



CCO

**RCA
CITY OF AUSTIN
RECOMMENDATION FOR COUNCIL ACTION**

**AGENDA ITEM NO.: 2
AGENDA DATE: Thu 11/04/2004
PAGE: 1 of 1**

SUBJECT: Authorize negotiation and execution of Change Order No. 1 to the contract with BURNS & MCDONNELL ENGINEERING CO., INC., Kansas City, MO, for a performance and payment bond in an amount not to exceed \$49,651 for the Building Combined Heat & Power (cogeneration) project located at the Domain Business Park for a revised total contract amount not to exceed \$5,392,651

AMOUNT & SOURCE OF FUNDING: Funding in the amount of \$49,651 is available in the 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: Charles Shell, Domain Plant Manager, 505-7014

PRIOR COUNCIL ACTION: 06/05/03 – Approved original contract in an amount not to exceed \$5,343,000; 08/24/00 – Resolution instructing Austin Energy to investigate feasibility of cogeneration projects.

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

PURCHASING: N/A

MBE / WBE: N/A

An administrative error was made in the June 5, 2003 RCA by not including an estimated \$75,000 for the required performance and payment bond in the total funding authority. This Change Order will correct that error by providing funding authority for the actual performance and payment bond covering the design-build contract for the Building Combined Heat and Power (cogeneration) project located at the Domain Business Park in north Austin. Required by state law on public works contracts, these bonds protect the owner of the construction project, Austin Energy in this case, against contractor failure and protect certain laborers, material suppliers, and subcontractors against nonpayment.

The Domain project included a 4.5 mega-watt electrical generator and a 2,500-ton absorption chiller (powered by using recovered heat from the generator), which Austin Energy now owns and operates. As part of the project, the Department of Energy (DOE) provided a \$3,000,000 cost share to design-build firm Burns & McDonnell, to assemble a team to install a packaged generator and chiller to demonstrate the merits of cogeneration, which include high efficiencies, low emissions, and lower life cycle costs.

CIP BUDGET
Fiscal Note

DATE OF COUNCIL CONSIDERATION:
WHERE ON AGENDA:
DEPARTMENT:

11/4/2004
Resolution
Austin Energy

SUBJECT: Authorize negotiation and execution of Change Order No. 1 to the contract with BURNS & MCDONNELL ENGINEERING CO., INC., Kansas City, MO, for a performance and payment bond in an amount not to exceed \$49,651 for the Building Combined Heat & Power (cogeneration) project located at the Domain Business Park for a revised total contract amount not to exceed \$5,392,651

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		\$ 23,300,390.83
Amount of This Action		<u>(19,515.00)</u>
Remaining Balance		<u>\$ 23,280,875.83</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: _____

10/15/04

CIP BUDGET
Fiscal Note

DATE OF COUNCIL CONSIDERATION:

11/4/2004

WHERE ON AGENDA:

Resolution

DEPARTMENT:

Austin Energy

SUBJECT: Authorize negotiation and execution of Change Order No. 1 to the contract with BURNS & MCDONNELL ENGINEERING CO., INC., Kansas City, MO, for a performance and payment bond in an amount not to exceed \$49,651 for the Building Combined Heat & Power (cogeneration) project located at the Domain Business Park for a revised total contract amount not to exceed \$5,392,651

FINANCIAL INFORMATION:

Parent Project Name: **Power Production**
Project Authorization: 2004-2005 Approved Capital Budget

Current Appropriation	\$ 339,724,850.00	
Unencumbered Balance		\$ 14,096,435.23
Amount of This Action		<u>(30,136.00)</u>
Remaining Balance		<u>\$ 14,066,299.23</u>

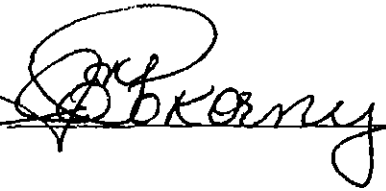
Use of Remaining Balance:

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: 10/21/04