



Airport Advisory Commission

REGULAR MEETING MINUTES

July 12, 2016

The Airport Advisory Commission convened in a regular meeting on July 12, 2016, at 2716 Spirit of Texas Drive, in Room 174-A in Austin, Texas.

Board Members in Attendance:

Ernest Saulmon, Chair
Alex Reyna
Vicky Sepulveda

Stephanie Trinh, Secretary
Mike Rodriguez
Greg Anderson

Teddy McDaniel III
Sam Sargent
John Walewski

Board Members Absent:

Luke Legate

Staff in Attendance:

Susana Carbajal, Francisco Garza, Shane Harbinson, Jennifer Williams, Stephen Dick, Luze Davis, Rohini Kumarage, Royce Traywick, Jessica BlueBird

Others Present:

Jeff Toner – Jacobs
Stephanie Tucker – Leigh Fisher
Charles Sims – Atlantic Aviation
Grayson Cox – KSA Engineers
Josh Crawford – Garver
Byron Chavez – RS&H

Welcome & Call the Meeting to Order:

Ernest Saulmon called the meeting to order at 5:02 p.m.

1. CITIZENS COMMUNICATIONS:

None.

2. APPROVAL OF MINUTES – June 14, 2016

Motion to approve the minutes. Motion made by Mike Rodriguez and seconded by Alex Reyna. Motion passed 8-0-0-2 (Commission Members Luke Legate and Vicky Sepulveda were absent at this vote).

Vick Sepulveda arrived at 5:05 p.m.

3. STAFF BRIEFING, REPORTS AND PRESENTATIONS

- a) Finance & Operations Reports for Fiscal Year 2016 to date.
- b) Planning & Engineering Capital Improvement Project Monthly Status Reports.
- c) Airport Master Planning Process Presentation.
- d) Airport Tenant Updates and New Concession Solicitation Draft Timeline.
- e) Ground Transportation Staging Area (GTSA) Transactions Report for June 2016.
- f) Transportation Network Companies (TNCs) Airport Transactions to date.
- g) Overview on Airport Overlay Zones.

4. ACTION ITEMS

- a) Conduct Officer Elections.
 - i. Chair
 - ii. Vice Chair
 - iii. Secretary

Motion to approve Ernest Saulmon as AAC Chair was made by Stephanie Trinh and seconded by Sam Sargent. Motion passed 8-0-1-1 (Commission Member Ernie Saulmon abstained, and Commission Member Luke Legate was absent at this vote).

Motion to approve Teddy McDaniel III as AAC Vice Chair was made by Sam Sargent and seconded by Ernest Saulmon. Motion passed 8-0-1-1 (Commission Member Teddy McDaniel III abstained, and Commission Member Luke Legate was absent at this vote).

Motion to approve Stephanie Trinh as AAC Secretary was made by Greg Anderson and seconded by Sam Sargent. Motion passed 8-0-1-1 (Commission Member Stephanie Trinh abstained, and Commission Member Luke Legate was absent at this vote).

- b) Approve Annual Internal Review Report.

Motion to approve was made by Mike Rodriguez and seconded by Vicky Sepulveda. Motion passed 9-0-0-1 (Commission Member Luke Legate was absent at this vote).

5. NEW BUSINESS

None.

6. OLD BUSINESS (updates)

- a) Status of action items upon which the Commission has made a recommendation to Council. *(Please note the progress of the following items)*

Authorize negotiation and execution of a 60-month contract with SP PLUS CORPORATION, or one of the other qualified offers to Request For Proposal PAX0127, to provide parking operations management services in an amount not to exceed \$2,133,545 with three 12-month extension options in an amount not to exceed \$459,239 for the first extension option, \$470,720 for the second extension option, and \$482,488 for the third extension option, for a total contract amount not to exceed 3,545,992. **[Item went before City Council on June 16, 2016 and passed.]**

7. FUTURE AGENDA ITEMS

Date of next meeting: August 9, 2016.

ADJOURNMENT.

Motion to approve was made by Greg Anderson and seconded by Sam Sargent. Motion passed 9-0-0-1 (Commission Member Luke Legate was absent at this vote).

Meeting was adjourned at 6:41 p.m.

CITY OF AUSTIN
AUSTIN-BERGSTROM INTERNATIONAL AIRPORT
Airport Operating Fund 5070
Income Statement - For Internal Use Only
Fiscal Year to Date for 9 Month(s) ended June 30, 2016

	Amended Budget	Budget Annualized 9 month(s)	Year to Date w/ Encumb	Y-T-D Variance Fav (Unfav)	Y-T-D % Variance Fav (Unfav)
REVENUE					
AIRLINE REVENUE					
Landing Fees	24,670,000.00	18,502,500.00	17,843,185.88	(659,314.12)	(3.6%)
Terminal Rental & Other Fees	33,146,000.00	24,859,500.00	24,414,904.14	(444,595.86)	(1.8%)
TOTAL AIRLINE REVENUE	57,816,000.00	43,362,000.00	42,258,090.02	(1,103,909.98)	(2.5%)
NON-AIRLINE REVENUE					
Parking	36,371,418.00	27,278,563.50	28,147,415.26	868,851.76	3.2%
Other Concessions	25,576,985.00	19,182,738.75	19,704,468.22	521,729.47	2.7%
Other Rentals and Fees	9,967,895.00	7,475,921.25	7,739,905.65	263,984.40	3.5%
TOTAL NON-AIRLINE REVENUE	71,916,298.00	53,937,223.50	55,591,789.13	1,654,565.63	3.1%
Interest Income	106,387.00	79,790.25	191,258.45	111,468.20	139.7%
TOTAL REVENUE	129,838,685.00	97,379,013.75	98,041,137.60	662,123.85	0.7%
OPERATING REQUIREMENTS					
Fac Mgmt, Ops and Airport Security	49,351,750.00	37,013,812.50	32,695,490.52	4,318,321.98	11.7%
Airport Planning and Development	3,113,986.00	2,335,489.50	1,680,812.64	654,676.86	28.0%
Support Services	17,604,545.00	13,203,408.75	10,866,453.88	2,336,954.87	17.7%
Business Services	12,893,847.00	9,670,385.25	9,068,506.62	601,878.63	6.2%
TOTAL OPERATING EXPENSES	82,964,128.00	62,223,096.00	54,311,263.66	7,911,832.34	12.7%
Debt Service					
GO Debt Service Fund	26,305.00	19,728.75	19,728.75	0.00	0.0%
2013A Revenue Refunding Bonds	14,950,651.00	10,721,614.40	10,721,644.52	(30.12)	(0.0%)
2013 Prosperity Bank Loan	3,814,225.00	2,804,099.98	2,803,933.30	166.68	0.0%
2014 Bond Issuance	133,022.00	57,303.13	57,302.88	0.25	0.0%
2016 Bond Issuance	3,850,949.00	2,192,700.80	0.00	2,192,700.80	100.0%
2005 Variable rate Notes (Swap)	12,244,805.00	9,623,505.21	9,343,868.00	279,637.21	2.9%
2005 Variable rate Notes Fees	1,380,184.00	1,033,252.51	1,040,598.11	(7,345.60)	(0.7%)
PFC Debt Service Funding	(12,843,479.00)	(9,587,127.68)	(9,476,121.64)	(111,006.04)	(1.2%)
TOTAL Net Debt Service	23,556,662.00	16,865,077.10	14,510,953.92	2,354,123.18	14.0%
OTHER REQUIREMENTS					
Workers' Compensation	424,869.00	318,651.75	318,669.00	(17.25)	(0.0%)
Citywide Administrative Support	3,786,716.00	2,840,037.00	2,840,036.00	1.00	0.0%
Communications & Technology Mgmt	1,248,165.00	936,123.75	936,120.00	3.75	0.0%
Accrued Payroll	242,814.00	182,110.50	182,110.50	0.00	0.0%
Wage Adjustment Markets	29,186.00	21,889.50	0.00	21,889.50	100.0%
Liability Reserve	17,000.00	12,750.00	12,750.00	0.00	0.0%
Operating Reserve	1,922,900.00	1,442,175.00	1,442,175.00	0.00	0.0%
CTECC	138,767.00	104,075.25	104,072.00	3.25	0.0%
Trunked Radio Allocation	114,693.00	86,019.75	86,013.00	6.75	0.0%
TOTAL OTHER REQUIREMENTS	7,925,110.00	5,943,832.50	5,921,945.50	21,887.00	0.4%
TOTAL REQUIREMENTS	114,445,900.00	85,032,005.60	74,744,163.08	10,287,842.52	12.1%
EXCESS (DEFICIT) OF TOTAL AVAILABLE FUNDS OVER TOTAL REQUIREMENTS					
	15,392,785.00	12,347,008.15	23,296,974.52	10,949,966.37	88.7%
ENPLANEMENTS					
	Passengers	% Inc/(Dec)			
June, 2016 (Month over Month)	581,151	4.36%			
June, 2016 - Year-to-Date	4,593,898	9.14%			

**CITY OF AUSTIN
AUSTIN-BERGSTROM INTERNATIONAL AIRPORT
INCOME STATEMENT COMPARISON THIS YEAR VS. LAST YEAR**

**This month - This Year vs. Last Year
FY16 (Jun 16) vs FY15 (Jun 15)**

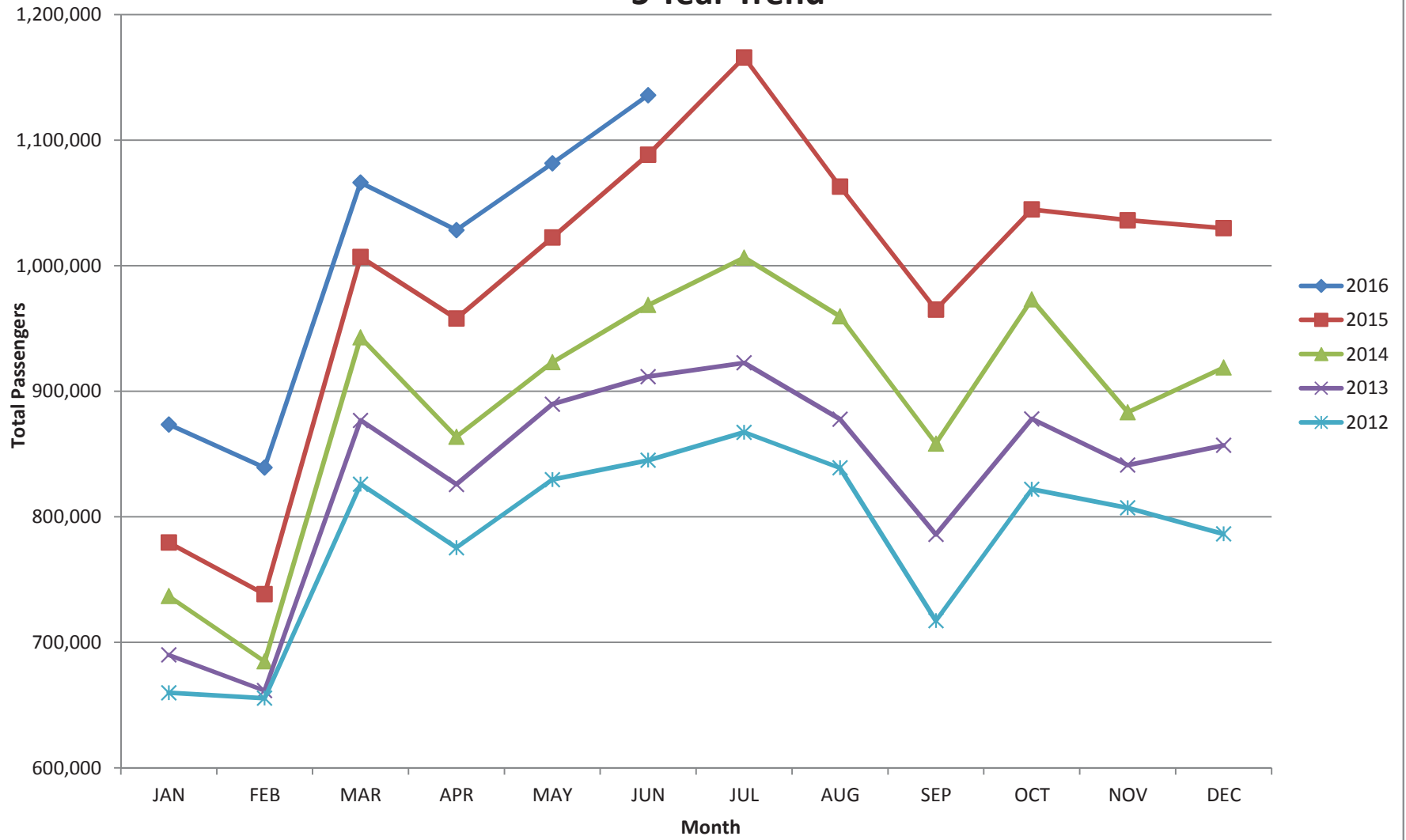
Fiscal YTD - This Year vs. Last Year

FY16 (Oct 15 - Jun 16) vs FY15 (Oct 14 - Jun 15)

	FY16 Jun-16	FY15 Jun-15	Fav (Unfav) \$ Variance	Fav (Unfav) % Variance	FY16 YTD Jun-16	FY15 YTD Jun-15	Fav (Unfav) \$ Variance	Fav (Unfav) % Variance
<u>Airline Revenue</u>								
Landing Fees	2,173,040.54	2,208,135.73	(35,095.19)	(1.6%)	17,843,185.88	17,859,486.08	(16,300.20)	(0.1%)
Terminal Rental & Other Fees	2,796,117.97	2,500,789.07	295,328.90	11.8%	24,414,904.14	20,752,302.19	3,662,601.95	17.6%
Total Airline Revenue	4,969,158.51	4,708,924.80	260,233.71	5.5%	42,258,090.02	38,611,788.27	3,646,301.75	9.4%
<u>Non-Airline Revenue</u>								
Parking	3,603,760.80	3,384,075.75	219,685.05	6.5%	28,147,415.26	26,039,704.31	2,107,710.95	8.1%
Food/Beverage & Retail	911,060.70	840,505.12	70,555.58	8.4%	7,644,443.65	6,801,538.84	842,904.81	12.4%
Rental Car	1,244,511.08	723,076.15	521,434.93	72.1%	10,266,332.61	9,242,100.96	1,024,231.65	11.1%
Advertising	163,410.50	117,135.04	46,275.46	39.5%	1,152,152.17	1,136,563.62	15,588.55	1.4%
Ads Barter Revenue	0.00	0.00	0.00	N/A	40,000.00	0.00	40,000.00	N/A
Other Concessions	71,209.90	55,531.27	15,678.63	28.2%	601,539.79	546,107.33	55,432.46	10.2%
Other Rentals and Fees	950,986.52	703,317.69	247,668.83	35.2%	7,739,905.65	5,853,742.79	1,886,162.86	32.2%
Total Non-Airline Revenue	6,944,939.50	5,823,641.02	1,121,298.48	19.3%	55,591,789.13	49,619,757.85	5,972,031.28	12.0%
Interest Income	28,698.69	14,254.59	14,444.10	101.3%	191,258.45	94,328.56	96,929.89	102.8%
Total Operating Revenue	11,942,796.70	10,546,820.41	1,395,976.29	13.2%	98,041,137.60	88,325,874.68	9,715,262.92	11.0%
<u>Operating Requirements</u>								
Fac Mgmt, Ops and Airport Security	3,712,129.44	3,219,603.43	(492,526.01)	(15.3%)	32,695,490.52	30,925,643.47	(1,769,847.05)	(5.7%)
Airport Planning and Development	188,864.48	192,232.70	3,368.22	1.8%	1,680,812.64	1,848,688.07	167,875.43	9.1%
Support Services	1,360,216.23	869,734.80	(490,481.43)	(56.4%)	10,866,453.88	9,066,431.04	(1,800,022.84)	(19.9%)
Business Services	1,093,090.03	849,996.74	(243,093.29)	(28.6%)	9,068,506.62	7,621,386.22	(1,447,120.40)	(19.0%)
Total Operating Expense	6,354,300.18	5,131,567.67	(1,222,732.51)	(23.8%)	54,311,263.66	49,462,148.80	(4,849,114.86)	(9.8%)
<u>Debt Service</u>								
GO Debt Service Fund	2,192.09	2,170.08	(22.01)	(1.0%)	19,728.75	19,530.75	(198.00)	(1.0%)
2013A Revenue Refunding Bonds	1,409,678.33	99,033.33	(1,310,645.00)	(1323.4%)	10,721,644.52	891,298.65	(9,830,345.87)	(1102.9%)
2013 Prosperity Bank Loan	336,708.33	73,333.33	(263,375.00)	(359.1%)	2,803,933.30	549,999.65	(2,253,933.65)	(409.8%)
2014 Bond Issuance	25,239.59	762.50	(24,477.09)	(3210.1%)	57,302.88	1,143.75	(56,159.13)	(4910.1%)
2005 Variable rate Notes (Swap)	868,903.00	2,066,967.00	1,198,064.00	58.0%	9,343,868.00	18,576,137.49	9,232,269.49	49.7%
2005 Variable rate Notes Fees	111,737.92	121,666.58	9,928.66	8.2%	1,040,598.11	1,126,992.90	86,394.79	7.7%
PFC Debt Service Funding	(1,082,259.68)	(977,768.82)	104,490.86	10.7%	(9,476,121.64)	(8,802,610.35)	673,511.29	7.7%
Total Debt Service	1,672,199.58	1,386,164.00	(286,035.58)	(20.6%)	14,510,953.92	12,362,492.84	(2,148,461.08)	(17.4%)
<u>Other Requirements</u>								
Workers' Compensation	35,400.00	42,180.00	6,780.00	16.1%	318,669.00	379,622.00	60,953.00	16.1%
Citywide Administrative Support	315,560.00	255,648.00	(59,912.00)	(23.4%)	2,840,036.00	2,300,832.00	(539,204.00)	(23.4%)
Communications & Technology Mgmt	104,015.00	115,315.00	11,300.00	9.8%	936,120.00	1,037,841.00	101,721.00	9.8%
Accrued Payroll	20,234.50	8,176.08	(12,058.42)	(147.5%)	182,110.50	73,584.75	(108,525.75)	(147.5%)
Operating Reserve	160,241.67	105,570.75	(54,670.92)	(51.8%)	1,442,175.00	950,136.75	(492,038.25)	(51.8%)
CTECC	11,565.00	12,031.00	466.00	3.9%	104,072.00	108,282.00	4,210.00	3.9%
Trunked Radio Allocation	9,560.00	9,045.00	(515.00)	(5.7%)	86,013.00	81,391.00	(4,622.00)	(5.7%)
Liability Reserve	1,416.67	1,416.67	0.00	0.0%	12,750.00	12,750.00	0.00	0.0%
Total Other Requirements	657,992.84	549,382.50	(108,610.34)	(19.8%)	5,921,945.50	4,944,439.50	(977,506.00)	(19.8%)
Total Requirements	8,684,492.60	7,067,114.17	(1,617,378.43)	(22.9%)	74,744,163.08	66,769,081.14	(7,975,081.94)	(11.9%)
SURPLUS (DEFICIT) OF TOTAL AVAILABLE FUNDS OVER TOTAL REQUIREMENTS	\$ 3,258,304.10	\$ 3,479,706.24	\$ (221,402.14)	(6.4%)	\$ 23,296,974.52	\$ 21,556,793.54	\$ 1,740,180.98	8.1%

AUSTIN PASSENGER TRAFFIC

5 Year Trend



Austin-Bergstrom International Airport

Aviation Activity Report

Calendar Year 2016 vs 2015

	06/2016	06/2015	Percent Change	01/2016 - 06/2016	01/2015 - 06/2015	Percent Change
<u>Passenger Activity</u>						
Domestic Enplaned Revenue	555,372	528,686	5.05	2,894,192	2,691,133	7.55
Domestic Deplaned Revenue	529,443	504,300	4.99	2,867,163	2,661,694	7.72
International Enplaned Revenue	12,433	14,840	-16.22	55,807	55,941	-0.24
International Deplaned Revenue	11,756	13,560	-13.30	57,033	54,797	4.08
Domestic Enplaned Non-Revenue	11,423	11,559	-1.18	63,506	62,587	1.47
Domestic Deplaned Non-Revenue	11,515	11,756	-2.05	65,635	61,124	7.38
International Enplaned Non-Revenue	45	78	-42.31	479	495	-3.23
International Deplaned Non-Revenue	40	77	-48.05	471	441	6.80
Intl Enplaned Pre-Cleared Revenue	1,854	1,665	11.35	9,653	2,506	285.20
Intl Deplaned Pre-Cleared Revenue	1,862	1,843	1.03	10,243	2,619	291.10
Intl Enplaned Pre-Cleared Non-Revenue	24	20	20.00	152	37	310.81
Intl Deplaned Pre-Cleared Non-Revenue	29	15	93.33	168	29	479.31
Passenger Totals	1,135,796	1,088,399	4.35	6,024,502	5,593,403	7.71
<i>Enplaned Passenger Totals</i>	<i>581,151</i>	<i>556,848</i>	<i>4.36</i>	<i>3,023,789</i>	<i>2,812,699</i>	<i>7.50</i>
<i>Deplaned Passenger Totals</i>	<i>554,645</i>	<i>531,551</i>	<i>4.34</i>	<i>3,000,713</i>	<i>2,780,704</i>	<i>7.91</i>
<i>Domestic Passenger Totals</i>	<i>1,107,753</i>	<i>1,056,301</i>	<i>4.87</i>	<i>5,890,496</i>	<i>5,476,538</i>	<i>7.55</i>
<i>International Passenger Totals</i>	<i>28,043</i>	<i>32,098</i>	<i>-12.63</i>	<i>134,006</i>	<i>116,865</i>	<i>14.66</i>

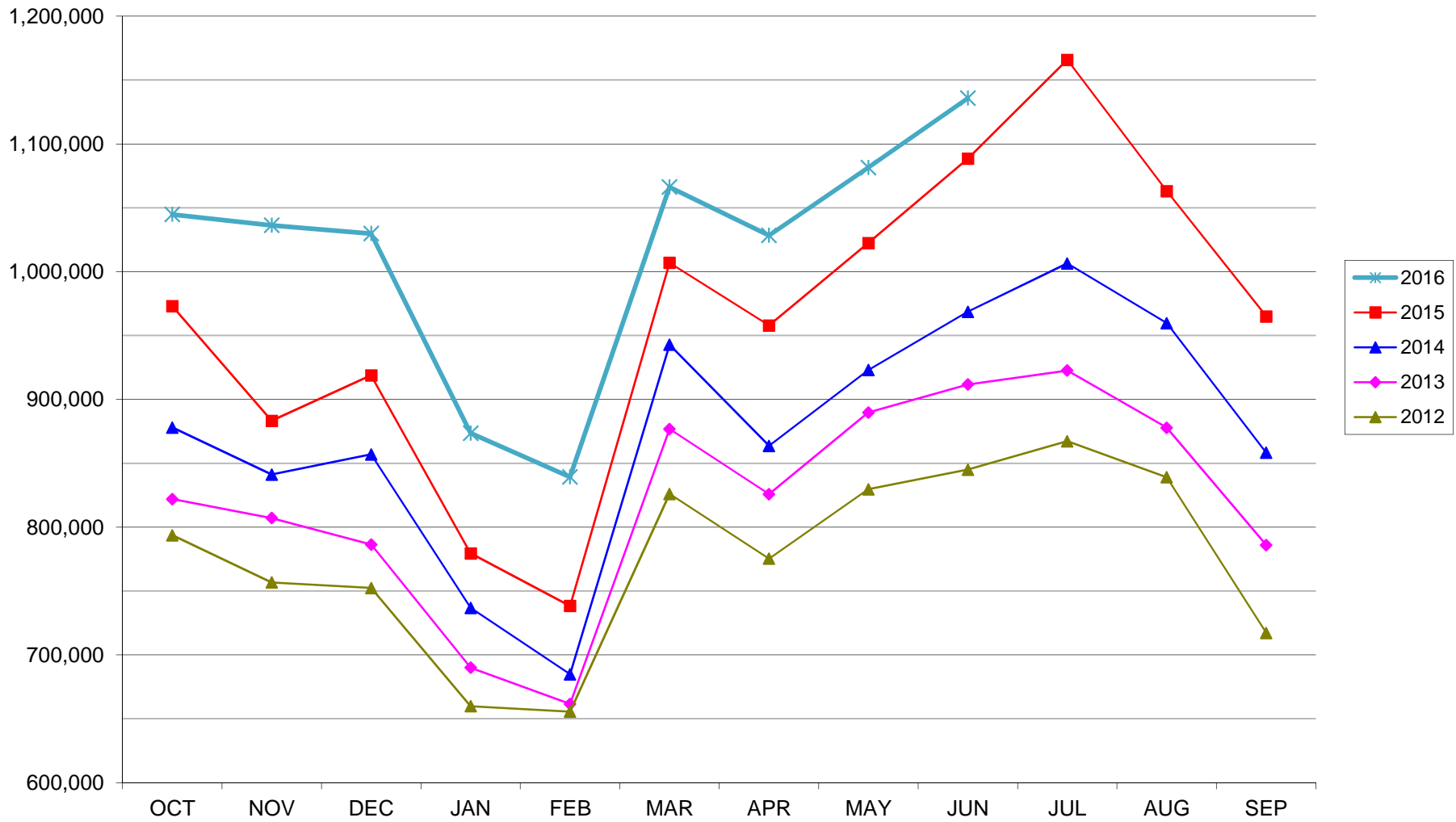
CURRENT PASSENGER RECORD = 1,165,811 RECORD SET = JULY 2015

Aircraft Operations

Air Carrier	10,033	10,035	-0.02	56,888	54,983	3.46
Commuter & Air Taxi	1,177	1,173	0.34	7,351	7,649	-3.90
Military	921	911	1.10	5,138	3,807	34.96
General Aviation						
Itinerant	4,171	4,051	2.96	24,439	24,237	0.83
Local	278	448	-37.95	1,378	1,685	-18.22
Total G.A.	4,449	4,499	-1.11	25,817	25,922	-0.41
Total Operations	16,580	16,618	-0.23	95,194	92,361	3.07

****Note: One of our Cargo companies is currently experiencing an issue with their system and they are unable to provide us with their cargo data. Once the cargo company sends AUS their cargo statistics, we will make the changes in our system and distribute the cargo statistics.**

AUSTIN PASSENGER TRAFFIC 5 Year Trend



Austin-Bergstrom International Airport

Aviation Activity Report

Fiscal Year 2016 vs 2015

	06/2016	06/2015	Percent Change	10/2015 - 06/2016	10/2014 - 06/2015	Percent Change
<u>Passenger Activity</u>						
Domestic Enplaned Revenue	555,372	528,686	5.05	4,405,231	4,032,307	9.25
Domestic Deplaned Revenue	529,443	504,300	4.99	4,349,163	3,987,438	9.07
International Enplaned Revenue	12,433	14,840	-16.22	80,554	79,685	1.09
International Deplaned Revenue	11,756	13,560	-13.30	80,365	77,871	3.20
Domestic Enplaned Non-Revenue	11,423	11,559	-1.18	93,416	93,782	-0.39
Domestic Deplaned Non-Revenue	11,515	11,756	-2.05	95,351	90,594	5.25
International Enplaned Non-Revenue	45	78	-42.31	715	781	-8.45
International Deplaned Non-Revenue	40	77	-48.05	691	733	-5.73
Intl Deplaned Pre-Cleared Non-Revenue	29	15	93.33	537	29	1,751.72
Intl Deplaned Pre-Cleared Revenue	1,862	1,843	1.03	15,270	2,619	483.05
Intl Enplaned Pre-Cleared Non-Revenue	24	20	20.00	537	37	1,351.35
Intl Enplaned Pre-Cleared Revenue	1,854	1,665	11.35	13,445	2,506	436.51
South Terminal-Intl Enplaned Revenue	0	0	0.00	0	0	0.00
South Terminal-Intl Deplaned Revenue	0	0	0.00	0	0	0.00
South Terminal-Intl Enplaned Non-Revenue	0	0	0.00	0	0	0.00
South Terminal-Intl Deplaned Non-Revenue	0	0	0.00	0	0	0.00
Passenger Totals	1,135,796	1,088,399	4.35	9,135,275	8,368,382	9.16
<i>Enplaned Passenger Totals</i>	<i>581,151</i>	<i>556,848</i>	<i>4.36</i>	<i>4,593,898</i>	<i>4,209,098</i>	<i>9.14</i>
<i>Deplaned Passenger Totals</i>	<i>554,645</i>	<i>531,551</i>	<i>4.34</i>	<i>4,541,377</i>	<i>4,159,284</i>	<i>9.19</i>
<i>Domestic Passenger Totals</i>	<i>1,107,753</i>	<i>1,056,301</i>	<i>4.87</i>	<i>8,943,161</i>	<i>8,204,121</i>	<i>9.01</i>
<i>International Passenger Totals</i>	<i>28,043</i>	<i>32,098</i>	<i>-12.63</i>	<i>192,114</i>	<i>164,261</i>	<i>16.96</i>
<u>Aircraft Operations</u>						
Air Carrier	10,033	10,035	-0.02	86,088	82,194	4.74
Commuter & Air Taxi	1,177	1,173	0.34	11,390	12,160	-6.33
Military	921	911	1.10	7,474	5,164	44.73
General Aviation						
Itinerant	4,171	4,051	2.96	36,609	37,981	-3.61
Local	278	448	-37.95	2,320	2,437	-4.80
Total G.A.	4,449	4,499	-1.11	38,929	40,418	-3.68
Total Operations	16,580	16,618	-0.23	143,881	139,936	2.82

****Note: One of our Cargo companies is currently experiencing an issue with their system and they are unable to provide us with their cargo data. Once the cargo company sends AUS their cargo statistics, we will make the changes in our system and distribute the cargo statistics.**

PE Monthly Report - Austin Airport Advisory Commission

Project		Subproject		Subproject Manager	Current Subproject Status Info	FDU	Expenses YTD	Spend Plan Amount - Budget - FDU Level - Current Year				
5415	ABIA Terminal Improvements	ABIA Terminal Fire Protection Improvements-Phase 2	5415.056	Avila, Ben	Project CLOSE-OUT in progress - Final Accounting is being corrected since 3217 project used funds from this project in error3176. Other close-out docs also being addressed	4910 8107 3176	\$14,187	\$275,946				
						4911 8107 A176	\$139,412	\$877,390				
						4910 8107 3190	\$10,825	\$0				
		Terminal Improvements 2012	5415.059	Jones, Burton	No changes.	4910 8107 6053		\$0				
						4911 8107 A190		\$0				
						4910 8107 3215	(\$ 1,648,794)	(\$1,654,956)				
		Terminal East Infill Project	5415.065	Jones, Burton	Owner has chosen to add scope to the project. Scope change will require additional programming for the baggage handling system. It will also require approval from City Council as we are currently at the limits of our authority. RCA is scheduled for the Sept agenda for Council action.	4910 8107 G215	\$3,181,649	\$3,181,649				
						4911 8107 A215	\$1,659,236	\$2,514,280				
						4912 8107 B060	\$17,235	\$17,922				
		Records Management Implementation	5415.066	Routon, Aimee	Puchasing/CTM reviews are delaying project. Aviation continues to work with the Departments to get contract started.	4912 8107 B215	\$4,664,323	\$4,773,994				
						4910 8107 3216	\$0	\$300,000				
						4910 8107 3253	\$5,260	\$65,053				
4910 8107 3265	\$99,780					\$87,860						
4910 8107 3266	\$0					\$27,390						
4910 8107 3283	\$779,142					\$1,307,757						
4910 8107 3310	\$318,412					\$465,061						
Matrix Electrical Room HVAC Improvements	5415.088	Stalder, Ricky	Received all close out documents. Signed Contractor invoice and forwarded it for payment.	4910 8107 3312	\$97,853	\$151,698						
Food Court Improvements	5415.095	Henson, Torrey	The first part of the trash can order is complete and shipment scheduled. This purchase should be completed by mid-Summer.									
Wet Pipe Fire Protection System	5415.096	Robinson, Mike	Contractor has completed approximately 99% of the scope of work.									
Shared Use Passenger Processing System	5415.099	Folsom-Heath, Diana	AirT contract amendment for 120 day hold over completed. Project close out in process. Meeting scheduled with Contractor PM July 13 to discuss acceptance of items and open deliverables. Ticket Counter Directories delivered June 28. In testing.									
South Terminal FY2015	5415.106	Mercado, Robert	Appropriation pending cost estimates from project managers.									
Upper Level Curbside Expansion Joints	5415.107	Kumarage, Rohini	Warrenty Period									
5702	ABIA Stormwater / Environmental	Environmental Management System	5702.008	Carpenter, Kane	Open projects: helicopter noise modeling / support services to support amendments to City of Austin helicopter ordinance; updating ABIA hydrologic and hydraulic models to reflect current conditions; NEPA services: to support the terminal ramp expansion-FAA approval received in late September 2015, fuel consortium GSE fuel tanks - 3rd party project cancelled, and de-icing storage facility -FAA approval received in mid-2015; and implement an ABIA environmental records management system-project is wrapping up.	4910 8107 3151	\$4,040	\$252,188				
						Stormwater Drainage Improvements	5702.011	Vonstein, Alison	On 7/26/2016 Dept. of Aviation decided to reject Maintenance Projects bids that were submitted 7/7/2016; and rebid the project with Channel Improvements as the Base Bid and Maintenance Projects as an Alternate. ABIA Channel Improvements will be submitted to QMD after the first set of permitting review comments are received. Additional services for design overage and for permitting is being processed as Supplemental Amendment #3. At the request of the Dept. of Aviation, a proposal was also submitted for drainage improvements study/assessment at the control tower, which has flooded twice in one year. This will be processed as Supplemental Amendment #4 when a signed FAF is received from the Dept. of Aviation. If budget/funding allows, Outfalls 10 and 11 will be bid later as an additional project. The Aviation Department added Outfalls 10 and 11 as emergencies from the floods. When debris was cleared out from the floods, it was noticed that these outfalls need to be rebuilt or redefined. Schedule will be adjusted when it is determined if Outfall 10 and 11 will be included. ECAPRIS does not seem to allow input of multiple bid periods, so will try to incorporate 2 or 3 bid periods in one timeframe in the schedule.	4910 8107 3248	\$60,608	\$500,000
										4911 8107 A248	\$303,843	\$1,250,000
										4912 8107 C502	\$0	\$0
Reclaimed Water Booster Pump	5702.013	Carpenter, Kane	Project will be delivered under 3rd pary lease agreement. I would like to keep project open until project is completed which is tentatively set for mid-2016.	4910 8107 3290		\$75,000						
6000	ABIA Airside Improvements	Electronic Airport Layout Plan And Utility Mapping	6000.103	Kumarage, Rohini	•Control Surveying – 100% complete minus Paperwork •Photogrammetry – High and Low Flight Imagery Flown 6/7/16	4910 8107 3242	\$14,328	\$120,931				
6001	ABIA Landside Facility Improvements	Information Technology Master Plan	6001.072	Mercado, Robert	Final verification of Phase One & Two SUPPs installation underway as part of the ITMP scope of work.	4910 8107 3188	\$0	\$0				
						Landside Roadway and Pedestrian Improvements Phase 1	6001.092	Vonstein, Alison	Council approved award and execution of construction contract 3/31/16. Construction contract was executed 4/22/16. Pre-Construction conference held 6/6/2016. NTP start date is 7/18/2016. Submittal process is almost complete; Erosion/sedimentation controls are being placed, with inspection scheduled for 8/4/2016.	4910 8107 3249	\$25,348	\$42,227
										4911 8107 A249	\$8,957	\$529,562
						Elevator Refurbishment Re-bid	6001.093	Kumarage, Rohini	Submitted re-bid package to QMD for review	4911 8107 A401	\$10,488	\$0
Upper Level Embankment Inspections and Repairs	6001.095	Vonstein, Alison	Bids received 6/9/16 were rejected. RCA for Council approval to use CSP method for re-issuance is scheduled for 8/18/2016. Site plan exemption approved. Building permit has been applied for. Street & Bridge and QMD will be involved during construction. CSD will provide inspection services.	4911 8107 A245	\$38,082	\$1,250,000						
				4910 8107 3247	\$15,570	\$0						
					4911 8107 A247	\$366,381	\$5,400,000					

PE Monthly Report - Austin Airport Advisory Commission

Project		Subproject		Subproject Manager	Current Subproject Status Info	FDU	Expenses YTD	Spend Plan Amount - Budget - FDU Level - Current Year
6001	ABIA Landside Facility Improvements	Central Plant - Media Fill Replacement Project	6001.098	Mercado, Robert	Project work will be completed by Hensel Phelps, contractor for the Terminal East Infill project, since they are working in the Central Plant already as a part of that project. Funding will remain with this FDU.	4911 8107 A400	\$338,409	\$0
		Campus HVAC Improvements	6001.102	Avery, Richard	Revised Proposal for Design Services submitted to DoA and PWD/PMD on 7/27. Based on verbal comments from DoA, it seems this proposal is accepted. RWA will begin completing forms for moving forward to design phase.	4911 8107 A407	\$18,464	\$103,810
						4911 8107 A504	\$8,189	\$62,891
						4912 8107 C504	\$25,589	\$250,830
		Drainage Easement	6001.103	Carpenter, Kane	Per Robert Henst 6/22/15 email: Waiting on final invoice to be paid.	4910 8107 3292		\$0
		Landside Roadway and Pedestrian Improvements Phase 2	6001.107	Smythe-Macaulay, David	Bus Shelter quality review was completed on schedule. The design team is making revisions for a final bid set of drawings and permitting. Sidewalk project is going through revisions to address permitting issues.	4911 8107 A503	\$79,439	\$41,500
						4912 8107 C500	\$70,850	\$23,000
4912 8107 C501	\$78,742	\$43,500						
Campus Signage Improvements	6001.112	Henson, Torrey	Public Works Pm assigned scheduling meeting with Prime Consultant within next few weeks.	4912 8107 C503	\$15,167	\$125,000		
Parking Garage & Admin Building - West Lot A - Design & Construction	6001.114	Jones, Burton	No change. Design is ongoing. Design team presented latest concepts to Aviation Management on 8/1/16.	4912 8107 C507	\$37,667	\$13,750,000		
Consolidated Maintenance Facility	6001.117	Chaney, Richard	Meeting minutes where issued 26-Jul. Program Verification meeting scheduled for 29-Jul.	4911 8107 A509	\$71,456	\$3,640,247		
11222	ABIA Terminal - Apron Expansion and Improvements	Apron Expansion	11222.001	Pirtle, Robert	GMP #1 has been slowed by the presence of contaminated ground water, but efforts are underway to remove the water so that construction of the De-Icing Facility floor (below grade level) can resume. Work on the secured exit vestibules is on schedule for opening in October. GMP #2 was approved in early June and work on the Apron is underway. Work on the elevated walkways and boarding bridges is underway and the first relocated gate is being commissioned. GMP #3A was issued on July 22nd and includes work package 3D for the Terminal Expansion sub-structure and superstructure. This work will progress concurrently with installation of the other three temporary elevated walkways and relocated boarding gates under GMP-2. GMP #3B is expected to be released and approved in the fall of 2016. It will include the existing Terminal Building Improvements and the Terminal Expansion project components.	4910 8107 3288	(\$ 3,564,382)	\$14,419,200
						4911 8107 A288	\$371,905	\$2,057,212
						4911 8107 A506	\$197,411	\$500,000
						4911 8107 A507	\$72,932	\$500,000
						4912 8107 C288	\$32,779,984	\$29,286,334
Total							\$40,787,986	\$86,614,476



Austin-Bergstrom
International Airport

BUSINESS DEVELOPMENT AND TENANT MANAGEMENT
Austin Airport Advisory Commission Report
August 9, 2016

Tenant Updates and Business Development Events

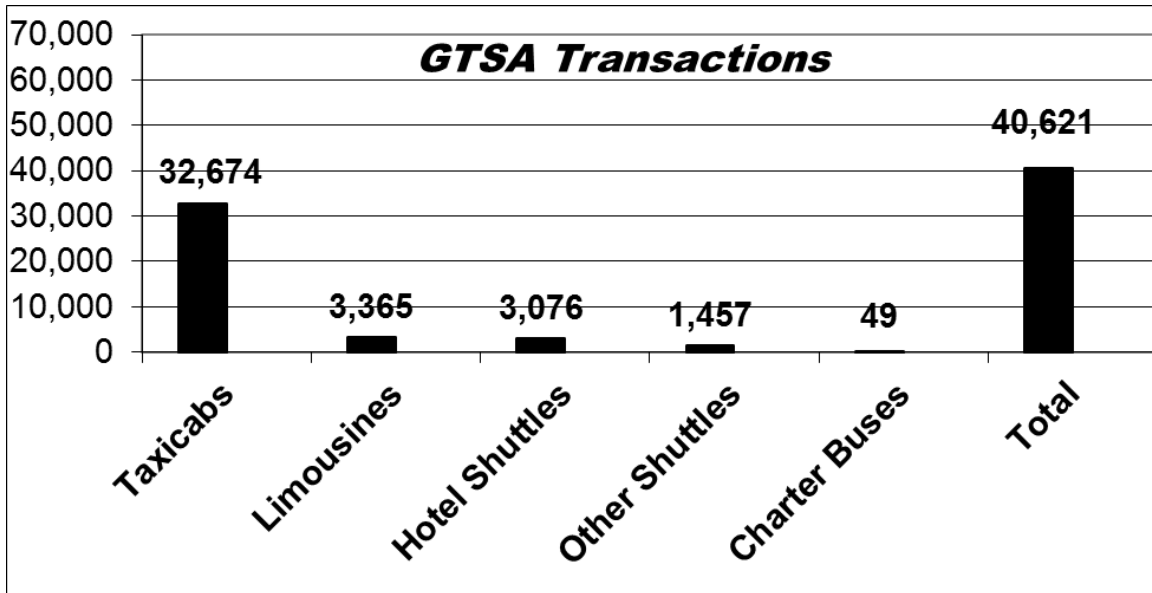
1. On August 2, 2016 ABIA issued its Request for Proposals for Terminal Concessions. The RFP contains 18 individual packages representing 23 locations with a total square footage of 32,090 sq. ft. The Airport hosted its Pre-Proposal Conference on August 8th and proposals are due to the City no later than October 14, 2016. The Airport proposes to come to this Commission in November for review/recommendation and City Council in December.

The Airport held its first community outreach event which provided preliminary information on the RFP on June 2, 2016 in conjunction with the City's Small and Minority Business Resources Department. The Airport and SMBR will be hosting a second outreach event on August 31, 2016.

A copy of the RFP can be found on the Airport's website at:
<http://www.austintexas.gov/department/doing-business-aus>

2. On Friday, August 5th, ABIA Retail held a groundbreaking ceremony to kickoff construction on phase 1 of their gas station, corner store, cell phone lot, playground, and other facilities.
3. Volaris launched its Guadalajara – Austin – Guadalajara on Sunday, August 7th. The route is operated by 3 times a week using an A321 aircraft. The flight arrives in Austin at 11:50am and departs for Guadalajara at 3:55pm.

**GROUND TRANSPORTATION TRANSACTIONS
JULY 2016**



YEAR TO YEAR COMPARISON			
SERVICE CATEGORY	JULY 2016	JULY 2015	% Increase/(decrease)
TAXICAB	32,674	29,406	11.1%
LIMOUSINE	3,365	3,635	(7.4%)
HOTEL SHUTTLE	3,076	3,102	(0.8%)
OTHER SHUTTLE	1,457	1,000	45.7%
CHARTER BUS	49	80	(38.8%)
OVERALL TOTAL	40,621	37,223	9.1%

AGENDA



Recommendation for Council Action (CCO)

Austin City Council	Item ID:	60657	Agenda Number	17.
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Meeting Date:	August 18, 2016
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Department:	Capital Contracting Office
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Subject

Authorize the use of the Competitive Sealed Proposal procurement methodology for the solicitation of construction improvements of the Austin-Bergstrom International Airport Terminal Facility Upper Level Embankment Repairs Project. (District 2)

Amount and Source of Funding

A Recommendation for Council Action with the not to exceed contract amount for the resultant contract will be presented to Council once the selection of the top-ranked firm has been completed.

Fiscal Note

A fiscal note is not required.

Purchasing Language:	This request is for Council to authorize the use of the Competitive Sealed Proposal method; therefore no solicitation has yet been initiated.
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Prior Council Action:	N/A
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For More Information:	Rolando Fernandez, 512-974-7749; Sarah Torchin, 512-974-7141; Matt Duree, 512-974-6346, Alison Von Stein, 512-974-7217
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Boards and Commission Action:	To be reviewed by the Airport Advisory Commission on August 9, 2016.
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Related Items:	
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MBE / WBE:	MBE /WBE goals will be established prior to issuance of this solicitation.
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Additional Backup Information

State statute governs construction procurement for municipalities. The standard method of procurement used for construction services is competitive bidding where the contract is awarded to the lowest responsible bidder. Texas Local Government Code section 252.022(d) allows the City to adopt and use an alternative procurement method other than lowest responsible bidder which provides a better value to the City, and are described in Chapter 2269 of the Texas Government Code. These alternate methodologies include: Competitive Sealed Proposals, Construction Manager- at-Risk, Design-Build, and Job Order Contracting.

It is recommended that this work be delivered under the Competitive Sealed Proposal method of contracting set forth in state statute. Competitive Sealed Proposal is the alternative delivery method most closely related to traditional competitive bidding. The principal difference is that the City makes its selection of the respondents based on evaluation criteria consisting of, but not limited to, safety record and safety practices, comparable relevant project experience, sustainability practices, local business presence, financial stability, and price. Unlike traditional competitive bidding, which focuses primarily on price and bidder responsibility, price is a strong factor in the Competitive Sealed Proposal method, but is not the only factor in the overall evaluation score. A City-staffed evaluation panel will review, evaluate and score proposals based on published evaluation criteria (including price) to determine the highest ranked proposer that offers the best value to the City. Once the evaluation is completed, a Recommendation for Council Action with the top-ranked firm for a not-to-exceed construction contract amount will be presented to Council.

Two sets of mechanically stabilized earthen wall embankments support Presidential Drive at the upper level roadway in front of the Austin-Bergstrom International terminal building. The embankments exhibit multiple signs of structural deterioration, including buckling and cracking on the side panels. This project will reconstruct the walls, installing through-tie anchors, soil nails, and structural concrete for stabilization, install new pre-cast fascia, make coping repairs, and reconstruct the concrete approach slab.


The repairs and stabilization of the mechanically stabilized earthen walls which structurally support the upper level roadway in front the terminal building are required and integral to airport facility operations. This highly technical work requires a skilled contractor who possesses the technical expertise to perform the work while in use by the public throughout the duration of the contract. The estimated construction budget for this work is \$3,500,000 and it is anticipated that construction will begin as soon possible after selection of a duly qualified contractor or by early 2017.

A delay in authorization of the methodology will result in a delay in the issuance of the solicitation which will impact the ability to perform these required facility improvements and overall operations of the airport terminal.



M E M O R A N D U M

TO: Mayor and Council

FROM: Rosie Truelove, Director, Contract Management Department 

CC: Marc A. Ott, City Manager
Elaine Hart, Chief Financial Officer

DATE: February 23, 2015

SUBJECT: Alternative Delivery Methods in the City of Austin for Capital Improvement Projects

At the February 26, 2015 Council Meeting, the Contract Management Department will be requesting the Council's approval of an agenda item that authorizes the use of the Construction Manager-at-Risk method of contracting for construction of a new Parking Garage with Administration Offices Project at Austin-Bergstrom International Airport. The purpose of this memo is to provide information on Alternative Delivery Methods in general and Construction Manager at Risk in particular, and the context in which we use them for construction work in the City of Austin.

Local Government Code Chapter 252 outlines competitive sealed bidding procedures for municipal expenditures exceeding \$50,000. This method is used for most construction projects and award is based on the lowest responsive and responsible bidder. It is commonly known as the "Low Bid" method. Government Code 2269 provides alternate methodologies for procuring construction services which may provide a better value to the City than the low bid or competitive bidding method. For these alternate methodologies, award is based on an evaluated process that includes an array of criteria including price. Statute allows for 5 methodologies, 4 of which are actively used by the City of Austin. They are listed here and described in more detail in the attached document: Competitive Sealed Proposal, Construction Manager-at-Risk, Design-Build (for Building), Design-Build Civil Works, and Job Order Contracting.

Alternative delivery methods for construction and construction related services have been available for use by Texas local governments since 2001. Alternative contracting methods have an advantage over traditional competitive sealed bidding in that key considerations, other than price only, are evaluated. The current criteria requests information related to a contractor's past experience and reputation, including the experience and reputation of its key personnel; the

February 23, 2015

Page 2

contractor's business practices as it relates to the use of small and minority subcontractors; the contractor's sustainability practices; the capacity and capability of the contractor to perform the services in the timeframe required; the contractor's safety record and program; and the contractor's technical expertise.

Use of alternative contracting methods for the City's Capital Improvements Program has been on the rise since 2008 and these methodologies have been successfully used for some of our larger capital projects. For example, the Construction Manager-at-Risk method was recently used to construct Water Treatment Plant 4 and in 2003, Austin City Hall. It is also the contracting method for the New Central Library and Related Improvements project that is currently underway. Some previous projects completed by Competitive Sealed Proposal include the African American Cultural Center and the Holly Street Power Plant Decommissioning. The Design-Build method of contracting was used to design and construct the Asian American Resources Center, and is currently being used for the Austin Bergstrom International Airport East Infill Improvements. Job Order Contracting is used for work at a variety of City facilities across the organization.

In closing, alternative delivery methods of contracting serve a valuable purpose in implementing the City's capital improvements program when schedules, flexibility, innovation, and collaboration are critical. As required by state law, staff will seek Council's approval and endorsement when it is determined that an alternative delivery method of contracting for a capital improvement project offers a better value than the traditional competitive sealed bidding method.

I am available to discuss this further if you have questions or need additional information. Thank you.

Alternative Delivery Methods in the City of Austin

Summary of Options

Low Bid or Competitive Sealed Bidding:

Low bid is the standard process used to contract for construction services for City of Austin projects. Construction documents are prepared by either an architect or engineer, depending on the nature of the project. These services are contracted for through a Qualifications-Based Selection process lead by the Contract Management Department (CMD) or are performed by engineering teams internal to the City of Austin. When the construction documents are 100% complete, CMD issues a solicitation for the services of a general contractor. Contractors submit a competitive sealed bid and award is made based on the lowest responsive and responsible bidder. Each construction project is reviewed by the Small and Minority Business Resources Department (SMBR) to establish MBE/WBE goals and the contractor must submit a compliance plan that is compliant through meeting the goals or by documenting Good Faith Efforts to be awarded the contract.

Overview of Alternative Delivery:

Government Code Chapter 2269 details the allowable methods including prescribed processes for each. The primary difference between alternate delivery methods and the traditional competitive sealed bidding method is that selection and award of a contracting firm is based on the proposal that offers the “best value” to the City. Weighted evaluation criteria such as price, experience, reputation, safety record, key personnel experience, financial capability, and other relevant factors are published in the Request for Qualifications or Proposals and a City staffed evaluation panel, composed of technical experts, scores and ranks the proposals. Best value determination is achieved through evaluation and ranking of responses to the Request for Qualifications or Proposals.

Early in the City’s capital planning process, many factors are considered in determining the best most effective method for accomplishing the work. No single project delivery method is appropriate for every project and staff performs a thorough analysis of each project prior to recommendation of a delivery method or requesting the authorization for an alternate methodology from Council as required by State statute.

The alternative contracting methods used in the City are:

COMPETITIVE SEALED PROPOSALS (CSP)

CSP is the solicitation process most like Competitive Sealed Bidding. Design work is completed by an architect/engineer secured through a Qualifications-Based Selection process to ensure independence. Separately, the City issues a CSP solicitation to hire a contractor to perform a specific scope of work. CSP is a good methodology to use when work requires specific expertise and/or specific or specialized technical experience. Contractors propose on 100% completed construction documents. MBE/WBE goals are established and compliance with the MBE/WBE Procurement Program is required through meeting the goals or documenting Good Faith Efforts. A diverse City-staffed Evaluation Panel, comprised of technical experts, reviews, scores, and ranks proposals against criteria established and published with the solicitation. Council’s authorization is requested to negotiate and execute an agreement with the highest ranked proposer.

CONSTRUCTION MANAGER-AT-RISK (CMAR)

The CMAR methodology is best for large complex construction projects when preconstruction phase services are needed during the architectural/engineering phase. A Request for

Qualifications is issued for the Architect/Engineer separately from the CMAR solicitation through a Qualifications-Based Selection process to ensure independence. This methodology allows construction to start before design documents are 100% complete.

A CMAR solicitation is a 2-Step Process consisting of Request for Qualifications (step 1) and Request for Proposals and Interviews (step 2). A diverse City-staffed Evaluation Panel, comprised of technical experts, reviews, scores, and shortlists firms eligible to proceed to step 2 and following interviews, a highest-ranked firm is selected. Council's authorization is requested to negotiate and execute an agreement with the highest ranked Construction Manager for Preconstruction Phase Services only. The Construction Manager's Preconstruction Phase activities typically start when Design Services begin.

When Design is sufficiently complete and prior to Construction Phase, MBE/WBE goals are established based on identified construction trades. The CMAR contracts directly with subcontractors and suppliers with the City's overview and approval. The contract is an "open book" which allows the City to more closely monitor costs. This methodology helps to ensure that a collaborative relationship exists with the Architect/Engineer, City, and Construction Manager. The Construction Manager submits a Guaranteed Maximum Price Proposal and staff requests Council's approval to negotiate and execute a Guaranteed Maximum Price Proposal Amendment. Once that Amendment is executed, construction can begin and the Construction Manager assumes the risk for ensuring work is completed within the negotiated Guaranteed Maximum Price.

DESIGN-BUILD (D-B)

Design-Build is a project delivery method where a single firm (or joint venture) is hired to provide both design and construction services. D-B is best for large complex projects with schedule constraints. Because a single legal entity is responsible for both design and construction services there tend to be fewer change orders during construction. This process is used in the City primarily for facility work or improvements to real property.

A D-B solicitation is a 2-Step Process consisting of Request for Qualifications (step 1) and Request for Additional Information and Interviews (step 2). A diverse City-staffed Evaluation Panel, comprised of technical experts, reviews, scores, and shortlists Design-Builders eligible to proceed to step 2 and following interviews, a highest-ranked Design-Builder is selected. Council's authorization is requested to negotiate and execute an agreement with the highest ranked Design-Builder to begin Design Phase services. MBE/WBE goals are initially established for the Design Phase services only. When Design is sufficiently complete and prior to Construction Phase, MBE/WBE goals are established based on identified construction trades. The Design-Builder submits a Guaranteed Maximum Price Proposal for the Construction Phase and staff requests Council's approval to negotiate and execute a Guaranteed Maximum Price Proposal Amendment. Once that Amendment is executed, construction can begin.

DESIGN-BUILD CIVIL WORKS (D-B CV)

Design-Build for Civil Works is a project delivery method where a single firm (or joint venture) is hired to provide both design and construction services for projects defined as "Civil works projects" which includes roads, streets, bridges, utilities, water supply projects, water plants, wastewater plants, water distribution and wastewater conveyance facilities, desalination projects, wharves, docks, airport runways and taxiways, storm drainage and flood control projects or transit projects.

D-B Civil Works is best for large complex projects with schedule constraints although there are legal limitations on the number of project per fiscal year that can be accomplished. To date, the City has not utilized this delivery method. The current process as prescribed by law consists of a very lengthy solicitation process due to the evaluation and assessment of technical and cost proposal. For instance, the submission of technical proposals during the solicitation process is 180 days. Additionally, the statute calls for payment of a stipend by the governmental entity for technical proposals.

A D-B solicitation is a 2-Step Process consisting of Request for Qualifications (step 1) and Request for Technical and Price Proposals (step 2). A diverse City-staffed Evaluation Panel, comprised of technical experts, reviews, scores, and shortlists Design-Builders eligible to proceed to step 2 and following interviews, a highest-ranked Design-Builder is selected. Council's authorization is requested to negotiate and execute an agreement with the highest ranked Design-Builder to begin Design Phase services. MBE/WBE goals are initially established for the Design Phase services only. Prior to Construction Phase, MBE/WBE goals are established based on identified construction trades. The Design-Builder submits a Guaranteed Maximum Price Proposal for the Construction Phase and staff requests Council's approval to negotiate and execute a Guaranteed Maximum Price Proposal Amendment. Once that Amendment is executed, construction can begin.

JOB ORDER CONTRACTING (JOC)

JOC is a methodology designed to expedite minor construction, repairs or renovations to existing City facilities. Job Order Contractors are selected using the Competitive Sealed Proposal Method. This is the only methodology which allows the City to execute a contract with multiple Contractors based on a single step solicitation. JOC pricing is based on established unit prices plus Contractor's coefficient which covers the Contractors overhead and profit. A key feature of JOC is that as scopes of work are identified, work assignments are rotated among the JOC Contractors.

When a JOC is solicited, project scopes of work are not yet identified. Proposals are evaluated on qualifications, experience and coefficient price proposal. MBE/WBE goals are established by SMBR. A diverse City-staffed Evaluation Panel, comprised of technical experts, reviews, scores, and ranks proposals and staff requests Council's authorization to negotiate and execute an agreement with the highest ranked proposers. Job Order Assignments are made on a rotation-type basis dependent upon scopes materializing and availability of funding. If a specific Job Order Assignment is expected to exceed \$500,000, Council authorization is sought prior to assignment in accordance with statute.

AGENDA



Recommendation for Council Action

Austin City Council	Item ID	60635	Agenda Number	<ITEM_OUTLINE>
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Meeting Date:	8/18/2016	Department:	Aviation
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Subject

Authorize negotiation and execution of an amendment to a reimbursement agreement with Austin-Bergstrom Landhost Enterprises, Inc. for atrium and heating, ventilating, and air conditioning system (HVAC) repairs to the Airport Hilton Hotel located at Austin-Bergstrom International Airport in the amount not to exceed \$3,000,000. (District 2)

Amount and Source of Funding

Funding is available in the Fiscal Year 2015-16 Capital Budget of the Aviation Department.

Fiscal Note

A fiscal note is attached.

Purchasing Language:

Prior Council Action:
 May 19, 2016 – Council authorized negotiation and execution of an amendment to a reimbursement agreement with Austin-Bergstrom Landhost Enterprises, Inc. for legal and finance professional services related to the Austin-Bergstrom International Airport hotel in the amount of \$150,000 for a total contract amount not to exceed \$505,000.
 November 6, 2014 – Council authorized negotiation and execution of an amendment to a reimbursement agreement with Austin-Bergstrom Landhost Enterprises, Inc. for debt restructuring professional services related to the Austin-Bergstrom International Airport hotel in the amount of \$300,000 for a total contract amount not to exceed \$355,000.

For More Information: Dave Arthur, Assistant Director and Chief Financial Officer, Department of Aviation, 512-530-6688.

Council Committee, Boards and Commission Action: To be reviewed by the Airport Advisory Commission on August 9, 2016.

MBE / WBE:

Related Items:

Additional Backup Information

Austin-Bergstrom Landhost Enterprises, Inc. (ABLE) is a public facility corporation created by the City to develop and operate the City owned airport hotel at Austin-Bergstrom International Airport (Airport). In order to finance the construction and equipping of the Airport hotel, ABLE issued revenue bonds (Airport Hotel Bonds). Currently, ABLE is not meeting its debt service requirements under those bonds due to the initial large debt issuance, high interest rates, and other economic factors. Further, the Airport hotel is in need of repairs in an amount not to exceed \$4,000,000. For health and safety purposes, the repairs are needed immediately and will consist of mold remediation in the hotel's atrium and heating, ventilating, and air conditioning (HVAC) system replacement. Also, ABLE desires to restructure its debt and acquire additional capital for necessary hotel improvements. Since September 2013, the City has participated in ABLE's negotiations with Austin-Bergstrom Acquisition LLC (ABA) in an effort to restructure ABLE's debt, finance the urgent repairs, and acquire additional capital to make necessary hotel improvements. ABA is the majority holder of ABLE's Airport Hotel Bonds.

In order for the debt restructure to be successful, the urgent repairs must commence prior to the bond issuance. The Airport will assist with 75% of the repairs initially (\$3 million) and be reimbursed by ABLE after the bond sale closing. ABA will be responsible for 25% of the costs of the repairs (\$1 million) and will reimburse ABLE for an additional 25% of the cost of repairs at the bond sale closing. The proposed letter of intent between the City, ABLE, ABA, and UMB Bank N.A. describes the parties' responsibilities for the repairs and restructure of ABLE's debt.

A future Request for Council action will be presented to authorize and appropriate the bond sale action. It is anticipated ABLE will issue bonds in an amount not to exceed \$50,000,000 to refinance the outstanding ABLE Airport Hotel Bonds, to fund reserves for the payment of debt service, and to fund necessary hotel improvements. The restructuring is necessary so ABLE will no longer be in default, urgent repairs are completed, and necessary hotel improvements can be made. By restructuring ABLE's debt and making the necessary repairs and improvements to the Airport hotel, the City's real estate asset is preserved and improved to provide a first-class hotel for the Central Texas community, its guests, and visiting passengers. Further delays may result in health and safety concerns, additional costs to repair the hotel, and possibly diminish revenues that may be generated at the Airport hotel.

AGENDA



Recommendation for Council Action

Austin City Council	Item ID	60636	Agenda Number	<ITEM_OUTLINE>
Meeting Date:	8/18/2016	Department:	Aviation	
Subject				
Authorize negotiation and execution of an agreement with Austin-Bergstrom Landhost Enterprises, Inc. (ABLE), Austin-Bergstrom Acquisition LLC (ABA), and UMB Bank, N.A. for the refinancing of ABLE's debt and the funding and performance of certain repairs to the Airport Hilton Hotel located at Austin-Bergstrom International Airport in an amount not to exceed \$3,000,000. (District 2)				
Amount and Source of Funding				
None.				
Fiscal Note				
A fiscal note is not required.				
Purchasing Language:				
Prior Council Action:				
For More Information:	Dave Arthur, Assistant Director and Chief Financial Officer, Department of Aviation, 512-530-6688.			
Council Committee, Boards and Commission Action:	To be reviewed by the Airport Advisory Commission on August 9, 2016.			
MBE / WBE:				
Related Items:				

Additional Backup Information

Austin-Bergstrom Landhost Enterprises, Inc. (ABLE) is a public facility corporation created by the City to develop and operate the City owned airport hotel at Austin-Bergstrom International Airport (Airport). In order to finance the construction and equipping of the Airport hotel, ABLE issued revenue bonds (Airport Hotel Bonds). Currently, ABLE is not meeting its debt service requirements under those bonds due to the initial large debt issuance, high interest rates, and other economic factors. Further, the Airport hotel is in need of repairs in an amount not to exceed \$4,000,000. For health and safety purposes, the repairs are needed immediately and will consist of mold remediation and HVAC system replacement. Also, ABLE desires to restructure its debt and acquire additional capital for necessary hotel improvements. Since September 2013, the City has participated in ABLE's negotiations with Austin-Bergstrom Acquisition LLC (ABA) in an effort to restructure ABLE's debt, finance the urgent repairs, and acquire additional capital to make necessary hotel improvements. ABA is the majority holder of ABLE's Airport Hotel Bonds.

In order for the debt restructure to be successful, the urgent repairs must commence prior to the bond issuance. The Airport will assist with 75% of the repairs initially (\$3 million) and be reimbursed by ABLE after the bond sale

closing. ABA will be responsible for 25% of the costs of the repairs (\$1 million) and will reimburse ABLE for an additional 25% of the cost of repairs at the bond sale closing. The proposed letter of intent between the City, ABLE, ABA, and UMB Bank N.A. describes the parties' responsibilities for the repairs and restructure of ABLE's debt.

A future Request for Council action will be presented to authorize and appropriate the bond sale action. It is anticipated ABLE will issue bonds in an amount not to exceed \$50,000,000 to refinance the outstanding ABLE Airport Hotel Bonds, to fund reserves for the payment of debt service, and to fund necessary hotel improvements. The restructuring is necessary so ABLE will no longer be in default, urgent repairs are completed, and necessary hotel improvements can be made. By restructuring ABLE's debt and making the necessary repairs and improvements to the Airport hotel, the City's real estate asset is preserved and improved to provide a first-class hotel for the Central Texas community, its guests, and visiting passengers. Further delays may result in health and safety concerns, additional costs to repair the hotel, and possibly diminish revenues that may be generated at the Airport hotel.

AGENDA



Recommendation for Council Action (CCO)

Austin City Council

Item ID:

61180

Agenda Number

<ITEM_OUTLINE>

Meeting Date:

September 1, 2016

Department:

Capital Contracting Office

Subject

Authorize negotiation and execution of change order #33 to the design-build contract with HENSEL PHELPS CONSTRUCTION COMPANY, for the Austin-Bergstrom International Airport Terminal East Infill in the amount of \$800,000, for a total contract amount not to exceed \$69,350,000.

Amount and Source of Funding

Funding is available in the Fiscal Year 2015-2016 Capital Budget of the Department of Aviation.

Fiscal Note

A fiscal note is attached.

Purchasing Language:

Original contract was awarded to Hensel-Phelps Construction Company through a competitive Best Value solicitation process.

Prior Council Action:

August 8, 2013 – Council authorized funding for construction phase services with Hensel Phelps Construction Company.

October 18, 2012 – Council authorized a Design-Build Agreement with Hensel Phelps Construction Company for preliminary design phase services.

December 15, 2011 – Council authorized use of the Design-Build delivery method in accordance with Texas Government Code Section 2267, Subchapter G for the Austin-Bergstrom International Airport Terminal East Infill Project.

For More Information:

Rolando Fernandez, 512-974-7749; Sarah Torchin, 512-974-7141; Vincent M. LeMond, 512-974-5632; Burton Jones, 512-974-7278.

Boards and Commission Action:

To be reviewed by the Austin Airport Advisory Commission on August 9, 2016.

MBE / WBE:

Related Items:

This contract was awarded in compliance with the DBE requirements of 49 C.F.R. Part 26.67 and Chapter 2-9B of the City Code (Disadvantaged Business Enterprise Program) by exceeding the goals with 7.27% DBE subcontractor participation.

Additional Backup Information

Austin-Bergstrom International Airport experienced strong enplanement growth of 6% for both 2010 and 2011. The Austin-Bergstrom International Airport Terminal was nearing capacity at security checkpoint processing areas and the Customs facilities. To meet this challenge, the Department of Aviation developed the Terminal East Infill Project, which has greatly increased 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 required work was performed to the baggage handling system, Transportation Security Administration screening equipment, loading dock operations and utility infrastructure for the building was also included in this project. The Terminal East Infill Project renovated about 17,000 square feet and added approximately 55,000 square feet to the Terminal by filling in a gap in the floor plan on the front of the existing building.

During the 3.5 year duration of this Design-Build project, the Transportation Security Administration has instituted security and procedural requirements beyond our current systems abilities. The design team was unable to incorporate these requirements into the constructed system due to the evolving nature of the security measures that the Transportation Security Administration implemented during the life of the project. These requirements include but are not limited to specialized security locks on doors, additional data upgrades to the training room, adding work stations to baggage handling lines, upgrading software to meet Planning Guidelines and Design Standards 4.2 compliance, upgrading software for partial Planning Guidelines and Design Standards 5.0 compliance, and upgrading Transportation Security Administration reports from the baggage handling system.

Transportation Security Administration has requested the improvements and will reimburse the Department of Aviation for the cost of these changes through their transaction agreement process.

This change order is pending review by the City's Change Control Committee. The Change Control Committee was established to comply with Council Resolution No. 20120126-048, which required the establishment of consistent criteria and process to evaluate contractual changes for all contracts administered by the Capital Contracting Office. The Change Control Committee is comprised of management-level subject matter experts

The current contract is substantially complete. This Change Order allows an additional 180 days for completion of this project. This project is located within zip code 78719 (District 2). The project is managed by the Public Works Department.

HENSEL PHELPS CONSTRUCTION COMPANY is located in Austin, TX.

AGENDA



Recommendation for Council Action (CCO)

Austin City Council

Item ID:

61179

Agenda Number

<ITEM_OUTLINE>

Meeting Date:

September 1, 2016

Department:

Capital Contracting Office

Subject

Authorize negotiation and execution of an amendment to the professional services agreement with CDM SMITH, INC., to extend the term of the Austin-Bergstrom International Airport Environmental and Engineering Services contract for an estimated period of two additional years or until authorized funding is expended, at no additional cost to the City, for a total contract amount not to exceed \$1,050,000.

Amount and Source of Funding

Funding is available in the Fiscal Year 2015-2016 Capital Budget of the Department of Aviation.

Fiscal Note

A fiscal note is not required.

Purchasing Language:

Original contract was awarded through the City's qualification-based selection process.

Prior Council Action:

March 7, 2013 – Council authorized negotiation and execution of a professional services agreement with CDM Smith, Inc.

For More Information:

Rolando Fernandez, 512-974-7749; Sarah Torchin, 512-974-7141; Becky Nagel 512-530-6614; Kane carpenter, 512-530-6621.

Boards and Commission Action:

To be reviewed by the Airport Advisory Commission on August 9, 2016.

February 12, 2013 – Recommended by the Airport Advisory Commission on a vote of 5-0-2 with Commissioners Murphy and Klee abstaining.

Related Items:

MBE / WBE:

This contract was awarded in compliance with City Code Chapter 2-9B (Minority Owned and Women Owned Business Enterprise Procurement Program) by meeting the goals or through the achievements of Good Faith Efforts with 11.85% MBE and 21.71% WBE participation to-date.

Additional Backup Information

This authorization allows extension of the professional services agreement executed on May 1, 2013 with CDM Smith, Inc. to provide on-call environmental, civil engineering, sustainability management and site development permitting consulting services to the Department of Aviation, for an estimated period of two additional years or until funding authorization is expended. The total not-to-exceed contract amount remains at \$1,050,000.

While the original Request for Qualifications Solicitation No. CLMP120 and executed contract using the standard City of Austin contract language, indicated a three year period of service or until funds are exhausted.; the “until authorized funding is expended” language was inadvertently omitted in the 2013 Recommendation for Council Action. This amendment would allow extension of the contract term to use the remaining funding authorization. As of August 1, 2016, the remaining authority is \$423,859.52. The Department of Aviation has additional environmental and engineering work on queue at Austin-Bergstrom International Airport which could be performed under this contract. A delay in the approval of this amendment will impact Airport projects currently requiring these types of services.

Environmental and Engineering services are needed to support sustainable expansion and operations at Austin-Bergstrom International Airport. The Department of Aviation will continue to focus on how operations and expansion impact the community, the natural environment, and Austin’s economy. The scope of these projects may include but is not limited to the following:

- **Environmental Consulting (Air, Water, Waste, Emergency Planning, etc.)** - Services related to studies, sampling, testing, analyses, recommendations, designs, regulatory review and/or construction management for projects that may involve: regulatory compliance, environmental assessments; petroleum/chemical storage management; storm water pollution prevention plans; spill response plans; spill prevention and countermeasures plans; site remediation; air quality analysis; noise assessments; etc.
- **Airport National Environmental Policy Act** - Provide National Environmental Policy Act services to support future airport development.
- **Sustainability Program Management Plan** – Develop a sustainability management plan for Austin-Bergstrom International Airport that embraces its four sustainable pillars (economic, environment, operations, and community) while incorporating Imagine Austin principles.
- **Civil Engineering** The firm will manage Austin-Bergstrom International Airport’s hydrologic and hydraulic models to maximize developable land at Austin’s primary commercial airport while minimizing off-site impacts. The firm will maintain Austin-Bergstrom International Airport models, track net site area and impervious covert, and assist Austin-Bergstrom International Airport with future site development permitting.
- **Site Development Permitting** - The firm will provide site development permitting expertise that will maximize City resources both internal and external to the Department of Aviation.

This amendment is pending review by the City’s Change Control Committee. The Change Control Committee was established to comply with Council Resolution No. 20120126-048, which required the establishment of consistent criteria and process to evaluate contractual changes for all contracts administered by the Capital Contracting Office. The Change Control Committee is comprised of management-level subject matter experts.

CDM Smith is located in Austin, TX.