



Recommendation for Action

File #: 22-1534, Agenda Item #: 19.

4/7/2022

Posting Language

Authorize an amendment to a contract with Brace Integrated Services Inc. for continued insulation and heat trace services, to increase the amount by \$2,751,000 for a revised total contract amount not to exceed \$8,253,000.

(Note: This contract was reviewed for subcontracting opportunities in accordance with City Code Chapter 2-9C Minority Owned and Women Owned Business Enterprise Procurement Program. For the services required for this contract, there were an insufficient number of certified M/WBEs; therefore, no subcontracting goals were established).

Lead Department

Financial Services Department.

Client Department(s)

Austin Energy.

Fiscal Note

Funding in the amount of \$1,375,500 is available in the Fiscal Year 2021-2022 Operating Budget of Austin Energy. Funding for the remaining contract term is contingent upon available funding in future budgets.

Purchasing Language:

Contract Amendment.

Prior Council Action:

October 17, 2019 - Council approved the original contract, item 15, on a 9-0 vote with Council Members Alter and Tovo off the dais.

For More Information:

Inquiries should be directed to Julia Finn, at 512-322-6060 or Julia.Finn@austintexas.gov or [<mailto:Julia.Finn@austintexas.gov>](mailto:Julia.Finn@austintexas.gov).

Council Committee, Boards and Commission Action:

March 21, 2022 - Recommended by the Electric Utility Commission on a 7-0 vote with Commissioners Bowen, Cardenas, Chapman, and Funkhauser absent.

Additional Backup Information:

The proposed amendment will provide Austin Energy additional funding for continued maintenance to and/or restoration of insulation and heat trace services at Sand Hill Energy Center, Decker Creek Power Station, and District Energy Cooling locations.

Heat tracing is an electrical warming system installed under the insulation on critical process piping to prevent

freezing during winter operations. Properly maintained insulation and heat trace systems are critical to safety, efficiency, energy costs, and winter reliability of these facilities. In addition, the Electric Reliability Council of Texas (ERCOT) requires all power generators to complete preparedness activities prior to the winter season as directed by the Public Utility Commission.

The original funding request was based on weatherization thresholds established prior to 2021 Winter Storm Uri. Austin Energy proactively took steps both before and after Winter Storm Uri to bolster its heat trace systems so has used the authorization faster than initially estimated. In addition, ERCOT is performing a state-wide extreme temperature study of power plants which may affect future winter preparedness requirements for Austin Energy plants. This request also reflects the addition of three new District Cooling Plants since they have been added since the original funding request in October 2019.

Contract Detail:

Contract Term	Length of Term	Current Contract Authorization	Requested Additional Authorization	Revised Total Authorization
Initial Term	2 yrs.	\$1,834,000		\$1,834,000
Extension Option 1	2 yrs.	\$1,834,000		\$1,834,000
Extension Option 2	2 yrs.	\$1,834,000		\$1,834,000
Proposed Amendment			\$2,751,000	\$2,751,000
TOTAL	6 yrs.	\$5,502,000	\$2,751,000	\$8,253,000

Note: Contract Authorization amounts are based on the City’s estimated annual usage.

Strategic Outcome(s):

Government that Works for All.