

A G E N D A



Recommendation for Council Action (CLMD)

Austin City Council

Item ID:

42158

Agenda Number

<ITEM_OUTLINE>

Meeting Date:

March 26, 2015

Department:

Contract Management

Subject

Authorize the use of the construction manager-at-risk method of contracting for construction of the new Parking Garage with Administration Offices Project at the Austin-Bergstrom International Airport.

Amount and Source of Funding



Fiscal Note



Purchasing
Language:

Prior Council
Action:

March 25, 2015- Audit and Finance Committee scheduled to consider the construction manager-at-risk methodology.

For More
Information:

Shane Harbison, 512-530-6652; Lynda Williams, 512-974-3066; Elizabeth Godfrey, 512-974-7141

Council
Committee,
Boards and
Commission
Action:

January 13, 2015 - Approved by the Austin Airport Advisory Commission on a 6-0-0-1 vote with Commissioner Kelsey absent.
March 25, 2015 - to be reviewed by the Audit and Finance Committee

MBE / WBE:

Related Items:

Additional Backup Information

Council Action:

State statute governs construction procurement for municipalities. The standard method of contracting used for construction services is competitive bidding where the contract is awarded to the lowest responsive and responsible bidder. Texas Government Code Chapter 2269 allows for methodologies alternate to low-bidding which may provide the best value to the municipality. These alternate methodologies include Competitive Sealed Proposals, Construction-Manager-At Risk, Design-Build, and Job Order Contracting. Texas Local Government Code Section 252.022 (d) allows the City to adopt and use the alternative method such as Construction-Manager-at-Risk under Chapter 2269 of the Texas Government Code if such a method provides a better value for the City.

Project Background:

The continued and anticipated growth of airport operations has created the need for additional public parking and additional office space. To meet these demands, the Aviation Department plans to construct a new 4,000-plus space public parking garage with adjacent administrative office space on Lot A, which is convenient to the terminal building. Additionally, the scope of work may include work at the existing terminal building mezzanine level, the planning and engineering building, and other airport buildings as required. The relocation of existing administrative offices from the mezzanine level of the terminal to this new project space will free up revenue-generating lease space for airline and customer use. In addition, Aviation Department staff currently housed in other buildings may also be moved to the new office space.

Contracting Overview:

The overall project will consist of two key contracts – Architectural/Engineering design contract and Construction Manager-at-Risk contract for preconstruction/construction services.

The City will first issue a Request for Qualifications for architectural/engineering design services in accordance with the City's established qualifications based selection process used for securing services for architects and engineers. Staff's recommendation is the highest ranking firm based on a City-staffed panel that will evaluate and score proposals based on published criteria. Council will be asked to approve the recommended architectural/engineering firm who is deemed the most highly qualified. Upon execution of the architectural/engineering contract, the architectural/engineering firm will begin project definition and preliminary design services.

Council's approval of this Recommendation for Council Action will allow City staff to issue a second solicitation for the selection of a firm to provide construction manager-at-risk services. In accordance with Texas Government Code Chapter 2269, the construction manager-at-risk firm will be selected by a City-staffed panel that will evaluate and score proposals based on published criteria to determine the highest ranked proposer. Council will be asked to award a contract to the construction manager-at-risk firm which offers the best value.

Construction Manager-at-Risk Contract:

Once the construction manager-at-risk contract has been executed, the construction manager firm will start preconstruction phase services. The advantage to having the construction manager under contract early in the design process is the ability to (1) perform key preconstruction phase services such as collaborating with the City and the design team on scope and constructability and optimization of design; (2) control costs and budgets; (3) provide quality assurance-quality control; and (4) allow for on-site investigation work.

After the preconstruction phase, the City will negotiate and execute a Guaranteed Maximum Price with the construction manager for the remainder of the work, including actual construction of the parking garage and offices. Council will be asked to approve the construction cost limitation and/or the guaranteed maximum price, depending on how the project develops. It is estimated that the total budget for construction manager-at-risk services (preconstruction and construction) for the new parking garage and office space project will be approximately \$120,000,000. Anticipated construction completion is tentatively late Summer 2017.

Construction Manager-at-Risk – MBE /WBE Subcontracting:

MBE /WBE goals will be established for the construction manager-at-risk contract in phases. The initial solicitation will be evaluated for goals for the Preconstruction Phase work. If goals are established, participation for Preconstruction Phase will be included in the Request for Council Action associated with the award of the contract.

As part of the Preconstruction Phase services, the Construction Manager will collaborate with the City to create the various trade summaries and work packages associated with the Construction Phase. The Construction Manager will coordinate with Small and Minority Business Resources (SMBR) to establish MBE /WBE construction goals for each work package. An important part of the Construction Manager's procurement process is to conduct multiple outreach efforts to local businesses and MBE /WBE firms. As part of the negotiation process prior to entering into a contract for Construction Phase, the Construction Manager will submit a Compliance Plan meeting the construction goals or documentation detailing their Good Faith Efforts to meet the established goals which will be reviewed and approved by SMBR.