

A G E N D A



Recommendation for Council Action (CLMD)

Austin City Council	Item ID:	68879	Agenda Number	7.
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Meeting Date: March 23, 2017

Department: Capital Contracting Office

Subject

Authorize additional funding to the Construction Manager-at-Risk Contract with HENSEL PHELPS CONSTRUCTION COMPANY in the amount of \$20,500,000 for a revised contractual construction cost limitation of \$296,500,000 and to increase the contingency funding amount by \$1,500,000, for additional construction at the Austin Bergstrom International Airport Terminal/Apron Expansion and Improvements project for a total contract amount not to exceed \$311,000,000. (District 2)

Related to Item(s): 2, 3, 5, 6

Amount and Source of Funding

Funding is available in the Fiscal Year 2016-2017 Capital Budget of the Department of Aviation.

Fiscal Note

A fiscal note is attached.

Purchasing Language: Best Value to the City of Austin of three Statements of Qualifications received.

Prior Council Action:

October 15, 2015 – Council approved the execution of guaranteed maximum price amendments and to increase Construction Cost Limitation.

October 23, 2014 – Council approved a Construction Manager-at-Risk agreement with Hensel Phelps Construction Company.

February 13, 2014 – Council approved the use of the Construction Manager-at-Risk contracting method in accordance with Texas Government Code Section 2269, Subchapter F.

For More Information: Rolando Fernandez, 512-974-7749; Sarah Torchin, 512-974-7141; Lynda Williams, 512-974-3066; Robert Pirtle, 512-974-7234; Janice White, 512-530-6388.

Boards and Commission: March 14, 2017 - Recommended by the Airport Advisory Commission on a vote of 7-0-1 with Commissioner Sepulveda absent.

Action:	
Related Items:	
MBE / WBE:	This request is for additional authorization. The contract was awarded for construction phase work in compliance with 49 CFR Part 26 Disadvantaged Business Enterprise Program with HENSEL PHELPS OCNSTRUCTION COMPANY complying with the 8.01% DBE goal.
Additional Backup Information	
<p>The Austin Bergstrom International Airport terminal has exceeded its annual service capacity of 11 million passengers. In keeping with the recommendations of the 2003 and 2008 Austin Bergstrom International Airport Master Plan and Master Plan Phasing Projects, the current Terminal/Apron Expansion project expands the existing terminal building to the east. This expansion will balance the terminal footprint and provide much needed space for the increasing passenger and aircraft operations. This terminal addition will be able to accommodate approximately 4 million additional passengers per year for a total of 15 million annual passengers – an increase of 27% that will provide a passenger level of service through 2025.</p> <p><u>Background:</u></p> <p>On February 13, 2014, the Construction Manager-At-Risk method of contracting was approved by Council. The Construction Manager-at-Risk method is a project delivery method through which the City contracts with a Construction Manager to perform preconstruction and construction phase services and separately contracts with an architect/engineer to perform design services.</p> <p>On October 23, 2014, Hensel Phelps Construction Company (Hansel Phelps) was selected as the CM. Following Council's authorization to negotiate and execute a contract, Hensel Phelps began collaborating with the City and the project Architect/Engineer, Gensler and Associates (Gensler) on project scope and definition, preparation of budgets/estimates and project schedules, constructability reviews, construction trade outreach, and work packaging for solicitation of construction services.</p> <p>A separate contract for design services with Gensler was approved by City Council in August 2014. Gensler began preliminary design services to include project scoping and project definition. Through this process, the apron and airside portions of the overall project were expanded to comply with federal aviation administration requirements. This resulted in the need to obtain City Council authorization in October 2015 in order to increase the construction cost limitation.</p> <p>The overall project is comprised of three major elements of work: the apron expansion and associated work including all airside construction (deicing ponds, utilities, grading and paving, etc.) and the terminal building expansion and improvements.</p> <p>Major Project Milestones:</p> <ul style="list-style-type: none"> • November 2015 – Demolition of the existing Regional Corrosion Control Facility complex and construction of the new storm water and deicing collection facility, terminal secure exit lane construction and temporary elevated walkway and passenger boarding bridges (equipment only). • May 2016 – Work began on Area 1 apron construction which includes east area apron paving, relocated utilities and removal of existing storm water/deicing pond. • October 2016 – The superstructure/substructure of the terminal expansion work began for the terminal expansion/improvements. • February 2017 – The remaining terminal expansion and improvements work began and is currently underway. Anticipated substantial completion is December 2018. • Fall 2018 – The remaining work on Area 4 central apron construction is anticipated to begin. 	

- Mid 2019 – Overall anticipated project completion.

Current Need:

The Aviation Department, airlines, and tenant concessionaires have identified additional needs which would increase the scope of work currently being provided by Hensel Phelps. The additional scopes of work are related to, and would coincide with, the existing terminal improvements and expansion work under the Construction Manager-at-Risk agreement. This Council action is to request funding authorization for a revised contractual construction cost limitation of \$296,500,000 plus increase of \$1,500,000 to the contingency fund, for a revised total contingency \$14,500,000, for additional construction of the terminal and apron expansion and improvements project for a total contract amount, inclusive of owner contingencies, not to exceed \$311,000,000. By separate agenda item, Council action is requested to authorize Gensler to continue with design services for the additional scopes below:

Gate modifications

The modifications will create dual international deplaning and additional international gates. Aviation anticipates additional airline carrier direct international flights over the next five years. December 2016 activity reporting indicates that international passenger activity is up 13%. This modification would upgrade two of the new terminal expansion domestic boarding gates to accommodate international aircraft (in addition to domestic aircraft) which would increase the number of international gates from four to six.

Modifications to the Mezzanine

The current terminal expansion provides for a mezzanine level space above the concourse providing enhanced passenger space and potential tenant lease space. Adjacent to this mezzanine level space is east-facing outdoor space for passengers. An airline has expressed interest in building an airline club on a portion of this mezzanine level.

Centralized Operations Center

As Austin Bergstrom International Airport moves from a medium airport to a large airport additional staff and the operations and support systems required to monitor airport activity, report on airport conditions and respond to events and emergencies. This center supports future growth with the tools necessary to operate efficiently meeting owner, airline and passenger needs.

Build-out of Apron Level Airline Tenant Space.

The Aviation Department supports full expansion of the Apron level airline tenant spaces as part of the existing contract to ensuring the completion of these spaces with the completion of the expansion project.

Replacement of Ageing Baggage Claim Devices

The existing terminal baggage claim devices 2, 3, 4, 5 and 6 were installed 17 years ago and in recent years require constant repairs and maintenance. The purchase and installation of new baggage claim devices will meet the increased passenger level of service needs.

DBE Participation:

The first work packages for the demolition of the existing Regional Corrosion Control Facility complex and construction of the new storm water and deicing collection facility had an established DBE goal of 9.65%. Hensel Phelps achieved 12.72% total DBE participation.

The work package for the secured exit lanes (equipment only) had a DBE goal of 6.33%. Hensel Phelps achieved 7.50% participation.

The work package for the apron expansion had an established goal of 10.73%. Hensel Phelps achieved 14.40% participation.

The work package for the installation of the elevated walkways had an established DBE goal of 2.77%. Hensel Phelps achieved 8.55% participation.

The work packages for the existing terminal improvements and terminal expansion has an established DBE goal of 8.01%. Hensel Phelps is required to meet or provide documentation detailing their good faith efforts to meet the established goals and has a current DBE participation projection of 9.65%. This request is for additional authorization only therefore no DBE goals have been established for future scope. DBE goals have been established for current construction phase work and the Construction Manager-at-Risk has complied with the goals.

This project is located in zip code 78719 (District 2). This project is managed by the Public Works Department.

Hensel Phelps is located in Austin, Texas.