



Recommendation for Action

File #: 23-1287, **Agenda Item #:** 13.

3/9/2023

Posting Language

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 City facilities, increasing the contract amount not to exceed \$955,000 and the term for a total contract amount not to exceed \$1,243,000.

Lead Department

Financial Services Department.

Fiscal Note

Funding in the amount of \$600,000 is available in the Fiscal Year 2022-2023 Operating Budget of the Financial Services Department.

For More Information:

Kimberly Olivares, Deputy Chief Financial Officer, Financial Services Department, 512-974-2924; Andrew Moore, P3 Program Manager, Financial Services Department, 512-974-7604.

Additional Backup Information:

The City contracted with CBRE, Inc. in 2014, and 2022 to provide development real estate and development advisor services for the City's facility needs across Austin. This contract represents an innovative approach to planning and managing the City's portfolio of facilities, allowing the City to leverage the capabilities of the private sector as the City looks to renovate, purchase, and/or build new facilities. The authorization requested will continue the partnership with CBRE for a term of four years and fund analysis, consulting, feasibility, and pre-construction work for specific projects, facilities, and transactions. All transactions will be brought to Council prior to the release of any Requests for Proposals for new facilities.

To date, CBRE has supported the City with two new public-private partnership delivered facilities: the new Permitting and Development Center (completed May 2020) and the new Austin Energy Headquarters (completed April 2021). The CBRE assisted delivery method results in first-class facilities to accommodate employees and City operations ahead of schedule and on or under budget. Council has also recently approved negotiation and execution of an Exclusive Negotiating Agreement with CBRE assistance, for a new Austin Energy Service Center which is in progress.

This authorization will allow CBRE staff to provide services for a multitude of projects, including but not limited to: change management for relocation of departments in leased offices to owned facilities using a hybrid approach to occupancy, request for proposal due diligence for new City service yards and warehouses, and redevelopment analysis and options for existing City properties among other related projects as needed. Last, with CBRE support, City staff will be better able to support its partnership with the Austin Economic Development Corporation.

Strategic Outcome(s):

Government that Works for All.