



**STAFF REPORT**  
**City of Dripping Springs**  
**PO Box 384**  
**511 Mercer Street**  
**Dripping Springs, TX 78620**

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**Submitted By:** Keenan Smith, TIRZ Project Manager, Shawn Cox, Deputy City Administrator, and Michelle Fischer, City Administrator

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**Council Meeting Date:** October 7, 2025

**Agenda Item Wording:** **Discuss and consider approval of a Construction Contract between the City of Dripping Springs and QA Construction Services, Inc. for the Stephenson Building and Parking Lot Project**

**Agenda Item Requestor:** Mayor Bill Foulds, Jr.

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**Summary/Background:** 9/5/25, 9/11/25, 9/18/25, and 9/25/25 the Committee held Value Engineering meetings with QA Construction Services, Inc. ("QA").

9/25/25 QA submitted final Value Engineering and Alternate selections based on Committee Consensus. Council Member Parks and Council Member Crow provided valuable participation and feedback.

9/29/2025 Committee Recommendation was submitted, which included the following:

Recommended Bid Base Items:

- Building: \$3,014,000
  - Parking Lot: \$1,267,000
- Total: \$4,281,000

Recommended Alternates:

- Alternate No. 1: Replace windows at existing building: \$59,000
  - Alternate No. 2: Roof thermal and acoustic insulation at existing building: \$26,000
  - Alternate A: Parking Lot Power: \$113,000
- Total: \$198,000

Value Engineering:

- Eliminated decorative pavers throughout
- City to provide quarry rocks
- Eliminated flagpole
- Eliminated most window treatments
- Eliminated picture hanging system at gallery
- Eliminated overhead cabinets at catering

- Eliminated overhead cabinets at Addition Entry Lobby
- Eliminated counter at Green Room
- Eliminated carpet tile and finished concrete in Addition, instead doing sealed concrete throughout
- Voluntary deduction for lighting fixtures

Total Costs Reduced \$31,800.

Project Cost & Funding:

|                 |                   |
|-----------------|-------------------|
| Contract Amount | \$4,447,200       |
| 10% Contingency | <u>\$ 444,720</u> |
| Total           | \$4,891.920       |

|                     |                   |
|---------------------|-------------------|
| Debt Issuance Funds | \$4,695,163       |
| Landscape Funds     | <u>\$ 200,000</u> |
| Total               | \$4,895,163       |

The Committee recommends the notice to proceed on 10/20/2025. The contract period is 365 calendar days.

Council Member Parks will serve on the Project Construction Committee. Staff will regularly update City Council on the status of the project and bring proposed Change Orders to City Council for consideration as required by the City’s Purchasing Policy or as directed.

**Commission  
Recommendations:**

The Historic Preservation Commission and TIRZ Board continue to be supportive of the project.

**Recommended  
Council Actions:**

Approve the construction contract with QA Construction Services, Inc., accepting the building and parking lot base bids, value engineering, Alternate 1, Alternate 2, and Alternate A, for a total of \$4,447,200.

**Attachments:**

Construction contract, value engineering spreadsheet.

**Next Steps/Schedule:**

Execute contract; obtain Performance and Payment Bond, issue a notice to proceed.