



# City of Austin

## Recommendation for Action

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**File #:** 24-4295, **Agenda Item #:** 30.

4/18/2024

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### **Posting Language**

Approve a resolution finding the use of the Construction Manager-at-Risk method of contracting, as authorized by F, Chapter 2269 of the Texas Government Code, is the project delivery method that provides the best value to the City for the Arrivals and Departures Hall project to allow for the future construction of Concourse B 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 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 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:FSDCentralProcurementRCAs@austintexas.gov) or 512-974-2500.

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

April 10, 2024 - To be reviewed by the Airport Advisory Commission.

### **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 under Chapter 2269 of the Texas Government Code if such a method provides a better value for the City.

Prior to entering into the Construction Phase, the City will establish Minority-Owned and Women-Owned Business Enterprise goals for construction. The Construction Manager-at-Risk firm will submit a Compliance Plan meeting the construction goals or documentation detailing their good faith effort(s) to meet the

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established goals. Additional subcontracting opportunities will also arise during the Construction Phase of this project; however, the specific scopes and magnitude of the construction work cannot be determined until design has been sufficiently completed.

The Construction Manager-at-Risk method is a project delivery method where the City will contract with an architect/engineer to perform design services and separately contract with a Construction Manager-at-Risk firm to perform preconstruction and construction phase services. The role of the Construction Manager-at-Risk firm goes beyond performing general contractor services. The Construction Manager-at-Risk firm 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 to optimize the design and control costs. After design and before the Construction Manager-at-Risk firm begins construction, the City will negotiate and execute a Guaranteed Maximum Price for the remainder of the work, including actual construction.

The Construction Manager-at-Risk firm is recommended by a City-staffed evaluation panel that evaluated and scored proposals based on published evaluation criteria to determine the highest ranked proposer. As set forth in Government Code Chapter 2269, the City of Austin will select a Construction Manager-at-Risk firm that will provide the “best value” to the City for preconstruction and construction services for the project.

This project provides for the design and construction of the new airport Arrivals and Departure Hall with a renovated roadway, new roadways and curbside in front and connections to the existing Barbara Jordan Terminal Building to the south. The work will include the removal of the existing Red Garage. The project will include new large ticketing areas and baggage claim hall as well as all infrastructure, support offices and facilities to support these operations. This new building is required to mitigate the current space deficiencies in the current terminal and support the addition of the new gates planned in the Concourse B facility.

The complexity of the project requires experienced design and construction teams specialized in the design and construction of airport arrival and departure halls. The Construction Manager-at-Risk project delivery is the best delivery method supporting the airport’s need to guide the design of key architectural elements of new facilities in an operating airport. The Construction Manager-at-Risk approach allows for staff and airport project teams’ collaboration and the coordination needed in the building of new airport facilities in an already crowded terminal. The Construction Manager-at-Risk approach also provides the opportunity to optimize the project schedule, address key milestones for design and construction to achieve timely program implementation.

The estimated construction budget for this work is \$620,000,000, and it is anticipated that construction will begin Summer of 2027.

The Construction Manager-at-Risk solicitation and evaluation process takes approximately five months.