



CITY OF HOUSTON - CITY COUNCIL

Meeting Date:

District B

Item Creation Date: 7/3/2023

HAS – Additional Appropriation 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

Agenda Item#:

Background:

RECOMMENDATION:

Enact an ordinance appropriating \$33,306,036.75 out of the Airports Improvement Fund (8011) 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). On October 4, 2022, City Council enacted Ordinance 2022-760 appropriating \$254,032,314.00 for the balance of the funding for 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. The New ICP will house a state-of-the-art ticketing operation and 17 security screening lanes, one of the largest in the country.

The appropriation of \$33,306,036.75 now requested will provide Construction Services for the FIS Project, including the construction costs for enhanced traffic mitigation measures, building code required updates, to address multiple unforeseen conditions (underground utility relocations, differing soil conditions, FIS building gutter repairs), C Garage critical infrastructure repairs, airline moves into the new ICP and acceleration of the delivery for major electrical components, and costs associated with the global supply chain disruption.

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 June 21, 2023.

Project Costs:

Appropriations to this Contract, including this Additional Appropriation, are as follows:

| Cost Type | Previous Appropriations | Committed | Remaining Uncommitted | This Appropriation |
|---|--------------------------------|-------------------------|------------------------------|---------------------------|
| CMAR | \$517,731,884.00 | \$474,881,148.80 | \$42,850,735.20 | \$22,604,482.75 |
| Civic Art Fund | \$4,746,163.00 | \$4,746,163.00 | \$0.00 | \$0.00 |
| Owner's Reserve | \$13,123,948.00 | \$7,253,488.33 | \$5,870,459.67 | \$10,701,554.00 |
| Engineering Materials Testing & Inspections | \$6,197,841.00 | \$6,197,841.00 | \$0.00 | \$0.00 |
| TOTAL AMOUNT | \$541,799,836.00 | \$493,078,641.13 | \$48,721,194.87 | \$33,306,036.75 |

The FIS costs for the agreement are included in the updated overall ITRP budget of \$1.43 Billion.

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%. The FIS CMAR's Pre-Construction MWBE performance on this project was rated "Outstanding."

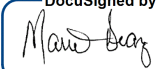
The Construction MWBE goal approved for this project is 20% (15% MBE, 5% WBE). As of May 2023, the current participation is 13.43% (5.98% MBE, 5.55% WBE, 1.90% SBE). The Construction Phase is at approximately 32% completion, which includes demolition and early works. Hensel Phelps Construction Co. provided an updated forecast for MWBE participation. The bulk of MWBE scopes of work for credit include finishing trades and will come towards the end of the contract. At that time, there will be an exponential increase of MWBE participation due to the completion of these trades. The HAS Office of Business Opportunity will monitor this project to ensure the Contractor is on track to achieve or exceed the committed MWBE participation goal.

CIP Fiscal Note:

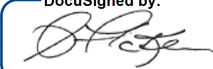
No significant Fiscal Operating impact is anticipated as a result of this project.

Director's Signature:

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GH

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Mario 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

- 10/04/2022 (O) 2022-760

Amount and Source of Funding:

\$33,306,036.75
Airports Improvement Fund
Fund 8011

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