



CITY OF HOUSTON - CITY COUNCIL

Meeting Date:

District B

Item Creation Date: 9/13/2022

HAS – Additional Appropriation for the Construction Management-at-Risk (CMAR) Services Contract with Austin Gilbane Joint Venture for the MLIT Project at IAH; Project No. 826

Agenda Item#:

Background:

RECOMMENDATION:

Enact an ordinance appropriating \$15,477,414.00 from the Airports Improvement Fund and de-appropriating \$42,311,676.43 from the HAS 2021A AMT Bond for ITRP Fund for the Construction Management-at-Risk (CMAR) Services Contract with Austin Gilbane Joint Venture (AGJV) for the Mickey Leland International Terminal (MLIT) Project at IAH (Project No. 826).

SPECIFIC EXPLANATION:

On May 10, 2017, City Council enacted Ordinance 2017-335, approving a Construction Manager-at-Risk (CMAR) Services Contract with Austin Gilbane Joint Venture (AGJV) in the amount of \$5,502,000.00 for Phase 1 Pre-Construction Services and Civic Art. On October 31, 2018, City Council enacted Ordinance 2018-876, appropriating \$24,486,921.00 for additional Phase 1 Pre-Construction Services and initial Enabling and Early Works Packages. On November 17, 2020, City Council enacted Ordinance 2020-975, appropriating \$52,515,893.00 for additional MLIT Enabling and Early Works Packages. On April 28, 2021, City Council enacted Ordinance 2021-301, appropriating \$150,759,008.00 for MLIT CMAR Phase 2 Construction Services. On December 8, 2021, City Council enacted Ordinance 2021-1075, approving the Guaranteed Maximum Price and appropriating \$135,719,510.00.

The project will replace the Old Terminal C North (OCN) Pier and refurbish the Terminal D and C-D Connector facilities. The proposed MLIT will be planned for 13 wide-body gates, including 2 gates for A380 aircraft. The existing Terminal D ticketing and curb facilities will be closed once the Terminal D carriers have relocated to the new International Central Processor.

The ordinance now before City Council will do two things: 1) Appropriate \$15,477,414.00 to fund the C-Knuckle Concessions Construction along with the associated Civic Art and Engineering Materials Testing & Inspections to support the new concessions design and plan; and 2) De-appropriate \$42,311,676.43 for work related to the Checked Baggage Inspection System (CBIS)/Checked Baggage Resolution Area (CBRA) and Installation of Décor which have been transferred from the MLIT CMAR Austin Gilbane Joint Venture (AGJV) scope to the FIS CMAR Hensel Phelps Construction Co. scope. Funds for that work will be removed from the MLIT CMAR agreement and appropriated to the FIS CMAR agreement. This scope transfer reduces project interdependency risk from having one single contractor team complete all work within the space instead of multiple contractors in the same space at the same time. It also allows for single entity managing all the roadway impacts and traffic management.

The net effect of these two actions is an aggregate reduction of \$26,834,262.43 from the MLIT CMAR Contract. The MLIT CMAR shall provide all labor, materials, and equipment necessary and reasonable to complete the Scope of Work in accordance with City requirements and the terms of the Contract.

A portion of the spending under this contract may be eligible for reimbursement under either the FAA AIP or PFC programs.

This item was part of a presentation to the City Council Economic Development Committee on September 15, 2022.

Project Costs:

Appropriations to this Contract, including this appropriation/de-appropriation, are as follows:

Cost Type	Previous Appropriations	Committed	Remaining Uncommitted	This Appropriation
CMAR	\$355,345,684.00	\$286,475,536.92	\$68,870,147.08	(\$32,397,956.43)
Civic Art Fund	\$3,664,195.00	\$3,664,195.00	\$0.00	\$230,648.00
Owner's Reserve	\$5,000,000.00	\$0.00	\$5,000,000.00	\$5,195,521.00
Engineering Materials Testing & Inspections	\$4,973,453.00	\$4,973,453.00	\$0.00	\$137,525.00
TOTAL				

TOTAL AMOUNT	\$368,983,332.00	\$295,113,184.92	\$73,870,147.08	(\$26,834,262.43)
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Civic Art:

As part of this Appropriation, \$230,648.00 will be included for the City's Civic Art Fund.

Engineering Materials Testing & Inspections:

As part of this Appropriation, \$137,525.00 will be included for the Engineering Materials Testing & Inspections under the following contracts:

QC Laboratories: Contract No: 4600016496	\$ 68,762.50
Professional Service Industries, Inc.: Contract No: 4600016498	\$ 68,762.50
Total Engineering Materials Testing & Inspections:	\$137,525.00

FAA AIP Grant Program:

No grants have been applied for at this time. However, if applicable, grants may be applied for in the future.

MWBE Participation:

The Pre-Construction MWBE goals approved for this project was 10%. According to the Office of Business Opportunity, the actual participation achieved on this project for Pre-Construction was 13.77% MWBE. The MLIT CMAR's pre-construction MWBE performance on this project was rated Outstanding.

The Construction MWBE goal approved for this project is 30% (23% MBE, 7% WBE), which the Contractor committed in its participation plan. As of July 2022, the current utilization is 11%. There are 42 First Tier, 57 Second Tier, and 2 Third Tier Subcontractors included in the participation; detailed information can be found on Document 00470A, Contractor's MWBE Participation Plan. The Construction Phase is at approximately 16% completion, which included demolition and foundation work.

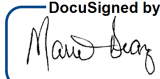
AGJV has communicated an updated participation plan that reflects a new commitment of 25.01% (18.01% MBE, 3.59% WBE, and 3.41% SBE). This new participation plan and percentage, along with documented Good Faith Efforts, will be submitted to the HAS Office of Business Opportunity for approval.

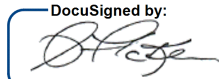
The standard for meeting MWBE participation goals is the demonstration of Good Faith Efforts. The HAS Office of Business Opportunity will continue to monitor this project as the Contractor works towards achieving the goal.

CIP Fiscal Note:

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

Director's Signature:

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 Mario C. Diaz
 Houston Airport System

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 Andy Icken
 Chief Development Officer

Prior Council Action:

05/10/2017 (O) 2017-335
 10/31/2018 (O) 2018-876
 11/17/2020 (O) 2020-975
 04/28/2021 (O) 2021-301
 12/08/2021 (O) 2021-1075

Amount and Source of Funding:

\$ 15,477,414.00
 Airports Improvement Fund
 Fund 8011

Contact Information:

Todd Curry 281/233-1896
 Jarrett Simmons 281/233-1675

ATTACHMENTS:

Description	Type
Previous RCAs	Backup Material
Previous Ordinances	Backup Material

Ownership Information Form
OBO Documentation -00470A
Tax Report

Backup Material
Backup Material
Backup Material