



City of Austin

Recommendation for Action

File #: 24-4083, Agenda Item #: 10.

3/21/2024

Posting Language

Approve a resolution finding the use of the competitive sealed proposal method of contracting, as authorized by Subchapter D, Chapter 2269 of the Texas Government Code, is the project delivery method that provides the best value to the City for the Ullrich WTP Inherently Safer Disinfection Conversion project.

[Note: MBE/WBE goals will be established prior to issuance of this solicitation].

Lead Department

Financial Services Department.

Managing Department

Financial Services Department.

Fiscal Note

A Recommendation for Council Action with the not to exceed contract amount for the resultant contract will be presented to Council once the competitive sealed proposal selection has been completed.

Purchasing Language:

This request is for Council to authorize the use of the competitive sealed proposal method; therefore, no solicitation has yet been initiated.

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.

Additional Backup Information:

State statute governs construction procurement for municipalities. The standard method of contracting used for construction services is competitive bidding where the contract is awarded to the lowest responsible bidder. Texas Government Code Chapter 2269 allows for methodologies alternate to low bidding method which may provide the best value to the municipality. These alternate methodologies include: competitive sealed proposals, construction manager-at-risk, design-build, and job order contracting. Texas Local Government Code Section 252.022(d) allows the City to adopt and use an alternative method such as competitive sealed proposal (CSP) under Chapter 2269 of the Texas Government Code if such a method provides a better value for the City.

It is recommended that this work be delivered under the CSP method of contracting. CSP is the alternative delivery method most closely related to traditional competitive bidding. The principal difference is that the City makes its selection of the respondents based on evaluation criteria consisting of, but is not limited to, safety record and safety practices, comparable relevant project experience, sustainability practices, local business presence, financial stability, and price. Unlike traditional competitive bidding, which focuses primarily on price and bidder responsibility, price is a strong factor in the CSP method, but it not the only factor in the overall evaluation score. A City-staffed evaluation panel that will review, evaluate, and rank proposals based on stated

evaluation criteria.

A contractor will be selected by a City-staffed evaluation panel that will evaluate and score proposals based on published evaluation criteria to determine the highest ranked proposer. The services will be provided by a duly qualified and experienced contractor offering the “best value” to the City.

The City operates three major water treatment plants (WTPs): Ullrich WTP, Davis WTP, and Handcox WTP. The Ullrich WTP, the largest facility in Austin Water’s treatment plant infrastructure, has a firm treatment capacity of 167 million gallons per day and utilizes chloramine for disinfection. The chloramine process requires the combined use of a chlorine system and an ammonia system.

Although the City has successfully and safely used chlorine throughout its various treatment facilities for more than 80 years, the City desires to incorporate inherently safer technologies when available and where feasible. The project is to convert the existing chlorine system to an onsite generation of sodium hypochlorite process and to also convert the existing ammonia system to liquid ammonia sulfate.

Whereas design is nearing completion and there is a need to evaluate all contractor respondents’ safety procedures and protocols and ability to handle the chlorine system and an ammonia system during construction in an actively operating water treatment plant, staff is seeking approval to use Competitive Sealed Proposal method as the project delivery method as the bestvalue for the City.

The estimated construction budget for this work is \$54,000,000, and it is anticipated that construction will begin March 2025.

This item is not time sensitive; however, a delay in authorizing the use of this method would mean a delay to the issuance of this solicitation.

The competitive sealed proposal solicitation and evaluation process takes approximately five months.