

## A G E N D A



## Recommendation for Council Action (CMD)

Austin City Council

Item ID:

32183

Agenda Number

16.

Meeting Date:

June 12, 2014

Department:

Contract Management

## Subject

Authorize negotiation and execution of a design-build agreement with TURNER CONSTRUCTION COMPANY for a new Austin Energy office building and parking structure at Riverside Drive and Grove Boulevard for preliminary and design phase services and remaining professional services in an amount not to exceed \$8,300,000 plus \$830,000 contingency for a total amount not to exceed \$9,130,000.

## Amount and Source of Funding

Funding is available in the 2013-2014 Capital Budget of Austin Energy.

## Fiscal Note

A fiscal note is attached.

**Purchasing Language:**

Best Value to the City of Austin of 12 Statements of Qualifications received.

**Prior Council Action:**

May 23, 2013 - Council authorized use of the Design-Build delivery method in accordance with Texas Government Code Section 2267, Subchapter G.

**For More Information:**

Vincent LeMond, 512-974-5632; Sandra Strauss-Jones, 512-322-6146; Kalpana Sutaria, 512-974-7225; Elizabeth Godfrey, 512-974-7141.

**Boards and Commission Action:**

April 21, 2014 – Approved unanimously by the Electric Utility Commission on a 7-0 vote.

**Related Items:**

**MBE / WBE:**

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 16.45% MBE and 15.98% WBE subconsultant participation.

## Additional Backup Information

Austin Energy owns two tracts of undeveloped land located at the southeast quadrant of East Riverside Drive and Grove Boulevard. Austin Energy plans to construct an office building of approximately 180,000 square feet, a parking

garage with approximately 600 spaces for employees and surface parking for visitors. The new building would accomplish the following goals established in Austin Energy's 2010 Strategic Facilities Master Plan: reduce overcrowding, reduce reliance on leased space, reduce the utility's carbon footprint, improve space conditions, address immediate and future space needs, and provide enhanced collaborative means for maximum work flow.

Austin Energy occupies 71,920 square feet of leased space at 811 Barton Spring Road and that lease expires in September 2017. The development of Austin Energy's East Riverside Drive site would offer close proximity to the newly completed System Control Center, public transportation and proposed light rail, several major highways, Austin-Bergstrom International Airport, the downtown area, civic amenities, Austin Community College Riverside campus, and the City of Austin East Riverside Corridor.

The project will be designed to achieve at least a LEED® Silver certification and a 4-Star Austin Energy Green Building rating. Sustainable features planned for the project include: maximum conservation of energy and water through a variety of methods such as the installation of energy efficiency materials and equipment, water savings fixtures, use of reclaimed water and the use of rain gardens (a low area with native vegetation that absorbs and filters rain water runoff from hard surfaces so that it slowly soaks into the soil), production of on-site renewable energy, bicycle and pedestrian routes and trails, shaded outdoor areas for customers and neighbors, reduced disturbance to natural features and use of construction materials and supplies for improved indoor air quality to create a healthy work environment.

On May 23, 2013, Council authorized the use of a Design-Build project delivery method in accordance with Texas Government Code Section 2267, Subchapter G; by which a governmental entity contracts with a single entity to provide both design and construction services for the construction, rehabilitation, alteration or repair of a facility.

Austin Energy is requesting Council authorization to negotiate and execute the Design Build contract for initial preliminary and design phase services for this project, which includes schematic design, modeling, 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.

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. Should the City be unsuccessful in negotiating a satisfactory agreement for preliminary phase services with the top ranked firm, said firm will be notified in writing that negotiations will cease. Pursuant to statute, staff will then proceed to negotiate with the next firm in the order of selection ranking, returning to Council prior to contract execution.

Prior to Construction Phase Services, staff intends to return to Council with recommendation to negotiate and execute a contract amendment(s) for construction phase services when design is sufficiently complete. The estimated total Design-Build budget is approximately \$58,920,372 (inclusive of design and construction services and contingency).

Notification of issuance of a Request for Qualifications (RFQ) for the design-build services was sent to 2,706 firms on November 18, 2013. The RFQ was obtained by 258 firms, and twelve (12) firms' submitted statements of qualifications. None of the firms were certified MBE/WBE firms. Of the firms evaluated, five (5) firms were short-listed and two (2) were interviewed. Interviewing resulted in the following ranking:

TOP RANKED FIRM: Turner Construction Company, Austin, Texas

SECOND RANKED FIRM: Hensel Phelps Construction Company, Austin, Texas

Participation goals stated in the solicitation for design services were 1.90% African America; 9.0% Hispanic; 4.90% Native/Asian America; 15.80% WBE. The top ranked and second ranked firms provided MBE /WBE Compliance Plans which met the goals of the solicitation and were approved by the Small and Minority Business Resources Department.

Additional subcontracting opportunities will also arise during the construction phase of this project; however the specific scopes and magnitude of the construction work cannot be determined until design has been sufficiently completed. Prior to entering into the construction phase, the City will establish separate MBE /WBE goals for construction and the Design-Build firm shall submit a Compliance Plan meeting the construction goals or documentation detailing their Good Faith Efforts to meet the established goals.

Turner Construction Company is located in Austin, Texas.