



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

**AGENDA ITEM NO.: 2
AGENDA DATE: Thu 08/04/2005
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SUBJECT: Authorize negotiation and execution of a cost reimbursement agreement with THE DOMAIN SHOPPING CENTER, L.P., Austin, TX, for the purchase and installation of required piping and related equipment as needed to interconnect its new commercial and retail development to the Austin Energy Domain Utility Plant district cooling system in an amount not to exceed \$4,200,000.

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 Austin Energy
DEPARTMENT:

**DIRECTOR'S
AUTHORIZATION:** Juan Garza

FOR MORE INFORMATION CONTACT: Cliff Braddock, Director, Energy Business Development / 322-6302; Charles Shell, Domain Plant Manager / 505-7014

PRIOR COUNCIL ACTION: N/A

BOARD AND COMMISSION ACTION: Approved by the Electric Utility Commission.

PURCHASING: N/A

MBE / WBE: N/A

Austin Energy is negotiating an agreement with The Domain Shopping Center, L. P., a Simon Properties development group, to provide chilled water-cooling services for its new commercial and retail project under construction at the Domain, located at Braker Lane and MoPac in Northwest Austin. Austin Energy will provide the chilled water-cooling services from its existing Domain Utility Plant.

To expedite the design and installation of chilled water related equipment (e.g., pumps, valves, heat exchangers) and associated underground piping, Austin Energy will agree to have The Domain Shopping Center, L.P. furnish and install the equipment and piping in conjunction with its construction of the new Domain development, and to reimburse actual costs not to exceed \$4.2 million. This agreement will provide for lower costs, help avoid construction delays, and help prevent having to excavate new areas for future extensions of the chilled water distribution system to other potential customers. This reimbursement process is in accordance with Austin Energy's prior chilled water agreements.

This RCA is to seek authorization for Austin Energy to complete the purchase of the required piping and related equipment once the installation is complete to the satisfaction of Austin Energy inspectors. Austin Energy will have review and approval rights for the design and construction of this chilled water project, and will reimburse The Domain Shopping Center, L.P., for appropriate costs. Such reimbursement may include appropriate costs incurred by The Domain Shopping Center, L.P. prior to the execution of the Agreement in order to incorporate the AE's chilled water services into their design. There are no obligations to reimburse these expenditures in the event that this agreement is not executed. Upon completion and acceptance of the project, Austin Energy will own and maintain the piping and related



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equipment.



**Electric Utility Commission
July 25, 2005
Meeting**

Authorize negotiation and execution of a cost reimbursement agreement with THE DOMAIN SHOPPING CENTER, L.P., for the purchase and installation of required piping and related equipment as needed to interconnect its new commercial and retail development to the Austin Energy Domain Utility Plant district cooling system in an amount not to exceed \$4,200,000.

Motion by: Fath

Seconded by: Fernandez

Ayes: Fath, Fernandez, LeGette, Shaw, Skeith and Weston

Nays: NONE

Abstaining: NONE

Off the dais: NONE

Absent: Carr and Owens

The Commission approved this item, 6-0.