



## Recommendation for Action

**File #:** 20-3195, **Agenda Item #:** 2.

10/15/2020

### **Posting Language**

Authorize negotiation and execution of a design build agreement with Stellar Energy Americas, Inc. for design and construction services for the Mueller Energy Center Chiller Capacity Addition project in an amount not to exceed \$15,600,000.

[Note: This contract will be awarded in compliance with City Code Chapter 2-9B (Minority Owned and Women Owned Business Enterprise Procurement Program) by meeting the goals with 22.50% MBE and 18.30% WBE participation.].

### **Lead Department**

Capital Contracting Office

### **Managing Department**

Austin Energy

### **Fiscal Note**

Funding is available in the Fiscal Year 2020-2021 Capital Budget of Austin Energy.

### **Purchasing Language:**

Best Value to the City of Austin of 11 offers received.

### **Prior Council Action:**

February 20, 2020 - City Council authorized use of Design-Build type of Alternative Delivery Method.

### **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) <<mailto:AgendaOffice@austintexas.gov>>.

NOTE: Respondents to this solicitation, and their representatives, shall direct inquiries to Rolando Fernandez, 512-974-7749, Rick Selin, 512-974-7179, or the Project Manager, Annette Guerra, 512-322-6203.

### **Council Committee, Boards and Commission Action:**

To be reviewed by the Electric Utility Commission on October 12, 2020.

### **Additional Backup Information:**

Austin Energy constructs, maintains, and operates district chilled water plants that transform electrical energy into stored thermal energy that is then 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 at each customer's building. The thermal storage element enables Austin Energy to shift electrical consumption from on-peak to off-peak periods. Austin Energy owns and operates three district energy and cooling systems serving the Downtown Central Business District, the Domain, and the

**Mueller Redevelopment Zone.**

The project is to construct a new 6,000-ton Chilled Water Plant (including thermal storage) with an estimated design and construction budget of \$15,600,000 to meet the cooling needs of the new Austin Energy Headquarters building, a new medical office building, expansion of the Dell Children's Hospital and other new customers as they arise. Austin Energy will connect the plant to the existing chilled water distribution piping in the Mueller Redevelopment Zone. The plant equipment will include chillers, cooling towers, pumps and all other equipment for a remotely-operated chilling station. The goal is to have the plant operational in time for the summer 2022 cooling season to minimize the need for temporary chillers to meet requirements.

The design-build contract is recommended for award to the offeror providing the best value to the City, as established through a qualifications-based selection process. A design-build solicitation is a 2-step process consisting of Request for Qualifications and Request for Additional Information. A diverse City-staffed evaluation panel comprised of technical experts, reviews, scores, and shortlists design-build firms. The result of which is the selection of the highest-ranked firm. Council's authorization is requested to negotiate and execute an agreement with the highest-ranked firm to begin design phase services. MBE/WBE goals are initially established for the design phase services only. When design is sufficiently complete and prior to Construction Phase, MBE/WBE goals are established based on identified construction trades.

Austin Energy will perform all public and community engagement. The design-builder will be required to assist Austin Energy in providing graphics, project descriptions, and technical information, as requested. The design-builder's team representative will be required to attend and participate in public presentations and assist in follow-up tasks.

This project is located within zip code 78723 (District 1). The completion date is slated to be February 2022.

**TOP RANKED FIRM:**

Stellar Energy Americas, Inc. is located in Jacksonville, Florida.

**SECOND RANKED FIRM:**

SpawGlass Contractors, Inc. is located in Austin, Texas.

**Strategic Outcome(s):**

Government that Works for All.