



Recommendation for Action

File #: 22-2947, Agenda Item #: 10.

10/27/2022

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, is the project delivery method that provides the best value to the City for the Barbara Jordan Terminal Optimization - Phase 2 project.

[Note: MBE/WBE or DBE goals will be established prior to issuance of this solicitation].

Lead Department

Financial Services Department.

Managing Department

Financial Services Department.

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 shall be directed to Rolando Fernandez, 512-974-7749 or Beverly Mendez, 512-974-3596.

Council Committee, Boards and Commission Action:

October 11, 2022 - Recommended by the Airport Advisory Commission on a 9-0-1 vote, with Commissioners Todd abstained and Ennis absent.

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

The Barbara Jordan Terminal (BJT) Optimization - Phase 2 project scope will likely include, but is not limited to, creation of additional square footage, structural improvements associated with terminal expansion, wayfinding, utility improvements, ingress and egress improvements, federal inspection enhancements, and other interior and exterior facility projects benefitting passengers and tenants

Use of the CMR alternative delivery method provides for construction manager constructability reviews and collaboration with the design team to allow phased construction of additional concourse square footage, relocation of tenants, movement of concessions, relocating and creating new US Customs, Transportation Security Administration checkpoints as necessary, relocating utilities and acquisition of long lead equipment supporting seasonal passenger travel, operational challenges, and unique requirements of doing construction in a highly active and secure airport.

The estimated construction budget for this work is \$150,000,000 and it is anticipated that construction will begin January 2024.

A delay in authorization of the methodology will result in a delay in the issuance of the solicitation and construction of improvements needed to address operational delays, flight delays and cancellations due to unprecedented passenger and cargo growth and construction of Phase 3 of the Airport Expansion and Development Program.

This solicitation and evaluation process is approximately nine months.

Strategic Outcome(s):

Safety, Health and Environment, Mobility.