



CITY OF HOUSTON - CITY COUNCIL

Meeting Date:
 District B, District E, District I
 Item Creation Date: 6/11/2020

HAS – Increase Maximum Contract Amount and Funding Source Changes for the On-Call Professional Aviation Planning Consulting Services Contracts with HNTB Corporation, LeighFisher, Inc. and Ricondo & Associates, Inc.; Project Nos. 739A, 739B, and 739C

Agenda Item#:

Background:

RECOMMENDATION:

Enact an ordinance to de-appropriate \$1,748,998.08 of the HAS Airports Improvement Fund (8011), appropriate \$10,717,935.95 from the HAS Renewal and Replacement Fund (8010), and to increase the maximum contract amount by \$1,000,000.00 to \$16,500,000.00 for On-Call Professional Planning Consulting Services contracts. (Projects 739A, 739B, and 739C)

SPECIFIC EXPLANATION:

On June 28, 2017, City Council approved Ordinance 2017-0485 for On-Call Airport Professional Planning Consulting Services contracts with HNTB Corporation, LeighFisher, Inc., and Ricondo & Associates, Inc. Services are obtained through Letters of Authorization (LOAs). The contract has a term of 3 years with 2 one-year options and an effective date of July 10, 2017. The first option year will be exercised on July 10, 2020. Ordinance 2017-0485 set a maximum contract amount of \$10,000,000 (\$2,500,000.00 allocated from the HAS Revenue Fund (8001) and \$7,500,000.00 appropriated from the HAS Airport Improvement Fund (8011)).

It was determined that most of the work was not capital in nature, so on April 3, 2019 City Council approved Ordinance 2019-0238 de-appropriating \$4,000,000.00 of the HAS Airport Improvement Fund (8011). The same amount was allocated from the HAS Revenue Fund (8001) as well as an additional \$5,500,000.00, increasing the Maximum Contract Amount to \$15,500,000.00.

An increase in the maximum contract amount by \$1,000,000.00 is now needed to accommodate unforeseen planning mitigation studies. Additionally, guidance pertaining to the Houston Airport System’s Master Bond Ordinance recommended a reclassification of professional services costs to the HAS Renewal and Replacement Fund (8010). The chief reason for this guidance has to do with the reference in the Bond Ordinance related to use of the Renewal and Replacement Fund for costs associated with the repair, replacement, or renovation of depreciable property when the cost does not qualify as a capital expenditure per generally accepted accounting. Similar language is found in the master lease agreements with the airlines operating at both Intercontinental and Hobby airports. Therefore, it is now requested that City Council enact an ordinance to de-appropriate \$1,748,998.08 of the Houston Airport System (HAS) Airport Improvement Fund (8011), appropriate \$10,717,935.95 from the HAS Renewal and Replacement Fund (8010), and to increase the maximum contract amount to \$16,500,000.00.

Council Action	HAS - Airport Improvement Fund 8011	HAS Revenue Fund 8001	HAS Renewal and Replacement Fund 8010	Total
Ordinance 2017-0485	\$7.5M	\$2.5M	N/A	\$10.0M
Deappropriate/Reallocate	-\$4.0M	\$4.0M	N/A	0.0
<u>Additional Amount</u>	<u>0.0</u>	<u>\$5.5M</u>	<u>N/A</u>	<u>\$5.5M</u>
Ordinance 2019-0238 Amendment Final Amounts	\$3.5M	\$12.0M	N/A	\$15.5M
New Amendment				
Deappropriate/Reallocate	-\$1,748,998.08	-\$7,968,957.87	\$9,717,935.95	0.0
<u>Additional Amount</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$1,000,000.00</u>	<u>\$1.0M</u>
Amendment Final Amounts	\$0.00	\$0.00	\$10,717,935.95	\$16.5M

DBE Participation:

The current DBE goal for these projects is 25%. Once all payments are made for approved and ongoing Task Orders, participation for each contractor will be as follows:

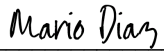
HNTB Corporation	29.72%
LeighFisher, Inc.	28.45%
Ricondo & Associates, Inc.	41.14%

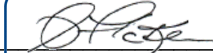
The Houston Airport System's Office of Business Opportunity will continue to monitor these contracts and is confident that the goals will be met or exceeded.

Fiscal Note:

No significant Fiscal Operating impact is anticipated as a result of this contract.

Director's Signature:

DocuSigned by:

Mario G. Diaz
Houston Airport System

DocuSigned by:

Andy Leken
Chief Development Officer

Prior Council Action:

6/28/2017 (O) 2017-0485
4/3/2019 (O) 2019-0238

Amount of Funding:

\$10,717,935.95
HAS Renewal and Replacement Fund
Fund 8010

Contact Information:

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