



# CITY OF HOUSTON

Sylvester Turner

Mayor



Mario C. Diaz  
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To: Andy Icken, City of Houston Chief Development Officer

From: Mario Diaz, Houston Airport System Director

Date: November 28, 2021

## **IAH Terminal Redevelopment Program (ITRP) December 1, 2021 Request for Council Action Summary**

The purpose of this memorandum is to provide a brief status, budget and MWBE summary of the IAH Terminal Redevelopment Program (ITRP) December 1, 2021 council agenda item.

### **Appropriation Requests**

The December 1, 2021 item requests approval for acceptance of the Guaranteed Maximum Price (GMP) submitted by Hensel Phelps in the aggregate amount of **\$433,890,000**. The item requests funding of **\$201,519,960** for the Construction-Management-at-Risk (CMAR) contractor Hensel Phelps Construction Co. to support of the construction of the Federal Inspection Services and Renovation and International Central Processor (ICP). In the first third quarter of 2022, a second and final appropriation will be requested for Hensel Phelps in the sum of **\$168,940,000**. See chart below for a detailed breakdown.

This action will be followed on December 8, 2021, by a request for an appropriation to the Construction-manager-at-risk, Austin Gilbane Joint Venture (AGJV) in the sum of **\$135.7M** for the renovation and expansion of the Mickey Leland International Terminal (MLIT) element of ITRP.

These council actions also establish the Guaranteed Maximum Price (GMP) for both CMARs. Additionally, the Appropriation requests include funding for Civic Art, Materials Testing & Inspections and Owner's Reserve.

All costs within these Appropriation requests and the GMP's for both MLIT and FIS projects are within the \$1.3B ITRP budget.

Council Members: Amy Peck Tarsha Jackson Abbie Kamin Carolyn Evans-Shabazz Dave Martin Tiffany D. Thomas Greg Travis Karla Cisneros  
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Sallie Alcorn

Controller: Chris Brown



**Hensel Phelps CMAR Appropriation and MWBE Participation (FIS & ICP Project)**

The total Hensel Phelps Guaranteed Maximum Price (GMP) is **\$433,890,000**, of which:

- \$72,449,570 has been appropriated, and
- **\$361,440,430** yet to be appropriated.

The remaining **\$361,440,430** Hensel Phelps contract appropriation will split into two separate council actions:

- **\$192,500,000** planned for **December 1, 2021**, and
- \$168,940,430 planned for Q3 2022.

The **December 1, 2021** Total Appropriation request of **\$201,519,960** includes:

- A portion of the remaining GMP value (described above) for Hensel Phelps of **\$192,500,000**, and
- An appropriation of **\$9,019,960** for other costs (Civic Art, Materials Testing & Inspections and Owner’s Reserve).

**Appropriation Summary**

| Date       | Scope                             | TOTAL                 | HP                    | Other Costs          |
|------------|-----------------------------------|-----------------------|-----------------------|----------------------|
| 12/19/2018 | Appropriation #1                  | \$ 28,880,750         | \$ 28,127,937         | \$ 752,813           |
|            | <i>Preconstruction Services</i>   | \$ 4,590,000          | \$ 4,590,000          |                      |
|            | <i>Early &amp; Enabling Works</i> | \$ 23,537,937         | \$ 23,537,937         |                      |
| 11/17/2020 | Appropriation #2                  | \$ 44,515,968         | \$ 44,321,633         | \$ 194,335           |
|            | <i>Early &amp; Enabling Works</i> | \$ 44,321,633         | \$ 44,321,633         |                      |
|            | <b>Subtotal</b>                   | <b>\$ 73,396,718</b>  | <b>\$ 72,449,570</b>  | <b>\$ 947,148</b>    |
| 12/1/2021  | Appropriation #3                  | \$ 201,519,960        | \$ 192,500,000        | \$ 9,019,960         |
|            | <b>Subtotal</b>                   | <b>\$ 274,916,678</b> | <b>\$ 264,949,570</b> | <b>\$ 9,967,108</b>  |
| Q3 2022    | *Appropriation #4                 | \$ 176,800,000        | \$ 168,940,430        | \$ 7,859,570         |
|            | <b>Total</b>                      | <b>\$ 451,716,678</b> | <b>\$ 433,890,000</b> | <b>\$ 17,826,678</b> |

*\*Art, ITL and Owners Reserve are estimates, total to CMAR and Total Appropriations will not change*

The MWBE goal for Phase 1 Pre-Construction Services was 10% for the FIS project. The Final Participation Hensel Phelps exceeded the goal by achieving 14.93%.



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The MWBE Goal for Phase 2 Construction Services, including Enabling and Early Works is 20% (MBE 15%; WBE 5%) for the FIS project. Currently, the MWBE participation for construction is 6.08%; however, only a very small percentage (approximately 7.45%) of Phase 2 work has been performed.

Hensel Phelps has provided their Participation Plan to achieve their goal. With the work already completed, they have met or exceeded their plan for MWBE participation. The HAS Office of Business Opportunity will continue to monitor and is confident the goal will be met.

Sincerely,

Mario C Diaz  
Director of Aviation