

A G E N D A



Recommendation for Council Action (Purchasing)

Austin City Council	Item ID:	46771	Agenda Number	63.
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Meeting Date:	June 18, 2015
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Department:	Purchasing
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Subject

Authorize negotiation and execution of Work Authorization No. 1 under a service contract with CBRE, INC. for facility space programming and analysis, financial analysis, and real estate brokerage services for various City facilities, increasing the contract amount for the current contract period in an amount not to exceed \$490,000, for a total contract amount not to exceed \$688,000.

Amount and Source of Funding

Funding in the amount of \$415,000 is available in the Fiscal Year 2014-15 Operating Budget of the Support Services Fund. Funding in the amount of \$75,000 is available in Fiscal Year 2014-15 Operating Budget of the Austin Resource Recovery Department.

Fiscal Note

There is no unanticipated fiscal impact. A fiscal note is not required.

Purchasing Language:	Work Authorization
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Prior Council Action:	
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For More Information:	Lauraine Rizer, Real Estate Officer, 512-974-7078; Greg Canally, Deputy Chief Financial Officer, 512-974-2609.
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Boards and Commission Action:	May 27, 2015 – Presented to the Audit and Finance Council Committee. June 9, 2015 – Presented briefing on Facility Planning to City Council.
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Related Items:	
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MBE / WBE:	This contract was awarded in compliance with City Code Chapter 2-9C Minority Owned and Women Owned Business Enterprise Procurement Program. Per the City's Small and Minority Business Resources Department, no subcontracting opportunities were identified; therefore, no goals were established for this solicitation.
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Additional Backup Information

The City of Austin 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 individual work authorizations for more detailed facility-specific efforts would come to City Council for approval, prior to commencement of work by City staff.

The city has over 260 facilities. Many of them are aging, over-crowded and have limited flexibility. The City meets nearly 20% of its administrative work space through leased space, approximately 200,000 square feet costing \$4 million per year. This lease-on-demand model also results in repeated up-front costs such as move expenses, space remodeling, and technology connection, all occurring in assets we do not own. Several properties are facing development pressures. For example, the Council approved Waller Creek Design plan calls for redevelopment of the Police Headquarters and Municipal Court site. Likewise, Emergency Medical Services is located in the city-owned RBJ building. This building and site are also part of planned development that is being considered by non-profit Austin Geriatric Center. Also, many of our assets are under-utilized, and could be used to address other City policy goals.

This work authorization will allow the CBRE team and city staff to initiate facility space programming assessments and financial feasibility for the following: Development Services and Planning Department operations / exiting of leased space; public safety (Fire, Police, EMS) and Municipal Court administrative needs; Austin Resource Recovery and other departments service center/logistics needs; and the Daugherty Arts Center. In addition, they will assist in assessing the city's under-utilized assets for potential non-city use. Lastly, CBRE would provide real estate brokerage services for the restaurant/café space currently under construction in the New Central Library. The City previously issued a Request for Proposal (RFP) for the restaurant/café space, and received no bids. CBRE has strong relationships the Austin area, and will represent the City by reaching out to their network and marketing the space for lease to secure a unique restaurant concept, consistent with the vision of the New Central Library.

All of these efforts begin and proceed concurrently, and will take approximately nine months to complete. They will include input from both internal and external stakeholders. Staff will work with the relevant Council Committees on each of these efforts. By initiating these more detailed planning efforts, it will allow staff to come back to City Council with a comprehensive set of next step recommendations. These recommendations will also contain a set of proposed criteria and prioritization for moving forward.

The executed contract with CBRE, as approved, is for a wide variety of facility planning and real estate services. The contract terms are based upon minimal monthly fees, set at \$49,500 per year for a four year-contract, for a total contract of \$198,000. For this base contract CBRE provides general planning and advisory services related to our entire portfolio, including development of work plans, high-level financial analysis, and asset programming. This contract work authorization in the amount of \$490,000 will be for the efforts outlined above.