



CITY OF HOUSTON - CITY COUNCIL

Meeting Date:

District B

Item Creation Date: 11/16/2023

HAS - Additional Appropriation for the Construction Contract with Archer Western Construction, LLC for the Terminal A Baggage Handling System at IAH; Project No. 673A

Agenda Item#:

Background:

RECOMMENDATION:

Enact an ordinance appropriating \$2,245,140.00 from the Airports Improvement Fund (Fund 8011) for the Construction Contract with Archer Western Construction, LLC for the Terminal A Airport Security and Baggage Handling System at George Bush Intercontinental Airport/Houston (IAH) (Project No. 673A).

SPECIFIC EXPLANATION:

On August 14, 2019, City Council approved Ordinance 2019-617 awarding a construction contract to Archer Western Construction, LLC for the modernization of the airport security and baggage handling system (BHS) in Terminal A at George Bush Intercontinental Airport/Houston (IAH) (Project No. 673A). Ordinance 2019-617 also appropriated \$82,010,273.00 out of the Houston Airport System Consolidated 2011 Construction Fund (8206) for costs associated with the project.

On August 24, 2019, the Transportation Security Administration authorized Other Transaction Agreement (OTA) number 70T04019T9CAP1025, granting the Houston Airport System \$49,286,786.12 for costs associated with the Electronic Baggage Screening Program. Pursuant to the OTA, on November 13, 2019, City Council approved Ordinance 2019-887 de-appropriating \$49,286,786.12 from the Airport System Consolidated 2011 Construction Fund (8206) and appropriating \$49,286,786.12 from the Houston Airport System Grants Fund (8000).

As the project progressed, it was determined that an increase in Contingency to cover remaining Construction Costs that cannot be funded with Fund 8000 would be needed. An additional appropriation of \$2,245,140.00 from Fund 8011 will allow for the completion of the remaining Construction items. The funds appropriated from Fund 8000 for the OTA items likely won't be fully exhausted but must remain obligated until project closeout; the anticipated net effect will be that the overall project cost will stay within the contract amount as originally appropriated.

It is now requested that City Council approve an additional appropriation of \$2,245,140.00 from the Airports Improvement Fund (Fund 8011).

DBE Participation:

The advertised DBE goal for this project is 19%. Archer Western Construction, LLC submitted a DBE participation plan of 5.31%; the Office of Business Opportunity conducted a thorough analysis and determined that if the contract were to be re-solicited, the appropriate DBE goal would be 5%. The contractor is currently achieving 4.1% participation toward the goal. However, some payments to subcontractors have not yet been processed and credited towards DBE participation; once those payments have been processed, the overall utilization will meet or exceed the DBE goal of 5.31%. The HAS Office of Business Opportunity is confident the contractor can meet its proposed participation and will continue to carefully monitor this contract.

Fiscal Note:

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

Director's Signature:

DS
GH

DocuSigned by:

Mario Diaz

Mario C. Diaz
Houston Airport System

Andy Icken
Chief Development Officer

Prior Council Action:

08/14/2019 (O) 2019-617
11/13/2019 (O) 2019-887

Amount and Source of Funding:

\$2,245,140.00

Airports Improvement Fund
Fund 8011

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