



Recommendation for Action

File #: 19-3705, **Agenda Item #:** 55.

12/5/2019

Posting Language

Authorize negotiation and execution of Work Authorization No. 3 under a service contract with CBRE Inc., for facility space programming and analysis, financial analysis and real estate brokerage services related to the City's Strategic Administrative Office Occupancy plan, and other facility planning efforts, for an increase in the amount of \$650,000, for a revised total contract amount not to exceed \$1,938,000.

(Note: This contract was awarded in compliance with City Code Chapter 2-9C Minority Owned and Women Owned Business Enterprise Procurement Program. No subcontracting opportunities were identified; therefore, no goals were established).

Lead Department

Purchasing Office.

Client Department(s)

Building Services Department; Financial Services Department; Office of Real Estate Services.

Fiscal Note

Funding is available in the Fiscal Year 2019-2020 Operating Budget of the Support Services Fund.

Purchasing Language:

Contract Amendment.

Prior Council Action:

June 18, 2015 - Council approved Work Authorization No. 1, item 63, on a 10-0 vote, with Council Member Houston off the dais.

March 31, 2016 - Council approved Work Authorization No. 2, item 46, on a 9-1 vote, with Council Member Zimmerman voting nay and Mayor Adler absent.

October 23, 2019 - Briefing on Strategic Administrative Office Occupancy Plan to City Council Audit and Finance Committee.

For More Information:

Inquiries should be directed to the City Manager's Agenda Office, at 512-974-2991 or AgendaOffice@austintexas.gov <<mailto:AgendaOffice@austintexas.gov>> or to Greg Canally, at 512-974-2609 or Greg.Canally@austintexas.gov <<mailto:Greg.Canally@austintexas.gov>>.

Additional Backup Information:

The City has contracted with CBRE, Inc. (CBRE) to provide development advisor services for the City's facility needs across Austin. This contract represents a new and innovative approach to planning and managing the City's portfolio of facilities, allowing the City to leverage the abilities of the private sector as the City looks to renovate, purchase, and/or build new facilities in the future. The contract was designed so that instead of an

initial large contract authorization, individual work authorizations for more detailed facility-specific efforts and transactions would come to Council for approval, prior to the commencement of work.

To date, this work has resulted in two new public-private partnerships; one for the new Planning and Development Center and one for the new Austin Energy Headquarters. With CBRE, we recently completed the City's Strategic Administrative Office Occupancy Plan, laying out an executable plan to exit all remaining office lease space by 2026, and get into newly owned office space.

This Work Authorization No. 3 will allow CBRE staff to work on:

- Updated space programming, programming specification analysis, and request for proposal due diligence for several new office buildings, including a replacement for Austin Police Department headquarters;
- Initial assessment of City service yard and warehousing needs;
- Creation of a Strategic Plan for City Service Yards and Warehousing needs.

As with the Planning and Development Center and Austin Energy Headquarters, staff will provide updates to Council prior to the release of any additional Requests for Proposals for new facilities.

Contract Detail:

Contract Term	Current Contract Authorization	Requested Additional Authorization	Revised Total Authorization
Work Authorization No. 1	\$ 688,000		\$ 688,000
Work Authorization No. 2	\$ 600,000		\$ 600,000
Proposed Work Authorization No. 3		\$650,000	\$ 650,000
TOTALS	\$1,288,000	\$650,000	\$1,938,000

Note: Contract Authorization amounts are based on the City's estimated annual usage