

## AGENDA



## Recommendation for Council Action

## AUSTIN CITY COUNCIL

Regular Meeting: August 23, 2018

Item Number: 005

## Capital Contracting Office

Authorize negotiation and execution of a Design-Build agreement with SpawGlass Contractors, Inc., for design and construction services for the Downtown Chiller Capacity Addition project in an amount not to exceed \$14,000,000. [Note: This contract will be awarded in compliance with City Code Chapter 2-9B (Minority Owned and Women Owned Business Enterprise Procurement Program) by meeting the goals with 9.66% MBE and 2.99% WBE participation.]

<b>Lead Department</b>	Capital Contracting Office  <b><u>Managing Department(s)</u></b> Austin Energy
<b>Fiscal Note</b>	Funding is available in the Fiscal Year 2017-2018 Capital Budget of Austin Energy.
<b>Purchasing Language</b>	Best Value to the City of Austin of five offers received.
<b>Prior Council Action</b>	September 28, 2017 - City Council authorized use of the Design-Build Alternative Delivery Method.
<b>For More Information</b>	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, Aiden Cohen, 512-974-1929, or the Project Manager Imane Mrini, 512-322-6144.

<b>Council Committee, Boards and Commission Action</b>	April 16, 2018 - Recommended by the Electric Utility Commission on a vote of 7-0 with Vice Chair Hadden and Commissioner Reel absent and two vacancies.
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### **Additional Backup Information:**

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. The proposed equipment will be operated as a 'peaker plant' to meet chilled water demand when customer requirements exceed current capacity.

In September 2017, Council authorized the use of the Design-Build Alternative Delivery Method for this project. Design-Build is a project delivery method where a single firm (or joint venture) is hired to provide both design and construction services. Design-Build is best for complex projects with schedule and/or budget constraints. The City primarily uses this process for new facilities, renovations and/or improvements to real property.

This project requires multiple disciplines including mechanical, structural, electrical, and civil engineering. The goal is to have the plant operational by December 2019. The estimated total design-build budget is approximately \$14,000,000 (inclusive of design, construction services, and contingency).

This request is for the negotiation and execution of a design-build contract for preliminary, design, and construction phase services for this project. The preliminary and design phase includes schematic design, design development, construction documents, constructability reviews, value engineering, cost estimating, scheduling, development of a safety program, quality assurance, site security, environmental protection plans, permitting, pre-construction services, MBE/WBE subcontractor outreach, and all other services associated with the development of work packages for construction phase services.

The Design-Build contract is recommended for award to the Design-Builder providing the best value to the City, as set forth in Government Code 2269. A Design-Build solicitation is a 2-Step qualification based selection process consisting of Request for Qualifications and Request for Additional Information. A diverse City-staffed Evaluation Panel comprised of technical experts that reviews, scores, and shortlists Design-Builder firms to determine the highest ranked firm. Council's authorization is requested to negotiate and execute an agreement with the highest ranked firm to begin design phase services. MBE/WBE goals are initially established for the design phase services only. When design is sufficiently complete and prior to Construction Phase, MBE/WBE goals are established based on identified construction trades.

With Council's authorization of this request, staff will negotiate with the highest ranked firm that offers the best value to the City on the basis of published selection criteria. If the City is unsuccessful in negotiating a satisfactory agreement, negotiations will cease and the firm will be notified in writing. Pursuant to statute, staff will then proceed to negotiate with the next highest ranked firm.

**RECOMMENDED FIRM:**SpawGlass Contractors, Inc. is located in Austin, Texas.

**ALTERNATE FIRM:**Flintco, LLC, is located in Austin, Texas.