



Recommendation for Action

File #: 23-3051, **Agenda Item #:** 28.

10/19/2023

Posting Language

Authorize negotiation and execution of a contract for preconstruction and construction services for the Austin Convention Center Redevelopment project with JE Dunn/Turner, a joint venture, in an amount not to exceed \$1,200,000,000.

[Note: This contract will be awarded in compliance with City Code Chapter 2-9A (Minority Owned and Women Owned Business Enterprise Procurement Program) by meeting the goals with 10.30% MBE and 2.38% WBE participation].

Lead Department

Financial Services Department.

Managing Department

Capital Delivery Services.

Fiscal Note

Funding is available in the Capital Budget of the Austin Convention Center Department. Funding for the remaining contract term is contingent upon available funding in future budgets.

Purchasing Language:

The Financial Services Department issued a Request For Qualifications (RFQS) 6100 CLMA044 for these services. The solicitation was issued on June 19, 2023, and closed on August 1, 2023. Of the three offers received, the recommended contractor submitted the best evaluated responsive offer. A complete solicitation package, including a log of offers received, is available for viewing on the City's Financial Services website, Austin Finance Online. Link: [Solicitation Documents](https://financeonline.austintexas.gov/afo/account_services/solicitation/solicitation_details.cfm?sid=139167)
<https://financeonline.austintexas.gov/afo/account_services/solicitation/solicitation_details.cfm?sid=139167>.

Prior Council Action:

June 10, 2021 - Council approved Construction Manager at Risk methodology, item 5, on a 11-0 vote.

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. Respondents to the solicitation and their Agents should direct all questions to the Authorized Contact Person identified in the solicitation.

Additional Backup Information:

Expansion of the Austin Convention Center has been contemplated and studied for nearly a decade. In 2019, Council approved an increase in the municipal Hotel Occupancy Tax (HOT) rate from seven percent to nine percent for the redevelopment and expansion of the Austin Convention Center. In June 2021, Council authorized use of the Construction Manager at Risk project delivery method and provided direction for the Austin Convention Center Redevelopment project via adopted Council [Resolution No. 20210610-096](#)

<https://services.austintexas.gov/edims/document.cfm?id=362545>>, which states, in part, “The City Council seeks to work with the prime architecture firm capable of delivering a world class design befitting a city of Austin’s size and prominence.”

The selected Construction Manager at Risk will be responsible for delivering on that goal and adhering to the vision contained with the various studies and reports that have been on the expansion project, including the University of Texas at Austin, Center for Sustainable Design’s report (UT Study), the Proof on Concept (2021), and Council direction (Resolution No. 20190523-029) on the Palm District.

This project will enable the Austin Convention Center Department to carry out its central mission of providing outstanding facilities and services and will allow it to continue to thrive in a competitive business environment. 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 or flex hall space. This will nearly double the amount of rental space the Austin Convention Center has to offer to the market. The project will retain current customers with growing events and attract additional business that will benefit the department as well as enhance the economic vitality of the City. Funding for this project is provided through the Austin Convention Center’s allocation of the two percent expansion HOT approved by Council in 2019, and the Austin Convention Center’s revenues.

Prior to entering into the Construction Phase, the City will establish Minority Owned and Women Owned Business Enterprise goals for construction. The Construction Manager at Risk firm will submit a compliance plan meeting the construction goals or documentation detailing their good faith effort(s) to meet the established goals. Additional subcontracting opportunities will also arise during the Construction Phase of this project; however, the specific scopes and magnitude of the construction work cannot be determined until the design has been sufficiently completed.

The Construction Manager at Risk method is a project delivery method where the City will contract with an architect or engineer to perform design services and separately contract with a Construction Manager at Risk firm to perform preconstruction and construction phase services. The role of the Construction Manager at Risk firm goes beyond performing general contractor services. The Construction Manager at Risk firm 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 to optimize the design and control costs. After design and before the Construction Manager at Risk firm begins construction, the City will negotiate and execute a Guaranteed Maximum Price for the remainder of the work, including actual construction.

The Construction Manager at Risk firm is recommended by a City-staffed evaluation panel that evaluated and scored proposals based on published evaluation criteria to determine the highest ranked proposer. As set forth in Government Code Chapter 2269, the City of Austin will select a Construction Manager at Risk firm that will provide the “best value” to the City for preconstruction and construction services for the project.

The existing six-block facility will be demolished in 2025 and the new, larger facility will reopen in 2029. The redevelopment and expansion project will significantly increase the rentable square footage of the Austin Convention Center while shrinking the existing footprint, resulting in a more active and community-friendly event space in the heart of Downtown Austin.

A delay in approval of this item would result in a significant delay to work with the recommended design team to complete the construction in time to host a significant event scheduled for March 2029, and will substantially increase the cost of the Austin Convention Center redevelopment.

This authorization provides for funding of the above-listed services. This request allows for the negotiation and execution of an agreement with the most qualified firm. If staff is unsuccessful in negotiating an agreement with the most qualified firm, negotiations will cease, and staff will return to Council to award another qualified firm

and authorize contract negotiations with that firm.

The contract allows 1,350 calendar days for substantial completion of construction for this project. This project is located within District 9.