



Recommendation for Action

File #: 21-2375, **Agenda Item #:** 21.

7/29/2021

Posting Language

Approve a resolution finding the use of the Construction Manager at Risk method of contracting, as authorized by Subchapter F, Chapter 2269 of the Texas Government Code, as the project delivery method that provides the best value to the City for the Barbara Jordan Terminal (BJT) Optimization project to build additional gate infrastructure for Austin Bergstrom International Airport.

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

Lead Department

Capital Contracting Office

Managing Department

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 Construction Manager-at-Risk selection has been completed.

Purchasing Language:

This request is for Council to authorize the use of the Construction Manager-at-Risk; 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: Inquiries should be directed to Rolando Fernandez, 512-974-7749 or Beverly Mendez, 512-974-3596.

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 alternate methodologies 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 Construction Manager at Risk (CMR) under Chapter 2269 of the Texas Government Code if such a method provides a better value for the City.

The CMR method is a project delivery method where the City will contract with an architect/engineer to perform design services and separately contract with a CMR to perform preconstruction and construction phase

services. The role of the CMR goes beyond performing general contractor services. The CMR 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 and to optimize the design and control costs and budgets, and to provide quality assurance-quality control. After design, and before the CMR begins construction, the City will negotiate and execute a Guaranteed Maximum Price for the remainder of the work, including actual construction.

A CMR 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 CMR firm that will provide the “best value” to the City for preconstruction and construction services for the Project.

This project is to optimize the Barbara Jordan Terminal (BJT) to design and build additional gates to the existing facility and to modify the BJT to support remote passenger hardstands (Bus Gates) to safely meet the evolving needs of airlines and the travelling public. Currently, the project schedule requires designing and starting construction concurrently to meet the expectation of airport tenants and stakeholders. Construction will take place in highly secure areas regulated by the Federal Aviation Administration, U.S. Department of Homeland Security, and the Transportation Security Administration. This project is on a critical path for building aircraft gates that are in immediate demand by airlines. This is a complex renovation and expansion project in an existing terminal and is the initial investment in Austin’s Airport Expansion and Development Program. The complexity of this project being constructed in operating airport terminal locations, will require a phased approach to the work to integrate the systems of existing facilities located in highly secured areas. This project requires collaboration between a best qualified designer and a highly qualified construction manager who have successfully constructed renovations in fully operational airport facilities. Due to the complexity, constraints, and renovation options available, the scope of this project will need to change and evolve as new information, regulatory requirements, and tenant expectations are clarified. The expected changes to scope require a flexible approach to project delivery.

Therefore, due to the needs to phase the project, the complexity of operating in a secure area, the complex integration of this project into an existing facility, and the challenge with defining scope, schedule and budget in a rapid changing industry, staff is requesting the CMR alternative project delivery.

The estimated construction budget for this work is \$30,000,000 and it is anticipated that construction will begin June 2022.

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 during Fiscal Year 2021-2022 in preparation of future airport projects.

This solicitation and evaluation process is approximately six months.

Strategic Outcome(s):

Safety; Government That Works for All; Mobility