

AGENDA



Recommendation for Council Action

AUSTIN CITY COUNCIL

Regular Meeting: August 9, 2018

Item Number: 011

Capital Contracting Office

Authorize negotiation and execution of a construction manager-at-risk agreement with Austin Commercial, LP, for preconstruction and construction phase services for the new information technology building at the Austin-Bergstrom International Airport campus, for a total amount not to exceed \$30,000,000. [Note: This contract will be awarded in compliance with the Disadvantaged Business Enterprise (DBE) Program Requirements (49CFR Part 26) by meeting the goals with 6.00% DBE participation.]

District(s) Affected: District 2

Lead Department	Capital Contracting Office <u>Managing Department(s)</u> Public Works Department
Fiscal Note	Funding is available in the Fiscal Year 2017-2018 Capital Budget of the Department of Aviation.
Purchasing Language	Best Value to the City of Austin of one offer received.
Prior Council Action	November 9, 2017 - City Council authorized use of Alternative Delivery Method.
For More Information	Inquiries should be directed to the City Manager's Agenda Office, at 512-974-2991 or AgendaOffice@austintexas.gov. NOTE: Respondents to this solicitation, and their representatives, shall direct inquiries to Rolando Fernandez, 512-974-7749 or Aiden

	Cohen, 512-974-1929 or the Project Manager, David Taylor, 512-974-7132.
Council Committee, Boards and Commission Action	July 10, 2018 - Recommended by the Airport Advisory Commission on a vote of 10-0-0-1 with Commissioner Billy Owens absent.

Additional Backup Information:

The original Information Technology building at Austin-Bergstrom International Airport was constructed by the Air Force in 1952. In order to provide a modern and expanded facility to allow for at least 20 years of growth, a new Information Technology building is being built. This new Information Technology building is an essential facility will be the primary location of the Airport's Data Center. This secure facility will house existing and future main computer systems for the airport.

City staff evaluated the proposal, and conducted an optional interview, to ensure the City had a well-qualified, responsible contractor. The interview process bolstered the panel's decision to recommend this contractor for award.

Following Council's authorization, the City will negotiate and execute a contract with Austin Commercial, LP for Preconstruction Phase Services. Austin Commercial, LP will be collaborating with the City and the design firm during the design development. This will include constructability and scope reviews for optimal design, control of costs, preparation of budgets and schedules, construction trade outreach, and procurement of construction.

Participation subgoals stated in the solicitation were 5.62% DBE. The recommended contractor provided a DBE Compliance Plan that met the goals of the solicitation and was approved by the Small and Minority Business Resources Department.

The Construction Manager-At-Risk method is a project delivery method where the City will contract with an architect/engineer to perform design services and separately contract with a Construction Manager-at-Risk to perform preconstruction and construction phase services. The role of the Construction Manager-At-Risk goes beyond performing general contractor services. The Construction Manager-At-Risk is under contract early in the design process to perform key preconstruction phase services such as collaborating with the City and the design team on scope and constructability, minimize disruption to airport operations to optimize the design and control costs and budgets, and to provide quality assurance-quality control. After design, and before the Construction Manager-At-Risk begins construction, the City will negotiate and

execute a Guaranteed Maximum Price for the remainder of the work, including actual construction.

The Construction Manager-At-Risk capital delivery methodology includes two separate contracts. One contract is for the Design Team (Page) and the other contract is for the construction manager (Austin Commercial). This contracting and project delivery method will benefit the City by allowing concurrent design and constructability feedback resulting in fewer delays for redesign and fewer expensive change orders during construction.

A Construction Manager-at-Risk firm is recommended by a City-staffed evaluation panel that has evaluated and scored the proposal based on published evaluation criteria to determine the highest ranked proposer. As set forth in Government Code 2269, the City of Austin will select a Construction Manager-at-Risk firm that will provide the “best value” to the City for preconstruction and construction services for the Project.

This RCA is to approve the construction manager and establish a Not-to-Exceed amount for the project of \$30M. The \$30M is based on pricing of similar facilities constructed at other airports. This is a not-to-exceed price, and will require a return to Council only if the scope of the project exceeds the \$30M authority requested. For this project, the initial contract with the Construction Manager will be limited to pre-construction services for a maximum price of \$478,700. Prior to entering into the Construction Phase, the City will establish Minority-owned Business Enterprise and Women-owned Business Enterprise goals for construction and the Construction Manager-at-Risk firm will submit a Compliance Plan meeting the construction goals or documentation detailing their good faith effort(s) to meet the established goals.

As the project moves into site preparation and construction phases, the City’s Capital Delivery Team will negotiate a gross maximum price for each distinct phase of construction. As long as the project scope and construction budget stays below the Council authorization, staff will not return to Council for additional approvals.

For this solicitation the Capital Contracting Office received one submittal. The evaluation panel scored the submittal and also conducted interviews to ensure the Contractor possessed the needed experience. Of the nine contractors that attended the pre-proposal meeting, three contractors were subcontractors and therefore did not submit a proposal; three contractors did not have the proper staffing for an IT project (as emphasized in the pre-proposal meeting); one contractor had other projects and one contractor chose not to respond.

The contract allows 455 calendar days for completion of this project. This project is located within zip code 78719 (District 2).

Austin Commercial, LP is located in Austin, Texas.