

**CITY OF AUSTIN - PURCHASING DEPT.  
RECOMMENDATION FOR COUNCIL ACTION  
VENDOR NAME: FLINTCO, INC.**

**AGENDA DATE: 11/10/2011**

**SUBJECT:** Authorize award and execution of Amendment No. 1 to a contract with FLINTCO INC., Austin, TX, to increase the contract amount for foundation re-design services of a thermal energy storage tank in an amount not to exceed \$107,584, for a revised total estimated contract amount not to exceed \$644,584.

**AMOUNT AND SOURCE OF FUNDING:** Funding is available through a grant awarded to the City of Austin/Austin Energy from the U.S. Department of Energy (DOE), as a result of the American Recovery and Reinvestment Act (ARRA) of 2009 for the grant period of December 28, 2009 to December 27, 2012. No match is required.

**FISCAL NOTE:** There is no unanticipated fiscal impact. A fiscal note is not required.

**FOR MORE INFORMATION:** Terry Nicholson, Senior Buyer / 512-322-6586

**PRIOR COUNCIL ACTION:** March 3, 2011 - Approved initial contract; February 4, 2010 - Approved acceptance of \$7,492,700 grant from DOE amending the budget.

**BOARDS AND COMMISSION ACTION:** To be reviewed by the Electric Utility Commission on October 17, 2011 and the Resource Management Commission on October 18, 2011.

**PURCHASING:** Contract Amendment.

**MBE/WBE:** This contract was awarded in compliance with Chapter 2-9D of the City Code (Minority-Owned and Women-Owned Business Enterprise Procurement Program) by meeting the goals with 1.58% MBE and .41% WBE Subcontractor Participation.

---

On March 3, 2011, Council approved the award of a contract with FLINTCO, LLC in an estimated amount not to exceed \$537,000 for the installation of a thermal energy storage (TES) tank at the Technicenter Plant located at 4201 Ed Bluestein which houses first responders including the Austin Fire Department, Emergency Medical Services (EMS), Austin Police Department offices, and the Department of Small and Minority Business Resources. The TES tank is essentially an insulated water storage tank designed to store chilled water. At night and at off-peak times, electric chillers are operated to air condition the building as well as store chilled water for use during peak electrical demand. During times of peak electrical demand, the electric chillers are shut off and the building is air conditioned using stored chilled water.

The specifications provided in the solicitation included soil tests performed in 2004 for the purpose of adding additional parking lot pavement at this site and these tests are what the bids were to be based on. Flintco was required to complete new soil tests as part of the design process, which in turn revealed the existence of "fat clay" at the site. Fat clay is a syndrome

where the existence of a high proportion of certain minerals is found in the soil which can lead to ground swelling and endanger the structural integrity of the tank and its internal piping.

This amendment is to accommodate a redesign of the thermal energy storage tank's foundation, additional excavation and backfill, and extensive soil stabilization based on the results of the new soils tests. The new enhanced foundation design calls for six feet of excavation inside a 36-foot diameter on the tank's construction limits rather than the original 26-foot diameter, as well as stabilizing the soil up to 15 feet below the current asphalt under the tank.

The work will include all labor, materials and equipment necessary for the project. This TES tank is part of a larger heating, ventilating and air conditioning (HVAC) upgrade project at the Technicenter campus that is currently underway through an existing contract which is also being funded through the ARRA stimulus grant. The overall project is expected to shift and reduce peak demand by 400 kW, reduce energy usage by 931,532 kWh and avoid operating costs annually by \$160,000. This project will help Austin Energy achieve its goal of reducing peak electrical demand and offsetting or delaying the need to procure new power generation resources.

#### Contract Summary

Action	Description	Amount
Original contract approved 3/11/2011	Council approved award of contract	\$537,000
Proposed Amendment No. 1	Increase contract amount	\$107,584
Total Revised Contract Amount		\$644,584