



City of Austin

301 W. Second Street
Austin, TX

Recommendation for Action

File #: 23-2749, **Agenda Item #:** 34.

9/21/2023

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 following three Airport Expansion Development Program projects: AUS Central Utility Plant Relocation, West Garage - Lot B, Concourse B - Phase 1, and Tunnel System.

(Note: MBE/WBE 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 each 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:

Direct questions regarding this Recommendation for Council Action to the Financial Services Department - Central Procurement at: FSDCentralProcurementRCAs@austintexas.gov <mailto:FSD_Central_Procurement_RCA@austintexas.gov> or 512-974-2500.

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.

These projects will consist of two continuous phases: design of the facility and building of the facility. The design-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 for each project 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 design-build firm that will provide the “best value” to the City as established through a two-step qualifications-based selection process.

The AUS Central Utility Plant Relocation project will include new cooling towers, improved monitoring, sensors, control systems, inlet piping coordination with existing systems, heaters, and thermal storage, pumps, and associated infrastructure to improve performance and integrate pump inlet into existing central utility plant (CUP) equipment to meet demand for 27 million passengers. The project includes transmission lines, valves, and connections to the existing Barbara Jordan Terminal and campus infrastructure including the design of a demolition plan for the existing CUP once a new CUP is constructed and successfully operating. The existing CUP lifecycle of chillers and boilers has reached 20+ years and needs a significant overhaul to ensure operational performance. It is anticipated that construction will begin December 2025.

The West Garage - Lot B project includes design and construction of an approximately 6,500 to 7,500 parking spaces facility on the current site of Lot B to replace the removal of the existing Red Garage and other parking facilities that will be removed to construct the new Arrivals and Departure Hall. It is anticipated that construction will begin March 2026.

The Concourse B - Phase 1 and Tunnel System project includes design and construction of a new midfield terminal (Concourse B) to accommodate increased airline and passenger traffic. The project will include a new apron and facility equipment to support 10 to 20+ gates, boarding bridges, hold rooms, concessions, restrooms, clubs, utilities, apron support spaces, baggage, and other support spaces to support capacity growth of passengers and air service as recommended in the 2040 Master Plan for safe airport operations. This project also includes design and construction of new tunnel systems for passengers and utilities to Concourse B from the existing Barbara Jordan Terminal (Concourse A). This includes related infrastructure, space for a future Automated People Mover, baggage handling equipment and utility/systems connections at Concourse A and Concourse B, and temporary ground loading options. The passenger tunnel is planned to handle a capacity of 1500+ travelers per hour. It is anticipated that construction will begin December 2025.

Use of the design-build method for these projects supports the need for design innovation, enhances the acquisition, staging and scheduling of long lead time sensitive materials and equipment based on the city’s design criteria manuals, the project complexity, and coordination demands of these projects drive a need to maintain design control and benefit from a single point of contact for project delivery considering the unique requirements of building in a highly active and secure airport.

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

The design build solicitation and evaluation process for each project is approximately five months.