Recommendation for Action

File #: 23-3089, **Agenda Item #:** 20. 10/5/2023

Posting Language
Approve a resolution finding the use of the design-build method of contracting, as authorized by Subchapter G, Chapter 2269 of the Texas Government Code, is the project delivery method that provides the best value to the City for the Airport Expansion Development Program: AUS Central Utility Plant Relocation 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 each resultant contract will be presented to Council once the design-build selection has been completed.

Purchasing Language:
This request is for Council to authorize the use of the design-build method; 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:FSD_Central_Procurement_RCAs@austintexas.gov> or 512-974-2500.

Additional Backup Information:
This project will consist of two continuous phases: design of the facility and building of the facility. The design-build method is the most effective delivery method for meeting schedule constraints within the project budget as each phase of design and construction services is carefully negotiated. Design-build is a method of construction procurement under which design and construction services are contracted through one entity, either a joint venture between a design consultant and a constructor or from a single entity with both capabilities.

A design-build 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 will select a design-build firm that will provide the “best value” to the City as established through a two-step qualifications-based selection process.

The AUS Central Utility Plant (CUP) Relocation project includes design, construction, and commission a new, appropriately sized CUP and associated thermal energy storage (TES) utilizing current efficiency technology, equipment, and operational processes to provide reliable, redundant, and resilient service for the existing and

future AUS cooling and heating loads. Specifically, the project includes a new CUP building, site development, permitting, utility connections, chillers and cooling towers, boilers, pumps, variable frequency drives (VFDS), electrical switchgear, chilled and hot water thermal energy storage, hydronic piping, controls and monitoring systems, buildings and systems commissioning, and project specific sustainability goals including Austin Energy Green Building (AEGB) 3-star rating or better. The estimated project budget is $102,000,000 and it is anticipated that construction will begin in December 2025.

Use of the design-build method for this project supports the need for design innovation, enhances the acquisition, staging and scheduling of long lead time sensitive materials and equipment based on the city's design criteria manuals, the project complexity, and coordination demands of this project drives a need to maintain design control and benefits from a single point of contact for project delivery considering the unique requirements of building in a highly active and secure airport.

A delay in authorization of the methodology will result in a delay in the issuance of the solicitation and construction improvements needed to address operational delays, flight delays and cancellations due to unprecedented passenger and cargo growth and completion of the Airport Expansion and Development Program.

The design-build solicitation and evaluation process is approximately five months.