Recommendation for Action

File #: 21-3042, **Agenda Item #:** 24. 10/14/2021

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 Airport Expansion and Development Program, Airfield Construction project for airfield improvements.

(Note: MBE/WBE goals will be established prior to issuance of this solicitation.)

Lead Department
Capital Contracting Office.

Managing Department
Capital Contracting Office.

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 should be directed to the City Manager's Agenda Office, at 512-974-2991 or AgendaOffice@austintexas.gov <mailto:AgendaOffice@austintexas.gov>

NOTE: Respondents to this solicitation, and their representatives, shall direct inquiries to Rolando Fernandez, 512-974-7749 or Beverly Mendez, 512-974-3596.

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

This project is part of the Airport Expansion and Development Program (AEDP) and will help to meet the needs of the flying public. The project may include Taxiways, Airfield Roadways, aircraft rated bridges, storm water improvements, utilities and pavement improvements, and updates to the airfield lighting and signage systems. At the Austin-Bergstrom International Airport (AUS), the Airfield conveys arriving and departing aircraft from the runways to various areas. This airfield project requires close collaboration between airport staff, Design Consultants, and Construction Manager who have successfully constructed Airfield Taxiways, Bridges, Civil utility construction and airfield electrical design, and related airfield infrastructure, in an operating airport environment.

The complexity of the project requires experienced contractors that are specialized in construction of airports with specialized Federal Aviation Administration (FAA) design criteria and approved FAA materials. The complexity of the design and construction is further complicated by the coordination with multiple stakeholders including, but not limited to, airlines, airline support services, fixed based operators, federal, state, and local agencies, utilities, City staff and management across multiple departments, and the flying public. The designers and contractor will need to keep critical utility systems working for the FAA Air Traffic Control Tower, Aircraft Rescue and Fire Fighting Station, Airport wide water quality conveyances, and airport security systems.

This project requires close collaboration between multiple professional design and construction teams to be successful in a busy airport environment. This project will require detailed construction phasing plans to minimize operational impacts and provide safety on the active airfield in a federally regulated, secure environment. This project will allow AUS to address the needs of the flying public.

The funding for this project will be partially provided by FAA Airport Improvement Grants. Guaranteed Maximum Price packages will need to be developed in accordance with grant cycles. The remaining portion of the project will be funded through airport bonds.

The estimated construction budget for this work may be up to $130,000,000 with an anticipated construction start in 2023.

A delay in authorization of the methodology will result in a delay in the issuance of the solicitation and will affect the ability to meet the needs of the flying public through the AEDP.

This solicitation and evaluation process is approximately six months.

Strategic Outcome(s):

Safety, Government that Works for All, Mobility.