

**IS RCA ENCUMBERED/NOT ENCUMBERED ON ADV3?**

Current RCA	agenda date	Unit	awardee	RCA amount	project	paid?	order amount	Not yet encumbered
****	08/08/13	Set Up Pending	Hensel Phelps Construction Company	62,250,000.00	Terminal East Infill Project - Construction		62,250,000.00	-
		Set Up Pending		62,250,000.00			62,250,000.00	-

Unit	Unit Description	Project Budget	Encumbered Amt	Expended Amt	Available	Not yet encumbered	Adjustments	Estimated Use of Remaining Balance	Less Current RCA
Set Up Pending	Terminal East Infill Project - Construction		-	-	-	-	62,250,000.00	62,250,000.00	(62,250,000.00)

less current RCA

(62,250,000.00)

True remaining balance

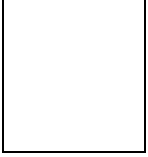
0.00

Adjustments:

Unit Set Up Pending

62,250,000.00

62,250,000.00



0.00

## CIP EXPENSE DETAIL

**DATE OF COUNCIL CONSIDERATION:**  
**CONTACT DEPARTMENT(S):**

8/8/13  
Aviation

**SUBJECT:** Authorize funding for Austin-Bergstrom International Airport (ABIA) Terminal East Infill Design-Build Agreement, specifically new east terminal security checkpoint facilities, customs expansion/renovation, and new central receiving operations for construction phase services, with Design-Builder Hensel Phelps Construction Company in the amount of \$59,450,000 plus \$2,800,000 owner contingency for a total amount not to exceed \$62,250,000 and authorize negotiation and execution of guaranteed maximum price packages.

Funding is available in the Fiscal Year 2012-2013 Capital Budget of the Aviation Department.

### CURRENT YEAR IMPACT:

Department:	Aviation
Project Name:	Terminal East Infill Project - Construction
Fund/Department/Unit:	New-8107-NEW Department of Aviation
Funding Source:	Airport Capital Fund
Current Appropriation:	0.00
Unencumbered Balance:	62,250,000.00
Amount of This Action:	(62,250,000.00)
Remaining Balance:	<u>0.00</u>
 Total Amount of this Action	 <u><u>62,250,000.00</u></u>

### ANALYSIS / ADDITIONAL INFORMATION:

In January 2008, the Terminal East Infill Project was identified in the Austin-Bergstrom International Airport (ABIA) Capital Improvement Program Masterplan and is now proceeding as planned. ABIA has experienced strong enplanement growth of 4% compound annual growth rate from 2009 through 2012 and for FY 2013 enplanement growth is 5% through May, 2013. The ABIA Terminal is nearing capacity at security checkpoint processing areas and the Customs facilities. To meet this challenge, the Aviation Department is developing a Terminal East Infill Project, which will greatly increase the capacity of the security checkpoint processing on the east side of the Terminal as well as expand the Customs facilities to bring it up to the latest required standards. Associated work required for the baggage handling system, TSA screening equipment, loading dock operations and utility infrastructure for the building is included in this project as well. The Terminal East Infill Project renovates about 17,000 square feet and adds approximately 55,000 square feet to the Terminal by filling-in a triangular shaped gap in the floor plan on the front of the existing building.

On December 15, 2011, Council authorized the use of a Design-Build project delivery method in accordance with Texas Government Code Section 2267, Subchapter G; by which a governmental entity contracts with a single entity to provide both design and construction services for the construction, rehabilitation, alteration or repair of a facility.

On November 26, 2012, the City entered into a Design-Build agreement with Hensel Phelps Construction Company

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(with PSP Architects) for preliminary/schematic design services and commenced to review the ABIA Design Criteria Manual (DCM), dated April 6, 2012, which is a set of standards, guidelines and design criteria for the East Infill Project programming, design and construction. During the DCM confirmation process with all stakeholders at ABIA, several criteria were updated and added as required for the changing conditions and increased growth of ABIA. The first significant item which arose was the need to expand and bring the existing Customs facilities up-to-date with current standards required by US Customs and Border Protection. To help maintain security at ABIA, and reduce the need for new large storage spaces in the new Project, the need for a remote central receiving/loading dock management operation was added and will be used while the existing loading dock is taken out of service during construction. Proposed work identified in the DCM as possible additional work (and not included in the DCM cost estimate) included major upgrades to the baggage handling system which have now become part of the Project, as well as maintaining the current level of utility infrastructure capacity. The Terminal East Infill Project will be a LEED Silver certified project.

In May 2013, the project team proceeded into Design Development, Construction Documents and the establishment of the overall budget for Guaranteed Maximum Price (GMP) proposals. Amendment #1 was negotiated and executed on June 4, 2013. During negotiations it was determined that Preconstruction Services were needed to coordinate the establishment of dock management operations to its temporary location for the duration of the project; this was included in the Amendment. Also included, as part of the work on the baggage system, is support to TSA in their capital replacement program of explosive detection equipment and in making upgrades to their baggage inspection system. Costs will be refunded for replacing the TSA capital equipment through a TSA grant.

During the Design Phases, several items were identified as possible Add Alternates including additional improvements to the baggage handling system and adding more pedestrian walkways from the parking garage at the concourse level to service the new addition to the Terminal. Pricing for these alternates will be assessed by the team to evaluate acceptance by best value if funds are available. The Design-Builder confirmed the original DCM budgetary project cost and assisted the City in assessing the items described above with estimated costs of the renovation and construction of the Customs facilities at \$9.9M; relocating loading dock operations during construction at \$2.1M; and supporting TSA equipment replacement at \$5.0M. A recent TSA requirement to provide controlled exiting from the concourse level must be addressed; that work is currently estimated at \$1.2M. The estimated construction budget is approximately \$55,500,000; fees, insurance and permits are \$3,950,000. With the included contingency of \$2,800,000, the requested project budget authority for this RCA is \$62,250,000.

Since Fall 2011, the Terminal East Infill Project programming and design has remained on schedule with the creation of the Design Criteria Manual (DCM); solicitation and competitive selection of the Design-Builder; preliminary/schematic design and the development of a GMP package ready for final pricing. The Design-Build (D-B) team has maintained the schedule proposed in the original solicitation. At the time of this RCA, the D-B team proposes an October 2013 construction start date and a May 2015 substantial completion date.

The Aviation Department expects to fund the entire Project from bonds. However, in the coming fiscal years, Aviation will also seek federal funding from the Airport Improvement Program (AIP), the FAA and TSA. Nevertheless, AIP funds are limited this year and competition for them will be intense. The federal grant system for construction assistance funding appears less reliable than in previous years which may delay implementation of the Federal Aviation Administration (FAA) grant-eligible projects. Once the Terminal East Infill Project receives a Guaranteed Maximum Price proposal from the Design-Builder, the Aviation Department will submit an application to participate

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Maximum Price proposal from the Design-Builder, the Aviation Department will submit an application to participate in the FAA's Military Airport Program to obtain a multi-year FAA grant to help fund the Terminal Infill Project, and a response from the FAA on the application would be anticipated late in the summer of 2013. Additionally, the Aviation Department will be seeking federal funding support from the Transportation Security Administration (TSA) for certain improvements within their operations area.

Participation goals stated in the solicitation for design services were 7.27% DBE. Hensel Phelps Construction Company provided a DBE Compliance Plan that met and surpassed the goals of the solicitation as approved by the Small and Minority Business Resources Department to the participation of 10.52% DBE. 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 establishment of the guaranteed maximum price has been negotiated and executed by amendment. Prior to entering into the construction phase, the City will establish separate DBE goals for construction and the Design-Builder shall submit a Compliance Plan meeting the construction goals or documentation detailing their Good Faith Efforts to meet the established goals.