

A G E N D A



Recommendation for Council Action (CMD)

Austin City Council	Item ID:	32497	Agenda Number	6.
Meeting Date:	May 15, 2014			
Department:	Contract Management			
Subject				
Authorize negotiation and execution of a change order with TRC ENVIRONMENTAL CORPORATION, in the amount of \$154,873.88 to address the impact of additional, unforeseen asbestos discovered in Boiler 3 of the Holly Street Power Plant Demolition Project and to increase the original amount of the contract, inclusive of contingency, from \$12,059,743 to an amount not to exceed \$12,214,616.				
Amount and Source of Funding				
Funding is available in the 2013-2014 Capital Budget of Austin Energy.				
Fiscal Note				
A fiscal note is attached.				
Purchasing Language:	Best Value to the City of Austin of four proposals received.			
Prior Council Action:	May 12, 2011 - Council authorized the negotiation and execution of a contract with TRC Environmental Corporation, Austin, Texas. September 24, 2009 - Council authorized the use of a Competitive Sealed Proposal Alternative Project Delivery Method.			
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Boards and Commission Action:	Approved by the Electric Utility Commission on April 21, 2014.			
Related Items:				
MBE / WBE:	This contract was awarded in compliance with City Code Chapter 2-9A (Minority Owned and Women Owned Business Enterprise Procurement Program) with 25.81% MBE and 11.23% WBE subcontractor participation to date.			
Additional Backup Information				

The scope of work in the Holly Street Power Plant Demolition Project included the abatement of asbestos containing material (ACM) and lead along with the demolition of four boiler tower structures and the turbine/generator building. The abatement of the ACM is a legal requirement. An ACM survey prior to the start of the project revealed ACM in Boilers 1 and 2. Austin Energy intended to sell Boiler 3 and therefore held off on intrusive ACM testing of that structure. Boiler 4 was constructed after the use of ACM was prohibited and therefore no ACM was present. The sale of Boiler 3 never materialized and, after the work on Boilers 1 and 2 had been substantially completed, testing of Boiler 3 revealed the presence of ACM.

The abatement added 96 days to the Project Schedule and increased the contractor's overhead, general conditions, construction management, equipment, and subcontractor costs. The total change order to compensate the contractor for the impact of the additional ACM is \$853,946.91, calculated in accordance with the contractual basis for change order cost computation and actual costs incurred during the extended time. In addition, the change order will grant the contractor the additional 96 days of project time. However, since actual substantial completion occurred after this granted time extension, the City will receive a completion credit of \$200,000 against the amounts owed to the contractor, resulting in a net change order amount of \$653,946.91. With this addition, total project change orders represent a 6.2% increase in the contract amount which is well within the statutory threshold of 25%.

Of the \$653,946.91 owed to the contractor, \$499,073.03 will be funded in a separate change order from existing project funding. This request is to fund the balance of the change order of \$154,873.88.

Final completion has been achieved, and this action will close all obligations between the contractor and the owner, Austin Energy.