



CITY OF HOUSTON - CITY COUNCIL

Meeting Date:

District B

Item Creation Date: 9/13/2022

HAS – Additional Appropriation to the Construction Management-At-Risk (CMAR) Services Contract with Hensel Phelps Construction Co. for the FIS Renovation and Expansion Project at IAH; Project No. 828

Agenda Item#:

Background:

RECOMMENDATION:

Enact an ordinance appropriating \$266,883,158.00 for the Construction Management-At-Risk (CMAR) Services Contract with Hensel Phelps Construction Co. for the Federal Inspection Services (FIS) Renovation and Expansion Project at IAH (Project No. 828).

SPECIFIC EXPLANATION:

On December 19, 2018, City Council enacted Ordinance 2018-1041, approving a Construction Management-at-Risk (CMAR) Services Contract with Hensel Phelps Construction Co. for the Federal Inspection Services (FIS) Renovation and Expansion Project and appropriating \$28,880,750.00. On November 17, 2020, City Council enacted Ordinance 2020-976 appropriating \$44,515,968.00 for the construction of Enabling and Early Works Packages. On November 30, 2021, City Council enacted Ordinance 2021-1039 appropriating \$201,519,960.00 for the partial funding of the Guaranteed Maximum Price (GMP).

The FIS Renovation and Expansion Project will modernize and expand the existing FIS Facility to allow for future international passenger growth. The existing FIS facility requires building systems renovation and expansion to meet future passenger demand. The Design and Construction of this project will be progressed in phases to allow continuation of existing passenger services while the New International Central Processor (ICP) is being constructed and renovation of the existing facility is occurring. To support this multi-phased approach, Enabling and Early Works have progressed using multiple Component Guaranteed Maximum Price (CGMP) Amendments to the FIS CMAR to support the delivery schedule.

This appropriation request is for the remaining balance of the CMAR GMP and includes the following packages:

1. Renovation of the Federal Inspection Services (FIS) area at IAH
2. Construction of the New International Central Processor (ICP)
3. C Garage Additional Levels
4. Foundations, Utilities, Facility Core, and Shell Package with Lift Station, and Fit-out of the Checked Baggage Inspection System (CBIS)/Checked Baggage Resolution Area (CBRA) Facility
5. Regional Detention Pond
6. Support to facilitate passenger operations within the new and renovated facilities
7. Décor Installation and Lighting
8. Terminal D Baggage Sortation System Tie-in
9. Concourse D Restroom Renovations
10. FIS Roof Repairs
11. Enhanced Traffic Mitigation

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 Additional Appropriation, are as follows:

Cost Type	Previous Appropriations	Committed	Remaining Uncommitted	This Appropriation
CMAR	\$263,699,570.00	\$263,699,570.00	\$0.00	\$254,032,314.00
Civic Art Fund	\$2,313,148.00	\$2,313,148.00	\$0.00	\$2,433,015.00
Owner's Reserve	\$5,754,500.00	\$1,250,000.00	\$4,504,500.00	\$7,369,448.00
Engineering Materials Testing & Inspections	\$3,149,460.00	\$3,149,460.00	\$0.00	\$3,048,381.00

Inspections				
TOTAL AMOUNT	\$274,916,678.00	\$270,412,178.00	\$4,504,500.00	\$266,883,158.00

Civic Art:

As part of this Appropriation, \$2,433,015.00 will be included for the City's Civic Art Fund.

Engineering Materials Testing & Inspections:

As part of this Appropriation, \$3,048,381.00 will be included for the Engineering Materials Testing & Inspections under the following contracts:

Riner Engineering Services Inc: Contract No: 4600016494	\$533,098.58
Kennal, Inc. dba Ratnala & Bahl: Contract No: 460001649	\$533,098.58
Ninyo and Moore Geotechnical and Environmental Science Consultants: Contract No: 4600016489	\$533,098.59
Terracon Consultants, Inc: Contract No: 460016497	\$1,449,085.25
Total Engineering Materials Testing & Inspections:	\$3,048,381.00

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 goal approved for this project was 10%. According to the Office of Business Opportunity, the actual participation achieved on this project for Pre-Construction was 14.93 % MWBE. The FIS CMAR's Pre-Construction MWBE performance on this project was rated Outstanding.

The Construction MWBE goal approved for this project is 20% (MBE 15%; WBE 5%), which the Contractor committed to in its participation plan. As of July 2022, the current utilization is 13%. There are 45 First Tier and 28 Second 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 19% completion, which included demolition and early works.

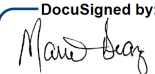
Hensel Phelps Construction Co. has communicated an updated participation plan that reflects a new commitment of 22.98% (20.8% MBE, 4.91% WBE, and 1.7% SBE). This new participation plan and percentage, along with documented Good Faith Efforts, will be submitted to HAS Office of Business Opportunity for 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:

12/19/2018 (O) 2018-1041
 11/17/2020 (O) 2020-976
 11/30/2021 (O) 2021-1039

Amount and Source of Funding:

\$129,932,473.77 - Airport System Consolidated ITRP AMT Construction Fund (8207)
 \$ 42,311,676.43 - HAS 2021A AMT Bond for ITRP Fund (8061)
 \$ 66,188,163.80 - IAH PFC Capital Projects Fund (8054)
 \$ 28,450,844.00 - HAS Airports Improvement Fund (8011)
 \$266,883,158.00 TOTAL APPROPRIATION

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