

**AGENDA**



**Recommendation for Council Action**

**AUSTIN CITY COUNCIL**

**Regular Meeting: November 9, 2017**

Item Number: **008**

**Capital Contracting Office**

Authorize negotiation and execution of a job order assignment with Hensel Phelps, for the On-Site Energy Resources Austin Marriott Downtown project, for a total amount not to exceed \$855,000. (Note: This Job Order Contract was awarded in compliance with City Code Chapter 2-9A (Minority Owned and Women Owned Business Enterprise Procurement Program) by meeting the goals with 13.69% MBE and 7.40% WBE participation.).

**District(s) Affected:** District 9

<b>Fiscal Note</b>	Funding is available in the Fiscal Year 2017-2018 Capital Budget of Austin Energy.
<b>Purchasing Language</b>	Original contract was awarded through a Competitive Sealed Proposal solicitation process.
<b>Prior Council Action</b>	June 15, 2017 - Authorized 2017 Job Order Contract for City of Austin Facilities Improvement.  March 2, 2017 - Authorized use of Job Order Contracting Project Delivery Method.
<b>For More Information</b>	Inquiries should be directed to the City Manager’s Agenda Office, at 512-974-2991 or <a href="mailto:AgendaOffice@austintexas.gov">AgendaOffice@austintexas.gov</a> .  NOTE: Respondents to this solicitation, and their representatives, shall direct inquiries to Rolando Fernandez, 512-974-7749 or Aiden Cohen, 512-974-1929.
<b>Council Committee,</b>	October 16, 2017 - Recommended by the Electric Utility Commission

<b>Boards and Commission Action</b>	on a vote of 7-0, with Commissioners Fath, Stout, and Wray absent, and one vacancy.
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**Additional Backup Information:**

District cooling plants distribute chilled water (approximately 44 to 45 degrees F) to the customer's building through a set of heat exchangers located in the customer's mechanical room. A single plant can meet the cooling needs of several buildings. Austin Energy operates district cooling plants and distribution systems to provide chilled water service to many commercial customers throughout Austin.

Austin Energy's On-Site Energy Resources operates several District Cooling Systems. These systems provide customers cooling requirements through a network of underground pipes, which serve multiple large buildings within a particular service area.

This project will connect the future Austin Marriott Downtown to Austin Energy's Downtown District Cooling system. This project is located at Cesar Chavez and Trinity Streets and will add one customer to this Downtown District Cooling system. Adding customers allows the district cooling program to increase the amount of thermal energy storage toward the Council approved goal of 30 Mega Watts by 2027. This project requires a quick turnaround to meet the energy needs of Austin Energy's customer; therefore, the Job Order Contracting option was determined to be the best contracting option for this project.

Job Order Contracting is a highly responsive contracting method that allows for services where the work is for indefinite time and indefinite quantities, and where job order assignments are awarded substantially on the basis of pre-described and pre-priced tasks. Work may consist of facility maintenance, repair, alteration, renovation, remediation, or minor construction of City facilities.

Pursuant to state statute, the City is required to obtain approval from Council for any individual job order assignment that exceeds \$500,000. This request is for Council authorization to negotiate and execute one Job Order Assignment from the Job Order Contract program for an amount not to exceed \$855,000, inclusive of a 10% contingency. The Job Order Proposal provided by HP will identify MBE/WBE subcontractors and scopes of work required to complete the assignment.

This project is located within zip code 78701 (District 9).

Hensel Phelps is located in Austin, Texas..

