

## A G E N D A



## Recommendation for Council Action (Purchasing)

Austin City Council		Item ID:	56273	Agenda Number	21.
Meeting Date:		April 21, 2016			
Department:		Purchasing			
Subject					
Authorize an amendment to the contract with CLEAVER-BROOKS SALES AND SERVICE INC., PRO SERV INDUSTRIAL CONTRACTORS, LLC, and TEI CONSTRUCTION SERVICES INC., to repair and upgrade the heat recovery steam generator at Sand Hill Energy Center in an amount not to exceed \$3,000,000 each and combined, for a revised total contract amount not to exceed \$11,000,000 each and combined.					
Amount and Source of Funding					
Funding in the amount of \$3,000,000 is available in the Fiscal Year 2015-2016 Operating Budget of Austin Energy.					
Fiscal Note					
There is no unanticipated fiscal impact. A fiscal note is not required.					
Purchasing Language:	Contract Amendment				
Prior Council Action:	August 7, 2014 - Approved original contract, item # 63.				
For More Information:	Cheryl Kaufman, Senior Buyer, 512-505-3545				
Boards and Commission Action:	March 21, 2016 - Recommended by the Electric Utility Commission on a 10-0 vote with Commissioner Norris absent.				
Related Items:					
MBE / WBE:	The original contract was awarded in compliance with City Code Chapter 2-9C Minority Owned and Women Owned Business Enterprise Procurement Program. No subcontracting opportunities were identified; therefore, no goals were established for the original contract.				
Additional Backup Information					

The contract was awarded in August 2014 as a competitive procurement for a six-year maintenance contract for Sand Hill Energy Center's combined cycle unit heat recovery steam generator (HRSG). The HRSG uses hot exhaust gas from the combined cycle combustion turbine to generate steam used to drive the combined cycle steam turbine. Utilization of the combustion turbine exhaust heat significantly improves the efficiency of the combined cycle unit which is Austin Energy's most efficient gas fired unit. This contract authorizes three qualified vendors to compete on a per project basis to provide services such as planned maintenance, emergent maintenance, parts, inspections, and equipment upgrades.

Austin Energy has utilized approximately 77% of the original contract spending authority to execute emergent repairs required to ensure the reliability of the combined cycle unit during peak season and to implement material upgrades to improve the long term reliability of the HRSG. This work included repairs to original HRSG high pressure economizer tubes to ensure unit reliability through peak season and the replacement of one of seven major HRSG heat exchanger modules with upgraded material to ensure the long term reliability of the unit.

This request is to ensure that during the remaining four years of the contract that there is adequate spending authority for anticipated maintenance and upgrades as well as emergent repairs. The additional authority represents a 37.5% increase to the contract amount. In accordance with Senate Bill 7, as adopted by Council in Resolution No. 040610-02, Austin Energy contracts may be increased in excess of the 25% limit required by Chapter 252 of the Texas Local Government Code.

#### **CONTRACT SUMMARY**

Action	Description	<u>Authorization</u>
Council Authorization August 7, 2014, item 63	Original Authorization	\$8,000,000
Proposed Amendment	Increase of Authorization	\$3,000,000
Revised Total Contract Authorization		\$11,000,000