

AGENDA



Thursday, March 5, 2009

**Contract and Land Management
RECOMMENDATION FOR COUNCIL ACTION**

Item No. 6

Subject: Authorize negotiation and execution of a Construction Manager at Risk (CM@R) contract with DPR CONSTRUCTION, INC., Austin, TX for pre-construction phase services for the Austin Energy New System Control Center-Reissue project, in an amount not to exceed \$145,000.

Amount and Source of Funding: Funding is available in the Fiscal Year 2008-2009 Capital Budget of Austin Energy.

Fiscal Note: A fiscal note is attached.

For More Information: Laura Lee Franks 322-6854; Rosie Truelove 974-3064; April Thedford 974-7141

Purchasing Language: Best qualification statement of nine (9) statements received.

MBE/WBE: This contract will be awarded in compliance with Chapter 2-9B of the City Code (Minority Owned and Women Owned Business Enterprise Procurement Program). No subcontracting opportunities were identified; therefore, no goals were established for this solicitation.

Boards and Commission Action: Recommended by the Electric Utility Commission.

In October 2005, the City Manager was directed by the City Council to relocate Austin Energy's Control Center from its current West Avenue location in order to incorporate the property into the Seaholm and downtown redevelopment efforts. This project will involve remodeling an existing building to allow for the incorporation of the vacated Energy Control Center employees as well as bringing together other workgroups of similar function. The Architect/Engineer will be directed to design the new facility to achieve at least Silver Level as outlined in the LEED™ Green Building Rating System.

The City of Austin's, Austin Energy Department anticipates selecting a Construction Manager at Risk (CM@R) to provide construction manager at risk services in relation to remodeling the 120,000 sq. ft. existing building at 2500 Montopolis Drive. This building will house Austin Energy's (AE) Transmission and Distribution Control Center, Corporate Data Center and various offices. In relocating these business units, AE intends to achieve the following objectives:

- Meet mandate in Council Resolution
- Improve efficiency
- Increase customer satisfaction
- Increase system reliability
- Increase security
- Increase employee satisfaction
- Achieve LEEDTM certification
- Meet the City of Austin Art in Public Places Ordinance goals

This authorization provides for estimated funding amount of \$145,000 for the pre-construction phase. The total estimate for all phases of work on this project is \$17,000,000.

The cost proposal submitted by the recommended firm included three components: an estimate for pre-construction phase (\$145,000), a stipulated sum for general conditions (\$1,222,300), and the Construction Manager's Fee for the entire project (\$633,000 – estimate based on percentage given).

This RCA is for the Preconstruction Phase services only. At 65% design completion or at a percent completion which has been determined to be high enough to reasonably ensure there will be no changes in the scope of work, staff will return to Council with a request to approve Amendment No. 1 which will be for the Guaranteed Maximum Price – to include the Construction Manager's Fee, the agreed upon General Conditions Stipulated Sum, and the Cost of the Work.

This request allows for the development of a Construction Manager at Risk (CM@R) contract with the recommended firm. Should the City be unsuccessful in negotiating a satisfactory agreement for pre-construction services with the recommended firm, negotiations will cease with that firm. Staff will then return to Council and request authorization to begin negotiations with the alternate recommendation listed below.

Due to the limited subcontracting opportunities for this pre-construction phase on the proposed scope of work, no MBE/WBE participation goals were established by the Department of Small and Minority Business Resources for this master agreement. Even though no goals have been established for pre-construction phase of this solicitation, the respondents are required to comply with the City's MBE/WBE Procurement Program, if areas of subcontracting are identified in the pre-construction phase. The recommended firm identified one area of subcontracting and added a certified MBE (MH) to their team to perform 24.2% of the work. Additionally, full MBE/WBE goals will be established by SMBR for the construction phase of this project.

Notification of issuance of a Request for Qualifications (RFQ) for the subject services was sent to 57 firms on November 7, 2008. The RFQ was obtained by 18 firms, and nine firms submitted qualification statements. None of the firms were certified MBE/WBE firms. Of the nine firms evaluated, four firms were short-listed and interviewed. Interviewing of the short-listed firms resulted in the following recommendation: DPR Construction, Inc., Austin, TX (staff recommendation) and Flintco Inc., Austin, TX (alternate).