789,020.00

PRIME	NON M/WBE	\$	2,287,940.00	82.03%
Johnson Controls, Austin, TX				
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MBE TOTALS - SUBCONTRACTORS		\$	50,000.00	1.79%
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(MB) K&H Elite, Killeen, TX (Site Clean-Up)		\$	50,000.00	1.79%
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WBE TOTALS - SUBCONTRACTORS		\$	313,829.00	11.25%
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(FH) JS Electric Co, Buda, TX (Electrical)		\$	275,029.00	9.86%
(FW) Mid-State Insulation Co, Austin, TX (Piping Insulation)		\$	38,800.00	1.39%
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NON MBE/WBE TOTALS - SUBCONTRACTORS		\$	137,251.00	4.92%
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Beard Integrated System, Inc, Cedar Creek, TX (Sheet Metal)		\$	40,923.00	1.47%
Dart Construction Company, Dripping Springs, TX (Concrete and Painting)		\$	78,875.00	2.83%
DFW Movers & Erectors, Inc., Kyle, TX (Rigging and Hoisting)		\$	17,453.00	0.63%

The Contractor submitted a MBE/WBE Compliance Plan that met the goals and was approved by the Small and Minority Business Resources Department. Second and third low bidder information is provided below.

SECOND BIDDER – CDMTEC, PPL, Austin, TX \$3,322,480
1.66% MBE; 7.24% WBE; 58.40% Non M/WBE subcontractor participation.

THIRD BIDDER – Flintco, LLC, Austin, TX \$3,467,000
1.66% MBE; 7.24% WBE; 8.43% Non M/WBE subcontractor participation.