

AGENDA



Recommendation for Council Action (CCO)

Austin City Council	Item ID:	65552	Agenda Number	4.
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Meeting Date:	December 15, 2016
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Department:	Capital Contracting Office
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Subject

Authorize execution of a 24-month Indefinite Delivery/Indefinite Quantity construction services contract with Bilfinger Westcon, Inc., for the installation of chilled water piping construction in the right-of-way, in an amount not to exceed \$6,000,000 for an initial 24-month term, with three 12-month extension options for an amount not to exceed \$3,000,000 for each extension option, for a total contract amount not to exceed \$15,000,000.

Amount and Source of Funding

Funding in the amount of \$4,500,000 is available in the Fiscal Year 2016-17 Capital Budget of Austin Energy and funding in the amount of \$100,000 is available in the Fiscal Year 2016-17 Operating Budget of Austin Energy. Funding for the remainder of the original contract and extension options are contingent upon available funding in future budgets.

Fiscal Note

A fiscal note is attached.

Purchasing Language:	Lowest responsive bid of two bids received through a competitive Invitation for Bid solicitation.
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Prior Council Action:	
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For More Information:	Rolando Fernandez, 512-974-7749; Sarah Torchin, 512-974-7141; Jim Collins, 512-322-6426; James Matlock Jr. 512-322-6273.
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Boards and Commission Action:	To be reviewed by the Electric Utility Commission on December 12, 2016.
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Related Items:	
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MBE / WBE:	This contract will be awarded in compliance with City Code Chapter 2-9A (Minority Owned and Women Owned Business Enterprise Procurement Program) by meeting the goals with 8.0% MBE and 6.0% WBE participation.
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Additional Backup Information

Austin Energy owns and operates three district energy systems that transform electrical energy into thermal energy which is then distributed, via a network of underground pipes, to external customers in the form of chilled water and steam services. The aggregation of loads enables superior efficiencies, reliability, and quality when compared to stand-alone systems. The thermal storage elements within each chilling station enable Austin Energy to shift electrical consumption from on-peak to off-peak electrical periods. In this region, 40-45% of the electricity consumed by a typical commercial building goes to powering its air conditioning system.

The Austin Energy systems serve the Downtown Central Business District, the Domain, and Mueller. Currently Austin Energy has 69 customers, nearly 18.9 million square feet of space, connected to its district energy systems. These customers include residential towers, office buildings, hotels, the Austin Convention Center, and City Hall. The Downtown and Domain systems provide chilled water services only. The Mueller Energy Center provides chilled water to neighboring buildings and chilled water, steam, and on-site generated electricity to the Dell Children's Medical Center of Central Texas.

This request is for a construction services contract with Bilfinger Westcon, Inc. which is necessary to connect new customers to Austin Energy's existing chilled water service lines, expand and make improvements to existing chilled water lines, and connect chilled water customers to Austin Energy's district cooling systems. The proposed contract will include an initial 24-month contract period of \$6,000,000 and three, 12-month extension options in the amount of \$3,000,000 each for a total potential not-to-exceed contract amount of \$15,000,000.

The construction projects include installation of new underground chilled water supply and return lines including those in right-of-way, excavation, tunneling or boring as required for installing the chilled water piping, installation of pipe, valves, communications conduit and fiber, vaults, air release assemblies including hot tapping into existing chilled water lines when necessary, traffic control, and street and sidewalk restoration.

This contract is time-sensitive a delay in award of this contract will impact the delivery of services to Austin Energy customers.

The projects will be managed by Austin Energy.

RECOMMENDED FIRM: Bilfinger Westcon, Inc. is located in Houston, Texas.