

A G E N D A



Recommendation for Council Action

Austin City Council	Item ID	75214	Agenda Number	12.
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Meeting Date:	9/28/2017	Department:	Capital Contracting Office
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Subject

Authorize the use of the Design-Build procurement method in accordance with Texas Government Code Chapter 2269 for the design and construction services for the Downtown Chiller Capacity Addition. (District 9)

Amount and Source of Funding

Fiscal Note

A fiscal note is not required.

Purchasing Language:	This request is for Council to authorize the use of the Design-Build methodology for project design and construction. No solicitation has been initiated.
Prior Council Action:	
For More Information:	Inquiries should be directed to the City Manager's Agenda Office, at 512-974-2991 or AgendaOffice@ austinTEXAS.gov. NOTE: Respondents to this solicitation, and their representatives, shall direct inquiries to Rolando Fernandez, 512-974-7749 or Aiden Cohen 512-974-1929.
Council Committee, Boards and Commission Action:	August 14, 2017 - Recommended by the Electric Utility Commission on a vote of 7-0, with Commissioner Wray off the dais, Commissioners Stout and Zell absent, and one vacancy.
Related Items:	
MBE / WBE:	MBE /WBE goals will be established prior to issuance of this solicitation.

Additional Backup Information

State Statute governs construction procurement for municipalities. The standard method of contracting used for construction services is competitive bidding where the contract is awarded to the lowest responsible bidder. Texas Government Code Chapter 2269 allows for methodologies alternate to low bidding method which may provide the best value to the municipality. These alternate methodologies include: Competitive Sealed proposals, Construction Manager-at-Risk, Design-Build, and Job Order Contracting. Texas Local Government Code Section 252.022(d) allows the City to adopt and use an alternative method including Design-Build under Chapter 2269 of the Texas Government Code if such a method provides a better value for the City.

The project will consist of two continuous phases. Phase one will include design of the facility with phase two consisting of the construction of the facility. The Design-Build method is the most effective delivery method for meeting schedule constraints within the project budget as each phase of design and construction services is carefully negotiated. Design-Build is a method of construction procurement under which design and construction services are contracted through one entity, a joint venture either between a design consultant and a constructor, or from a single

entity with both capabilities.

A Design-Build firm will be selected by an evaluation panel composed of City staff that will score proposals based on published evaluation criteria to determine the highest ranked firm. As set forth in Government Code 2269, the City of Austin will select a Design-Build firm that will provide the "best value" to the City as established through a two-step qualifications-based selection process. Staff will then return to Council with a recommended firm for Council award.

Austin Energy intends to provide additional chilled water production capacity for customers within the downtown area to meet chilled water demand when customer requirements exceed the system's current capacity of 20,000 tons. The planned chilled water capacity for this project is approximately 3,000 tons. The equipment will be connected to existing chilled water distribution piping below Red River Street. The plant equipment will include chillers, cooling towers, pumps and all other equipment necessary.

Considerations will include electrical power availability, access to existing chilled water and plumbing lines, and coordination with convention center staff. The project requires multiple disciplines including mechanical, structural, electrical, and civil engineering. The goal is to have the plant operational by the summer of 2019. The total estimated design and construction budget is \$10,000,000 with construction beginning in November 2018.

A delay in authorization will negatively affect Austin Energy's ability to cost effectively meet anticipated increase in cooling demands during the summer of 2019. Increased demand for chilled water is anticipated due to the completion of construction of several large buildings downtown that plan to utilize Austin Energy's chilled water services.

The expected solicitation and evaluation process for this project is approximately six months.