

A U S T I N C I T Y C O U N C I L

AGENDA



Thursday, November 02, 2006

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Austin Energy RECOMMENDATION FOR COUNCIL ACTION

ITEM No 3

Subject Authorize Change Order No. 2 to increase the spending authorization for Austin Energy's Building Purchase Agreement with DAUGHTERS OF CHARITY HEALTH SERVICES OF AUSTIN (d/b/a SETON HEALTH CARE NETWORK) to purchase from Seton a structure to house the necessary energy production equipment to serve the Dell Children's Hospital, in an amount not to exceed \$600,000, for a total not to exceed amount of \$5,700,000

Amount and Source of Funding Funding is available in the Fiscal Year 2006-2007 Capital Budget of Austin Energy

Fiscal Note A fiscal note is attached

For More Information Roger Duncan, Deputy General Manager / 322-6157, Larry Alford, Manager, DG Operations / 322-6228

Boards and Commission Action Recommended by the Electric Utility Commission

Prior Council Action 11/17/05 - Approved change order increasing the spending authorization by \$2,100,000 to total of \$5,100,000 (Item 4), 8/26/04 - Approved original \$3,000,000 Building Purchase Agreement (Item 2), 7-29-04 - Approved \$15,500,000 Budget Amendment for new Seton Regional Children's Medical Hospital BHP (Item 6), 7-29-04 - Approved \$11,000,000 design and equipment contract for BHP with Burns & McDonnell (Item 52)

Additional Backup Material

(click to open)

- [AE Fiscal note](#)
- [Board and Commission action](#)

Seton has designed and is constructing the structure that houses the Building Cooling, Heating and Power (BHP) system in conjunction with their construction of the Dell Children's Medical Center of Central Texas. This BHP system is Austin Energy's new Mueller Energy Center (MEC), which already serves the Dell Children's Hospital and will serve several adjacent clients. Through the Council-approved Building Purchase Agreement, Austin Energy will acquire ownership of the structure following its completion by reimbursement to Seton for the construction costs.

This change order is needed for Austin Energy to meet the accelerated load growth in the area adjacent to the hospital. Austin Energy needs to expand the MEC plant capacity earlier than originally scheduled, and is therefore having Seton build-out a planned-for second switchgear room to house a 480-volt electrical switchgear system.

The Mueller Energy Center was dedicated on October 17, 2006. The original Building Purchase Agreement was for \$3M, but a relocation of the building increased the expected cost of the structure by \$2.1M due to an extension of two 30 inch chilled water lines and utilities, increased concrete slab dimensions and design requirements, compliance with a wall design surrounding the equipment that blends the structure architecturally with the hospital and surrounding structures, and incorporation of an artfully presented educational display.

In other related items, Council approved 1) On June 14, 2004 a reimbursement agreement with Catellus Commercial Development Corporation to install chilled water pipes in the roadway adjacent to the BHP energy plant, and 2) On July 29, 2004 an agreement with Burns and McDonnell Engineering Co. to purchase the BHP system for a cost not to exceed \$11,000,000.

CIP BUDGET
Fiscal Note

DATE OF COUNCIL CONSIDERATION.

11/2/2006

WHERE ON AGENDA.

Resolution

DEPARTMENT

Austin Energy

SUBJECT: Authorize Change Order No 2 to increase the spending authorization for Austin Energy's Building Purchase Agreement with DAUGHTERS OF CHARITY HEALTH SERVICES OF AUSTIN (d/b/a SETON HEALTH CARE NETWORK) to purchase from Seton a structure to house the necessary energy production equipment to serve the Dell Children's Hospital, in an amount not to exceed \$600,000, for a total not to exceed amount of \$5,700,000

FINANCIAL INFORMATION.

Parent Project Name **Non-Electric Plant Assets - Chillers**
Project Authorization 2006-2007 Approved Capital Budget

Current Appropriation	\$ 135,067,916 00	
Unencumbered Balance		\$ 28,466,597 65
Amount of This Action		<u>(600,000 00)</u>
Remaining Balance		<u><u>\$ 27,866,597 65</u></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

Signature J E Pokorny, Director Planning & Budget Date 10/17/2006



Electric Utility Commission
October 16, 2006
Meeting

Authorize Change Order No 2 to increase the spending authorization for Austin Energy's Building Purchase Agreement with DAUGHTERS OF CHARITY HEALTH SERVICES OF AUSTIN (d/b/a SETON HEALTH CARE NETWORK) to purchase from Seton a structure to house the necessary energy production equipment to serve the Dell Children's Hospital, in an amount not to exceed \$600,000, for a total not to exceed amount of \$5,700,000

Motion by Fath

Seconded by Wolfe

Ayes Alvarez, Fath, Sessa, Shaw, Weston, and Wolfe

Nays NONE

Abstaining Schmandt

Off the dais NONE

Absent Knaupe and Skeith

The Commission approved this item, 6-0-1