



## Recommendation for Action

**File #:** 19-2320, **Agenda Item #:** 20.

6/19/2019

### **Posting Language**

Approve a resolution finding the use of the Design-Build method of contracting, as authorized by Subchapter G, Chapter 2269 of the Texas Government Code, is the project delivery method that provides the best value to the City for the Austin Bergstrom International Airport Terminal Baggage Handling System Upgrades to upgrade the current baggage handling system equipment to meet customer needs.

(Note: MBE/WBE goals will be established prior to issuance of this solicitation.)

### **Lead Department**

Capital Contracting Office

### **Managing Department(s)**

Capital Contracting Office

### **Fiscal Note**

A Recommendation for Council Action with the not to exceed contract amount for the resultant contract will be presented to Council once the Design-Build selection has been completed.

### **Purchasing Language:**

This request is for Council to authorize the use of the Design-Build method; therefore, no solicitation has yet been initiated.

### **For More Information:**

Inquiries should be directed to the City Manager's Agenda Office, at 512-974-2991 or [AgendaOffice@austintexas.gov](mailto:AgendaOffice@austintexas.gov).

NOTE: Respondents to this solicitation, and their representatives, shall direct inquiries to Rolando Fernandez, 512-974-7749 or Beverly Mendez, 512-974-3596.

### **Council Committee, Boards and Commission Action:**

To be reviewed by the Airport Advisory Commission on June 11, 2019.

### **Additional Backup Information:**

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 responsible bidder. Texas Government Code Chapter 2269 allows for methodologies alternate to low bidding method 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 an alternative method such as Design-Build under Chapter 2269 of the Texas Government Code if such a method provides a better value for the City.

The project will consist of two continuous phases: design of the facility and building of the facility. The Design-

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Build method is the most effective delivery method for meeting schedule constraints within the project budget as each phase of design and construction services is carefully negotiated. Design-Build is a method of construction procurement under which design and construction services are contracted through one entity, either a joint venture between a design consultant and a constructor or from a single entity with both capabilities.

A Design-Build firm will be selected by a City-staffed evaluation panel that will evaluate and score proposals 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 Design-Build firm that will provide the “best value” to the City as established through a two-step qualifications-based selection process.

ABIA is experiencing unprecedented growth, registering a 9% compounded growth rate in passengers over the past three years, one of the highest growth rates in the nation. This growth is exceeding existing airport and airline space, passenger and infrastructure system capacity. The current Baggage Handling System is nearing its capacity to handle domestic and international passenger traffic. The recently added new gates will put additional pressure on the existing baggage handling system since no additional baggage screening capacities were added to the system to accommodate the load from the new gates. As passenger growth increases, the capacity of the existing baggage handling system is expected to be exceeded in the next couple of years.

Currently, the existing baggage handling system needs capacity added to meet the demand of the existing load and new load from the nine gate expansion. Along with capacity, aging equipment, technology changes and security requirements necessitate a fix to the existing system. A long term final baggage handling system will be designed and built with future work in a new processing center per the 2040 Airport Master Plan. This project will gain capacity to meet the current need until the new facility can be built sometime five to ten years. As vital infrastructure, an upgrade to the existing baggage handling system will improve airport flow of baggage and passengers, support TSA efficiency, and the future growth of the airport.

ABIA is currently in the process of finalizing a Design Criteria Manual (DCM) which will form the basis for the Design-Build solicitation. The DCM establishes design standard requirements and a high level recommended solution for the upgrades to the existing baggage handling system. The selected Design-Build entity will be tasked to use the requirements of the DCM to fully develop the design and the subsequent construction of the improvements.

A delay in authorization of the methodology will result in a delay in the issuance of the solicitation and will affect the ability to perform these improvements and impact increased service demands.

This solicitation and evaluation process is approximately six months.