



**Purchasing Contract
CITY OF AUSTIN
RECOMMENDATION FOR COUNCIL ACTION**

**AGENDA ITEM NO.: 27
AGENDA DATE: Thu 06/09/2005
PAGE: 1 of 2**

SUBJECT: Authorize execution of a contract with MECHANICAL & PROCESS SYSTEMS, LLC, Austin, TX, (MBE/MA-100%), for Phase III chiller activation at the District Cooling Plant No. 1 in an amount not to exceed \$209,656.

AMOUNT & SOURCE OF FUNDING: Funding is available in the Fiscal Year 2004-2005 Approved Capital Budget of Austin Energy.

FISCAL NOTE: A fiscal note is attached.

REQUESTING Purchasing
DEPARTMENT:

DIRECTOR'S
AUTHORIZATION: Vickie Schubert

FOR MORE INFORMATION CONTACT: Martha Gaines, Buyer II/322-6583

PRIOR COUNCIL ACTION: N/A

BOARD AND COMMISSION ACTION: N/A

PURCHASING: Lowest bid of three bids received.

MBE / WBE: This contract will be awarded in compliance with Chapter 2-9 of the City Code (Minority-Owned and Women-Owned Business Enterprise Procurement Program). No subcontracting opportunities were identified; therefore, no goals were established for this solicitation.

This contract is for the installation of chilled water pumps and control valves, and modification to piping systems to enhance the overall plant reliability of the District Cooling Plant. When the City acquired the plant there were three chillers, but only two chillers had been activated. Due to increased load requirements (new customers) it has become necessary to activate the third chiller at the District Cooling Plant. The District Cooling Plant sells chilled water as a utility service by distributing the chilled water from a central plant to individual buildings through a network of underground pipes. The plant serves downtown customers along the 3rd Street corridor e.g., hotels, City Hall, Convention Center. Meters measure this chilled water, and in turn, the customers are billed based on consumption.

This utility service provided by the District Cooling Plant generates revenue of \$3.7 million yearly for the City of Austin.

MBE/WBE solicited: 2/1

MBE/WBE bid: 1/0



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**BID TABULATION
(Chiller Activation Project, Phase III)
IFB No. MG05300012**

<u>Vendor</u>	<u>Total Bid</u>
Mechanical & Process Systems Austin, TX (MA/MBE)	\$209,656
Fox & Hearn, Incorporated Austin, TX	\$256,000
TESPCO Deer Park, TX	\$366,593

PRICE ANALYSIS

- a. Adequate competition.
- b. Sixteen notices were sent including one MBE and one WBE. Eleven solicitations were issued. No MBE/WBE requested a solicitation. Three bids were received.
- c. This service has not been acquired by the City. There is no history for price comparison.

APPROVAL JUSTIFICATION

- a. Low bid.
- b. Austin Energy concurs with the recommended award.
- c. Advertised on the Internet.

CIP BUDGET
Fiscal Note

DATE OF COUNCIL CONSIDERATION:

6/9/2005

WHERE ON AGENDA:

Resolution

DEPARTMENT:

Austin Energy

SUBJECT: Authorize execution of a contract with MECHANICAL & PROCESS SYSTEMS, LLC, Austin, TX (MA/MBE-100%) for Phase III chiller activation at the District Cooling Plant No. 1 in an amount not to exceed \$209,656.

FINANCIAL INFORMATION:

Parent Project Name: **Non-Electric Plant Assets - Chillers**
Project Authorization: 2004-2005 Approved Capital Budget

Current Appropriation	\$ 102,067,916.00	
Unencumbered Balance		\$ 17,289,601.24
Amount of This Action		<u>(209,656.00)</u>
Remaining Balance		<u>\$ 17,079,945.24</u>

Use of Remaining Balance:

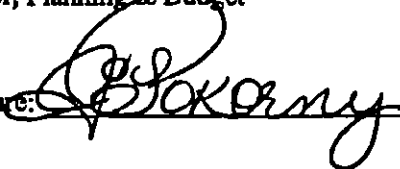
Remaining funds will be used for design, construction, equipment, and material acquisition to complete the project.

Use of Any Remaining Funds After Completion of Project:

No remaining funds anticipated at this time.

Director, Planning & Budget

Signature: _____



Date: _____

