



## Recommendation for Action

**File #:** 21-1586, **Agenda Item #:** 5.

6/10/2021

### **Posting Language**

Approve a resolution finding the use of the Construction Manager at Risk method of contracting, as authorized by Subchapter F Chapter 2269 of the Texas Government Code, is the project delivery method that provides the best value to the City for the Austin Convention Center Expansion Project to demolish and reconstruct portions of the existing Austin Convention Center and to expand the facility by constructing new elements.

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

### **Lead Department**

Capital Contracting Office

### **Managing Department**

Capital Contracting Office

### **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 construction Manager-at-Risk selection has been completed.

### **Purchasing Language:**

This request is for Council to authorize the use of the Construction Manager-at-Risk; therefore, no solicitation has yet been initiated.

### **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) <<mailto:AgendaOffice@austintexas.gov>>

NOTE: Respondents to this solicitation, and their representatives, shall direct inquiries to Rolando Fernandez, 512-974-7749 or Beverly Mendez, 512-974-3596.

### **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

Construction Manager-at-Risk (CMR) under Chapter 2269 of the Texas Government Code if such a method provides a better value for the City.

The CMR method is a project delivery method where the City will contract with an architect/engineer to perform design services and separately contract with a CMR to perform preconstruction and construction phase

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services. The role of the CMR goes beyond performing general contractor services. The CMR is under contract early in the design process to perform key preconstruction phase services such as collaborating with the City and the design team on scope and constructability and to optimize the design and control costs and budgets, and to provide quality assurance-quality control. After design, and before the CMR begins construction, the City will negotiate and execute a Guaranteed Maximum Price for the remainder of the work, including actual construction.

A CMR firm 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. As set forth in Government Code 2269, the City of Austin will select a CMR firm that will provide the “best value” to the City for preconstruction and construction services for the Project.

This project is the Convention Center expansion project as envisioned by the University of Texas at Austin Center for Sustainable Design’s report (UT Study), the Master Plan Update (2020), and Council direction (Resolution 20190523-029) on the Palm District.

The CMR delivery method provides opportunity to efficiently coordinate investigations and analysis of existing site conditions between the CMR and the design team. The CMR will provide the design team early cost guidance, collaboration and coordination of construction strategy and approach, expedited project schedule through early definition and phasing of construction work packages which are essential to a project of this complexity.

The full build out of the project will deliver over 360,000 square feet of exhibit space, 180,000 of meeting space, and 184,000 of ballroom/flex hall space. This will nearly double the amount of rental space the Convention Center has to offer to the market. It will also fulfil Council’s stated desire re-envision the Convention Center as an active, community-oriented civic building that enhances the culturally rich fabric of the Palm District as described in Council Resolution 20190523-029 transforming the southeast gateway into downtown Austin.

The estimated construction budget for this work is \$1.3 billion and it is anticipated that construction will begin early Summer 2024.

This item is not time sensitive, however a delay in authorizing the use of this method would mean a delay to the issuance of a RFQ for design firm. This solicitation and evaluation process is approximately six months from solicitation issuance.

**Strategic Outcome(s):**

Economic Opportunity and Affordability, Government That Works for All, Culture and Lifelong Learning, Mobility.