



City of Austin

Recommendation for Action

File #: 24-3741, Agenda Item #: 6.

2/15/2024

Posting Language

Authorize an amendment to the 2023 Chilled Water Construction in the Right-of-Way Indefinite Delivery/Indefinite Quantity construction contract with DeNucci Constructors to increase the amount by \$6,250,000, for a revised total contract amount not to exceed \$31,250,000.

[Note: This contract was awarded in compliance with City Code 2-9A (Minority Owned and Women Owned Business Enterprise Procurement Program). Current participation to date is 0% MBE and 0% WBE].

Lead Department

Financial Services Department.

Managing Department

Austin Energy.

Fiscal Note

Funding is available in the Capital Budget of Austin Energy.

Purchasing Language:

Contract Amendment.

Prior Council Action:

February 23, 2023 - Council approved a construction contract for the 2023 Chilled Water Construction in the Right-of-Way Indefinite Delivery/Indefinite Quantity contract with DeNucci Constructors LLC.

For More Information:

Direct questions regarding this Recommendation for Council Action to the Financial Services Department - Central Procurement at: FSDCentralProcurementRCAs@austintexas.gov or 512-974-2500. Respondents to the solicitation and their Agents should direct all questions to the Authorized Contact Person identified in the solicitation.

Council Committee, Boards and Commission Action:

February 12, 2024 - To be reviewed by the Electric Utility Commission.

Additional Backup Information:

Austin Energy uses thermal energy storage to shift the electric load demand from peak times (3:00 p.m. to 6:00 p.m.) to off-peak times, helping Austin Energy meet Council's thermal energy storage goal of 40MW by 2030. Adding chilled water customers connections increases the load to Austin Energy's District Cooling Plants and thereby decreases the amount of electrical demand during on-peak hours.

Austin Energy operates several district cooling plants providing chilled water to customer buildings through a network of underground pipes. Chilled water then passes through a set of heat exchangers located in the

building's mechanical rooms with warm water returned to the plants for re-cooling. The plants serve multiple large buildings within a particular service area including Downtown Austin, the Domain, the Mueller Redevelopment Zone and Austin Community College Highland Campus.

Indefinite Delivery/Indefinite Quantity construction contracts provide for an indefinite quantity of services for a fixed time, usually comprised of an initial term with extension options. They are commonly used when precise quantities of work, above a specified minimum, have yet to be determined. Indefinite Delivery/Indefinite Quantity contracts help streamline the contract process and delivery of construction services and allow the City the flexibility to assign work as needs arise or change. As each project is defined, a specific work assignment will be assigned to the contractor who will complete the scope of work for the unit prices included in the contract. Work deadlines will be established for each work assignment.

Due to additional customer demand for chilled water connection projects, additional authority in the amount of \$6,250,000 is requested. This increased authority will be added to the initial 24-month term of the contract.

This project will be located Citywide in all Districts.