



## Recommendation for Action

**File #:** 23-2278, **Agenda Item #:** 49.

7/20/2023

### **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 McNeil Drive Water Transmission Main 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; 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](mailto:FSDCentralProcurementRCAs@austintexas.gov) or [512-974-2500](mailto:FSDCentralProcurementRCAs@austintexas.gov).

### **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 procurement method 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 Competitive Sealed Proposals procurement method of contracting set forth in state statutes. This alternative delivery method is 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

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factor in the Competitive Sealed Proposal procurement method, but it is 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.

In addition to requesting approval of a resolution finding that the Competitive Sealed Proposal method of contracting is the method that provides the City with the best value for the McNeil Drive Water Transmission Main project, this item also requests a determination that it is in the public interest to assign to price a weighted value of not less than 36.9 percent of the total weighted value of all selection criteria. This determination will allow for meaningful consideration of price as well as the other criteria important to the project, as permitted by Chapter 2269 of the Government Code when using the Competitive Sealed Proposal method.

The McNeil Drive Water Transmission Main project involves an installation of approximately 8,500 linear feet of 72-inch water transmission main from the Austin Water Jollyville Reservoir site to the existing downstream connection point, located in McNeil Drive near Parmer Lane. This water pipeline is necessary to eliminate the distribution constraint that exists between the Handcox Water Treatment Plant and Martin Hill Reservoir. To minimize surface disruptions, this water pipeline will be installed using tunneling construction methods for most of the alignment. Installation depth along the alignment typically ranges from 30-45-feet, with a nominal 10-foot diameter. Due to the technical elements of the trenchless construction method required for this project, a specialized tunneling contractor is necessary. The alternative delivery method is easily justified when you consider the importance of reviewing the contractor’s safety rating, qualifications, and the proposed project approach. The ideal tunneling contractor should have the ability to show an excellent safety rating, show tunnelling construction as a primary business line and should show that the tunnelling equipment is well suited for the project and ground conditions anticipated are well understood by the contractor. In addition, the contractor should have environmental knowledge and experience on how to handle tunneling construction in areas that require karst monitoring, reporting, and mitigation requirements, especially in Aquifer Recharge Zones.

The estimated construction budget for this work is \$43,000,000 and it is anticipated that construction will begin June 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 this solicitation.

This solicitation and evaluation process is approximately five months.