

## A G E N D A



## Recommendation for Council Action

Austin City Council

Item ID

29324

Agenda Number

25.

Meeting Date:

12/12/2013

Department:

Legal

## Subject

Authorize negotiation and execution of an amendment to a legal services contract with Greenberg Traurig, LLP for services related to a contractual dispute with NAES Corporation over payment for boiler repair work at the Sand Hill Energy Center, in the amount of \$300,000, for a total contract amount not to exceed \$356,000.

## Amount and Source of Funding

Funding is available in the FY 2013-2014 Austin Energy Operating Budget.

## Fiscal Note

Purchasing Language:

Prior Council Action:

For More Information:

Andy Perny, Division Chief, 512-974-2447

Boards and  
Commission Action:

MBE / WBE:

Related Items:

## Additional Backup Information

The City has a maintenance repair and services contract with NAES Corporation with an authorized contract amount of \$5,400,000. In early 2013, NAES was issued a purchase order to perform repair work on the Heat Recovery Steam Generator (HRSG) at Austin Energy's Sand Hill Energy Center. The work involved opening the HRSG, cutting and removing piping, and welding piping for reinstallation into the structure. After the project had progressed for several months, Austin Energy terminated NAES's work in May of 2013. NAES has submitted a payment claim for approximately \$2.2 million. Austin Energy disputes this amount, on the basis of the quality of the work performed, scheduling delays, and the contractual amount agreed to under the purchase order. The matter is still under negotiation and mediation will likely continue.