

A G E N D A



Recommendation for Council Action (Purchasing)

Austin City Council	Item ID:	63189	Agenda Number	45.
Meeting Date:	October 6, 2016			
Department:	Purchasing			
Subject				
Authorize negotiation and execution of a 60-month contract with Lincoln Property Company Commercial, Inc., or one of the other qualified offerors to Request For Proposals JRD0314, to provide property management services at One Texas Center with five 12-month extension options, in an amount not to exceed \$400,000 for the initial contract term and escalating annually thereafter at 3.5% per year, plus reimbursement of authorized annual operating and maintenance expenses.				
Amount and Source of Funding				
Funding in the amount of \$74,000 is available in the Fiscal Year 2016-2017 Operating Budget of the Building Services Department. Funding for the remaining 48 months of the original contract period and extension options are contingent upon available funding in future budgets.				
Fiscal Note				
A fiscal note is not required.				
Purchasing Language:	The Purchasing Office issued a Request for Proposals (RFP) JRD0314 for these services on August 1, 2016 and it closed on August 23, 2016 with three offers received. The recommended offer is the best evaluated offer submitted by a responsible offeror. Additional information on the solicitation is included below the line.			
Prior Council Action:				
For More Information:	Jonathan Dalchau, Senior Buyer Specialist, 512-974-2938			
Boards and Commission Action:				
Related Items:				
MBE / WBE:	This solicitation was reviewed for subcontracting opportunities in accordance with City Code Chapter 2-9D Minority Owned and Women Owned Business Enterprise Procurement Program. For the services required for this solicitation, there were insufficient subcontracting opportunities; therefore, no subcontracting goals were established.			

Additional Backup Information

The contract will provide for the property management of One Texas Center (OTC). The contractor will provide personnel and services to operate the property, process rent payments, work with City contractors that impact operations at the OTC property, perform inspections, and maintain the quality of the building for its tenants. The contractor will work with the Building Services Department (BSD) to ensure timely repairs, and implement safety, sustainable, and energy efficient practices. City departments contribute to funding this property management service by paying rent into the OTX Fund via annual cost allocations.

In addition to the management fees and personnel, this contract reimburses the vendor for utilities, refuse and recycling collection, maintenance and repair for elevators, fire suppression system support, roof maintenance, painting and flooring services. Parking management services at OTC are covered under a separate contract agreement. Custodial services at OTC are provided by BSD employees.

OTC is a 13 floor building that was built in 1983 and purchased by the City in 1997. OTC is one of several buildings fully supported by the BSD and houses multiple City departments. The contractor has managed the OTC property from the time the building was purchased by the City.

An evaluation team with expertise in this area evaluated the offers and scored Lincoln Property Company Commercial, Inc. as the best to provide these services based on program concept and solutions, demonstrated company experience and personnel qualifications, total evaluated cost, and local business presence.

This request allows for the development of a contract with a qualified offeror that Council selects. If the City is unsuccessful in negotiating a satisfactory contract with the selected offeror, negotiations will cease with that provider. Staff will return to Council so Council may select another qualified offeror and authorize contract negotiations with this provider.

If a contract is not secured, the property would not have personnel available to provide the facility maintenance and services to City departments located at OTC. The building will be left unmanaged, with current and future improvement projects impacted and delayed.

A complete solicitation package, including a response list, is on file in the City's Purchasing Office and is available on the City's Financial Services Austin Finance Online website. Link: [Solicitation Documents](#).

LINCOLN PROPERTY COMPANY COMMERCIAL, INC.				
	# months	Contract Amount	Contract Amendment	Revised Amount
Original Term	60	\$ 400,000	n/a	n/a
Extension Option 1	12	\$ 95,000	n/a	n/a
Extension Option 2	12	\$ 95,000	n/a	n/a
Extension Option 3	12	\$ 95,000	n/a	n/a
Extension Option 4	12	\$ 95,000	n/a	n/a
Extension Option 5	12	\$ 95,000	n/a	n/a
TOTAL	120	\$ 875,000	\$ -	\$ -