



Legislation Text

File #: 23-1591, Version: 1

STRATEGIC PRIORITY: Government Performance & Financial Management
AGENDA DATE: June 28, 2023
COUNCIL DISTRICT(S): 2
DEPARTMENT: Office of Procurement Services
EXECUTIVE: Jack Ireland

SUBJECT

Authorize a six-year professional services contract in the amount of \$68,800,000, with one one-year renewal option in the amount of \$5,000,000, as detailed in the Fiscal Information section, for project management services for the implementation of component one of the Kay Bailey Hutchison Convention Center Dallas master plan - KDC Holdings LLC dba KDC Real Estate Development & Investments, most advantageous proposer of seven - Not to exceed \$73,800,000 - Financing: Convention Center Construction Fund (subject to annual appropriations)

BACKGROUND

This action does not encumber funds; the purpose of a professional services contract is to establish firm pricing for services, for a specific term, which are ordered on an as needed basis.

This professional services contract will provide for project management services for the implementation of component one of the Kay Bailey Hutchison Convention Center Dallas (KBHCCD) master plan. The implementation of the KBHCCD master plan component one includes the KBHCCD and proposed deck park using the construction manager at-risk or design build delivery models and the demolition of the existing convention center project management services will include, but not limited to:

- Assisting with the development of solicitations for architecture, engineering, design, and construction
- Developing and providing control processes for the project
- Outreach and communication
- Budgeting and cost tracking
- Project scheduling

This professional services contract will assist in delivering a premier convention center that is modern and efficient in terms of technological advancement and flexible to meet the current and future market demands. The development of a premier convention center will provide City residents, visitors, and exhibitors an unparalleled experience and engaging destination.

A six-member committee from the following departments reviewed and evaluated the qualifications:

- Department of Convention and Event Services (1)
- Department of Public Works (1)
- Department of Transportation (1)
- Office of Economic Development (1)
- Small Business Center Department (1)*
- Office of Procurement Services (1)*

*The Office of Procurement Services evaluated local market experience, if applicable.

The committee selected the successful respondents on the basis of demonstrated competence and qualifications under the following criteria:

- Project understanding, methodology, and approach 40 points
- Experience and qualifications 35 points
- MWBE participation 15 points
- Local market experience 10 points

As part of the solicitation process and in an effort to increase competition, the Office of Procurement Services used its procurement system to send out email notifications to vendors registered under relevant commodity codes. To further increase competition, the Office of Procurement Services uses historical solicitation information, the Internet, and vendor contact information obtained from user departments to contact additional vendors.

On November 10, 2015, the City Council authorized a living wage policy that requires contractors to pay their employees a “living wage” rate as established annually by the Massachusetts Institute of Technology Living Wage Calculator for Dallas County by Resolution No. 15-2141. The calculated living wage during the solicitation process of this contract is \$17.82; the selected vendor meets this requirement.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

The Transportation and Infrastructure Committee was briefed on the KBHCCD Master Plan on December 8, 2020.

[The City Council was briefed by memorandum regarding the KBHCCD Master Plan on January 22, 2021. <https://dallascityhall.com/government/citymanager/Documents/FY%2020-21%20Memos/Kay%20Bailey%20Hutchison%20Convention%20Center%20Master%20Plan%20update%20-%20Memo_01222021.pdf>](https://dallascityhall.com/government/citymanager/Documents/FY%2020-21%20Memos/Kay%20Bailey%20Hutchison%20Convention%20Center%20Master%20Plan%20update%20-%20Memo_01222021.pdf)

On January 27, 2021, the City Council authorized the contract with WSP USA, Inc. by Resolution No. 21-0245.

[The City Council was briefed by memorandum regarding progress to-date on the KBHCCD Master Plan on August 13, 2021. <https://dallascityhall.com/government/citymanager/Documents/FY%2020-21%20Memos/KBHCCD%20Master%20Plan%20Contract%20Update_Memo_08132021.pdf>](https://dallascityhall.com/government/citymanager/Documents/FY%2020-21%20Memos/KBHCCD%20Master%20Plan%20Contract%20Update_Memo_08132021.pdf)

The Economic Development Committee was briefed on the KBHCCD Master Plan and the Project Financing Zone on October 4, 2021.

On October 13, 2021, the City Council authorized the designation of Project Financing Zone Number One, City of Dallas, Texas by Ordinance No. 32016, by Resolution No. 21-1650.

The Transportation and Infrastructure Committee was briefed regarding the KBHCCD Master Plan Alternative Recommendation and Requirements Pursuant to Texas Local Government Code Chapter 334 on December 7, 2021.

The Transportation and Infrastructure Committee was briefed on the “Kay Bailey Hutchison Convention Center Dallas (KBHCCD) Master Plan Alternative Recommendation and Requirements Pursuant to Texas Local Government Code Chapter 334 on December 7, 2021.

[The Transportation and Infrastructure Committee was briefed by memorandum regarding an update on questions presented during the December 7, 2021 committee meeting on December 17, 2021. <https://dallascityhall.com/government/citymanager/Documents/FY%2021-22%20Memos/KBHCCD%20Master%20Plan_Memo_12172021.pdf>](https://dallascityhall.com/government/citymanager/Documents/FY%2021-22%20Memos/KBHCCD%20Master%20Plan_Memo_12172021.pdf)

[The City Council was briefed by memorandum regarding this matter on December 17, 2021. <https://dallascityhall.com/government/citymanager/Documents/FY%2021-22%20Memos/KBHCCD%20Master%20Plan_Memo_12172021.pdf>](https://dallascityhall.com/government/citymanager/Documents/FY%2021-22%20Memos/KBHCCD%20Master%20Plan_Memo_12172021.pdf)

The Transportation and Infrastructure Committee was briefed regarding the KBHCCD Master Plan Alternative Recommendation and Requirements Pursuant to Texas Local Government Code Chapter 334 on January 18, 2022.

[The City Council was updated by memorandum regarding questions presented during the January 18, 2022 Transportation and Infrastructure briefing on January 28, 2022. <https://dallascityhall.com/government/citymanager/Documents/FY%2021-22%20Memos/KBHCCD%20Master%20Plan%20Update%20Memo%20-%20Follow-Up%20to%20TRNI%20Committee.pdf>](https://dallascityhall.com/government/citymanager/Documents/FY%2021-22%20Memos/KBHCCD%20Master%20Plan%20Update%20Memo%20-%20Follow-Up%20to%20TRNI%20Committee.pdf)

[The City Council was briefed by memorandum regarding questions presented by a constituent regarding the KBHCCD Master Plan on January 28, 2022. <https://dallascityhall.com/government/citymanager/Documents/FY%2021-22%20Memos/KBHCCD%20Master%20Plan%20Update%20-%20Additional%20Questions.pdf>](https://dallascityhall.com/government/citymanager/Documents/FY%2021-22%20Memos/KBHCCD%20Master%20Plan%20Update%20-%20Additional%20Questions.pdf)

The City Council was briefed on the KBHCCD Master Plan Alternative Recommendation and Requirements Pursuant to Texas Local Government Code Chapter 334” on February 2, 2022.

On February 9, 2022, the City Council authorized the adoption of the 3C west of Lamar alternative to implement KBHCCD Master Plan and the city manager to take the necessary steps to implement the 3C alternative by Resolution No. 22-0334.

On May 11, 2022, the City Council authorized Supplemental Agreement No. 3 to (1) ratify \$478,973 to pay additional expenses related to professional services performed in advance of the adoption of 3C West Lamar alternative adopted by City Council in February 2022 to WSP USA, Inc.; and (2) increase the contract with WSP USA, Inc. for additional transportation and land use planning, and public meeting services required to complete the Kay Bailey Hutchison Convention Center Dallas Master Plan with WSP USA, Inc. in an amount not to exceed \$678,701.50, from \$4,953,198 to \$6,110,872.50 by Resolution No. 22-0732.

On May 11, 2022, the City Council authorized providing advance planning and feasibility for the KBHCCD Master Plan by Resolution No. 22-0742.

On September 14, 2022, the City Council authorized Supplemental Agreement No. 4 to the professional services contract with WSP USA, Inc. to provide advance planning, historical documentation, public involvement, non-engineering planning schematics, and railroad coordination as part of the KBHCCD Master Plan by Resolution No. 22-1349.

On September 14, 2022, the City Council authorized a reimbursement agreement with Union Pacific Railroad Company for preliminary engineering services for the portion of the proposed expansion of the Kay Bailey Hutchison Convention Center that impacts Union Pacific Railroad's tracks, including improvements to infrastructure by Resolution No. 22-1348.

On February 7, 2023, the Transportation & Infrastructure and Economic Development Committees were briefed about the KBHCCD Master Plan – Next Steps during a special called meeting.

The Transportation & Infrastructure and Economic Development Committees were updated by memorandum on questions presented during the special called meeting on February 24, 2023.

On May 22, 2023, the Government Performance and Finance Committee was briefed about the KBHCCD Master Plan and Fair Park Improvements.

The Government Performance and Finance Committee was briefed on the KBHCCD Master Plan and Fair Park Improvements on June 13, 2023.

On June 14, 2023, the City Council approved a resolution expressing official intent for the City to reimburse itself for costs and expenses incurred in connection with the Kay Bailey Hutchison Master Plan from obligations that will be issued after the expenditures by Resolution No. 23-0774.

FISCAL INFORMATION

Fund	FY 2023	FY 2024	Future Years
Convention Center Construction Fund	\$3,440,000.00	\$10,320,000.00	\$60,040,000.00

Initial Term: \$68,800,000
Renewal Option: Year 1 \$ 5,000,000
Total \$73,800,000

M/WBE INFORMATION

In accordance with the City’s Business Inclusion and Development Policy adopted on September 23, 2020, by Resolution No. 20-1430, as amended, the M/WBE participation on this contract is as follows:

Contract Amount	Procurement Category	M/WBE Goal
\$73,800,000.00	Professional Services	38.00%
M/WBE Subcontracting %	M/WBE Overall %	M/WBE Overall Participation \$
38.00%	TBD	TBD
<ul style="list-style-type: none"> • This contract meets the M/WBE goal. • KDC Holdings LLC dba KDC Real Estate Development – Local; Workforce – 100.00% Local 		

PROCUREMENT INFORMATION

Method of Evaluation for Award Type:

Request for Qualifications	<ul style="list-style-type: none"> • Utilized for procurements involving professional services • Recommended offeror whose response is most qualified, considering the relative evaluation factors stated in the specifications • Always involves a team evaluation • Allows for negotiation on contract terms, including price
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The Office of Procurement Services received the following proposals from solicitation number BBZ23-00021453. We opened them on March 2, 2023. We recommend the City Council award this service price agreement to the most advantageous proposer. In compliance with state law concerning professional services evaluation, cost was neither considered in the evaluation nor reflected in the scoring.

*Denotes successful proposer

<u>Proposers</u>	<u>Address</u>	<u>Score</u>
*KDC Holdings LLC dba KDC Real Estate Development & Investments	8115 Preston Rd. Suite 700 Dallas, TX 75225	98.50
Matthews Holdings Southwest, Inc. dba Matthews Southwest	1401 Botham Jean Blvd. Dallas, TX 75215	86.00
WSP USA, Inc.	One Penn Plaza New York, NY 10119	82.50

McKissack and McKissack of Washington, Inc.	901 K St. NW 6th Floor Washington, DC 20001	82.25
Arup Texas	77 Water St. New York, NY 10005	77.75
PSA Management, Inc.	2777 North Stemmons Frwy. Suite 1035 Dallas, TX 75207	60.00
The Pree Group, LLC	2301 Ohio Dr. Suite 285 Plano, TX 75093	28.00

OWNER

~~KDC Holdings LLC dba KDC Real Estate Development & Investments~~

~~M. Scott Ozymy, Vice President
Michael Kaufman, Vice President~~