



Recommendation for Action

File #: 20-2688, **Agenda Item #:** 7.

9/17/2020

Posting Language

Authorize award and execution of a construction contract with Flintco, LLC for the Domain Four Chillers Demolition project in the amount of \$1,339,000 plus a \$66,950 contingency, for a total contract amount not to exceed \$1,405,950.

[Note: 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 12.03% MBE and 0.37% WBE participation.]

Lead Department

Capital Contracting Office

Managing Department

Austin Energy

Fiscal Note

Funding is available in the Fiscal Year 2019-2020 Capital Budget of Austin Energy.

Purchasing Language:

Only one bid received through a competitive Invitation for Bid solicitation.

For More Information:

Inquiries should be directed to the City Manager's Agenda Office, at 512-974-2991 or AgendaOffice@austintexas.gov <<mailto:AgendaOffice@austintexas.gov>>.

NOTE: Respondents to this solicitation, and their representatives, shall direct inquiries to Rolando Fernandez, 512-974-7749, Garrett Cox, 512-974-9423, or the Project Manager, Annette Guerra, 512-322-6203.

Council Committee, Boards and Commission Action:

To be reviewed by the Electric Utility Commission on September 14, 2020.

Additional Backup Information:

Austin Energy constructs, maintains, and operates district energy stations and chilled water plants, which transform electrical energy into stored thermal energy distributed, via a network of underground pipes, to external customers in the form of chilled water. The aggregation of loads enables superior efficiencies, reliability, and quality when compared to stand-alone systems. The thermal storage elements in a station enable Austin Energy to shift electrical consumption from on-peak to off-peak electrical periods. Austin Energy owns and operates three district energy and cooling systems serving the Downtown Central Business District, the Domain, and Mueller.

This project consists of removing four obsolete chillers from the Austin Energy Domain District Plant. The chillers use an obsolete refrigerant and were previously replaced by newer chillers. The demolition scope

includes the remediating the old refrigerant, removing piping, power, Variable Frequency Drives, controls conduit, controls wiring, instrumentation, all associated controls items and supporting items, chiller pads and infrastructure associated with the four existing chillers. The project also includes the removal of the existing condenser header piping and providing new piping to existing Chiller 9. Additionally, Austin Energy will use the empty space created by removing the obsolete chillers to install new, updated switchgear for the plant. The existing switchgear is old, and a recent third-party inspection recommended replacing it.

Since only one bid was received, staff contacted other potential bidders to ask why they chose not to bid. The reasons included; bid as a subcontractor, focused on other projects, the need to physically see the site to develop a bid, outside of contractor's core business practice, and concerns with the remediation component of the scope of work.

Due to the potential for failing materials or equipment, and lead and asbestos that may be encountered during the project, a 5% contingency in funding has been included to allow for the expeditious processing of any change orders. A contingency is an additional amount of money added to the construction budget to cover any unforeseen construction costs associated with the project.

There will be no impact to the public as the entirety of the project will take place on City property.

A delay of this contract will affect Austin Energy's ability to mitigate environmental impacts associated with ozone depleting refrigerant present in the equipment and create the risk of failure of the aging electrical switchgear causing the plant to go off-line and adversely affecting chilled water customers.

The contract allows 90 days for completion of this project. This project is located within zip code 78758 (District 7).

Information on this solicitation is available through the City's Austin Finance Online website. Link: [Solicitation Documents <https://www.austintexas.gov/financeonline/account_services/solicitation/solicitation_details.cfm?sid=133919>](https://www.austintexas.gov/financeonline/account_services/solicitation/solicitation_details.cfm?sid=133919).

Strategic Outcome(s):

Government that Works for All.