



Recommendation for Action

File #: 23-3439, **Agenda Item #:** 16.

12/14/2023

Posting Language

Approve a resolution finding that 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 Concourse B and Tunnel System project as part of the Airport Expansion and Development Program.

(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 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 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 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 (CMAR), 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 CMAR method is a project delivery method where the City will contract with an architect/engineer to perform design services and separately contract with a CMAR to perform preconstruction and construction phase services. The role of the CMAR goes beyond performing general contractor services. The CMAR 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 CMAR begins construction, the City will negotiate and execute a Guaranteed Maximum Price for the remainder of the work,

including actual construction.

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

This project includes design and construction of a new midfield terminal (Concourse B) to accommodate additional airline gates needed to serve increased airline and passenger traffic. The project will also include facilities, equipment, utilities, and infrastructure to support 20 gates and airport operations. The tunnel system will include design and construction of new pedestrian, utility, and baggage-handling and utility-system-connection tunnel cells to the Barbara Jordan Terminal Interface.

The tunnel will span the distance between the two concourse facilities. Final design will be coordinated with the airlines, to ensure appropriate operational requirements are considered. The conveyance will include moving walkways in the first phase, with the potential to add an automated people mover ride system in the future.

The project also includes north and south airfield connections to support the new gates at Concourse B by constructing apron, taxiway connectors, drainage, utilities, lighting, and related airfield infrastructure to support the safe movement of aircraft on the airfield. This part of the project will be defined once Concourse B has been programmed and the initial design has begun. This project may include aircraft parking spaces surrounding the new midfield concourse to support 20 gates and infrastructure for a hydrant system may be added with agreement from the airline consortium.

The complexity of the project requires experienced design and construction teams specialized in the design and construction of airport concourses and tunnels. The CMAR approach allows for staff and airport project teams’ collaboration and the coordination needed in the building of new airport facilities on an already constrained airfield. The CMAR approach also provides the opportunity to optimize the project schedule, addressing key milestones for design and construction to achieve timely program implementation.

A CMAR project delivery is the best delivery method supporting the airport’s need to guide the design of new facilities. The CMAR approach can effectively resolve complex phasing of design and construction in an active airport and simultaneous construction events at multiple locations on the airport campus.

A delay in authorization of the methodology will result in a delay in the issuance of the solicitation and construction improvements needed to design and construct new airport facilities to meet the demands of the traveling public. The estimated construction budget for this work is \$1,680,000,000 and it is anticipated that construction will begin Spring of 2026.

The CMAR solicitation and evaluation process takes approximately five months.