



## Recommendation for Action

**File #:** 23-2914, **Agenda Item #:** 14.

9/14/2023

### Posting Language

Approve a resolution finding that 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 finish-out of a shell tenant space at the City's Permitting and Development Center (PDC) related to the PDC Community Creativity Center.

### Lead Department

Economic Development.

### 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; therefore, no solicitation has yet been initiated.

### For More Information:

Sylvia Holt-Rabb, Director, Economic Development Department, 512-974-3131.

### 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.

CSP Description: It is recommended that this work be delivered under the CSP method of contracting set forth in state statutes. 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's not the only factor in the overall evaluation score. An evaluation panel, will review, evaluate, and rank proposals based on stated evaluation criteria.

A contractor will be selected by the evaluation panel, which 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. (Note: MBE/WBE goals will be established prior to issuance of this solicitation.)

The PDC Community Creativity Center project will finish out approximately 7004 square feet of lease space as part of the City's Cultural Trust. The proposed improvements include an art exhibition space that will be open to the public, a multi-use theatre space, small rehearsal rooms that can be used for rehearsals, education, and recording, and some shared workspaces. The estimated construction budget for this work is \$1,750,000 and it is anticipated that construction will begin in May 2024. The Austin Economic Development Corporation will be the lead lessee of the space, with direct oversight over day-to-day and all operations to assure compliance with bond expectations. The space will be managed and operated through a qualified management agreement with an experienced operator selected from the Cultural Trust applicant pool.

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.