



Recommendation for Action

File #: 19-2728, **Agenda Item #:** 16.

8/22/2019

Posting Language

Authorize award and execution of a construction contract with Flintco, LLC, for construction of the Austin Community College Highland Chilled Water Plant, in the amount of \$24,380,000, plus a \$3,657,000 contingency, for a total contract amount not to exceed \$28,037,000. Related to item #13.

[Note: This contract will be awarded in compliance with City Code Chapter 2-9A (Minority Owned and Women Owned Business Enterprise Procurement Program) by meeting the goals with 8.27% MBE and 2.65% WBE participation.]

Lead Department

Capital Contracting Office

Managing Department(s)

Austin Energy

Fiscal Note

Funding is available in the Fiscal Year 2018-2019 Capital Budget of Austin Energy.

Purchasing Language:

Lowest responsive bid of three bids received through a competitive Invitation for Bid solicitation.

Prior Council Action:

February 2, 2017 - Council approved an interlocal agreement with Austin Community College to provide on-site chilled water services at the Highland Campus.

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, Aiden Cohen, 512-974-1929, or the Project Manager, James Matlock Jr., 512-322-6273.

Council Committee, Boards and Commission Action:

To be reviewed by the Electric Utility Commission on August 12, 2019.

Additional Backup Information:

Austin Energy constructs, maintains and operates district cooling (chilled water) stations in Downtown Austin, at Mueller, and the Domain. This technology transforms electrical energy into thermal energy, which is then distributed via a network of underground pipes to external customers in the form of chilled water. The aggregation of loads enables superior efficiencies, reliability, and quality when compared to stand-alone systems. In Central Texas, about 45% of the electricity consumed by a typical commercial building goes to powering its air conditioning system.

The benefits for chilled water customers include reduced construction and capital costs, extraordinary reliability, and simple, low risk operations. Chilled water systems enable Austin Energy to shift electrical consumption from on-peak to off-peak periods, thereby reducing electric market and regulatory charges which benefit all Austin Energy customers. Benefits to Austin Energy and the City of Austin include having a valuable tool for economic development, providing new revenue from long term chilled water service agreements, and advancement of environmental stewardship.

This construction project is critical in providing reliable and uninterrupted service to the ACC Highland Campus. A delay in awarding this contract would adversely impact the timeline for providing cooling capacity to ACC Highland facilities.

This contract will allow for the construction of an on-site chilled water plant to serve Austin Community College (ACC) facilities at its Highland Campus, as specified in the interlocal agreement with ACC and approved by City Council and the ACC Board of Trustees in 2017. The ACC Highland Campus is located at 6101 Airport Boulevard in Council District 4. The interlocal agreement stipulates that Austin Energy will provide chilled water service to ACC's Highland facilities at a fair market price while meeting ACC's build-out schedule; and provides Austin Energy the desired return on investment over the 20-year term of the chilled water service agreement.

The construction work consists of site work, equipment procurement and the installation and construction of a new 4,500-ton chilled water plant to serve ACC Highland Campus facilities. This project will assist Austin Energy in meeting the thermal storage goal of 30 MW by 2027 included in the current Resource, Generation and Climate Protection Plan.

In order to provide cooling capacity to the campus as quickly as possible, ACC and Austin Energy agreed to construct the chilled water plant in two phases. In the first phase, which is currently underway, ACC and its contractor build the plant's enclosure or building shell. In the second phase, Austin Energy and its contractor complete the buildout of the plant. The second phase includes installation and/or construction of chillers, cooling towers, pumps, piping, electrical switchgear, a chemical storage facility, a thermal energy storage tank and associated infrastructure and appurtenances. The second phase also includes rental of temporary chillers by Austin Energy to allow for building finish-outs for new construction being performed by ACC in this area. This construction process has a significant number of site constraints including space limitations, site access, multiple active construction projects near the site, multiple contractors working on the site and considerations for adjacent businesses that may limit the working hours. Therefore, a 15% contingency in funding is included to allow for the expeditious processing of any change orders. This contingency is an additional amount of money added to the construction budget to cover any unforeseen construction costs associated with the project.

The contract allows 574 calendar days for substantial completion of this project and an additional 77 calendar days for final completion. This project is located within ZIP code 78752 (District 4).

Flintco, LLC is located in Austin, Texas.

Information on this solicitation is available through the City's Austin Finance Online website. Link: [Solicitation Documents <https://www.austintexas.gov/financeonline/account_services/solicitation/solicitation_details.cfm?sid=128792>](https://www.austintexas.gov/financeonline/account_services/solicitation/solicitation_details.cfm?sid=128792).