



CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 10/22/2024

District B

Item Creation Date: 10/4/2024

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#: 35.

Background:

RECOMMENDATION:

Enact an ordinance appropriating \$950,000.00 out of 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 additional Construction Costs that cannot be funded with Fund 8000 would be needed. On December 6, 2023, City Council approved Ordinance 2023-1053, appropriating \$2,245,140.00 from Fund 8011 for that purpose. A final appropriation of \$950,000.00 from Fund 8011 is now needed to 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 \$950,000.00 from the Airports Improvement Fund (Fund 8011).

DBE Participation:

The awarded DBE goal for this project is 5.31%, and the Prime is currently achieving 9.56%. The contract progression stands at 98%. Three subcontractors designated for DBE participation are underutilized due to the inability to make payments from previously appropriated restricted grant funds. Once the requested appropriation from Fund 8011 is approved, the Prime should be able to fully utilize and ensure timely payments to the subcontractors. The Office of Business Opportunity will continue to monitor the contract for compliance with the DBE Program.

Fiscal Note:

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

Director's Signature:

DocuSigned by:

Jim Szczesniak

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Jim Szczesniak

Houston Airport System

Prior Council Action:

12/06/2023 (O) 2023-1053

08/14/2019 (O) 2019-617

11/13/2019 (O) 2019-887

DS
GH

11/13/2019 (U) 2019-001

Amount and Source of Funding:

\$950,000.00

Airports Improvement Fund

Fund 8011

Contact Information:

Todd Curry 281-233-1896

Clint Stephen 281-233-1382

Gary High 281-233-1987

ATTACHMENTS:

Description

SAP Document

Ownership Information Form

OBO Documentation

Previous RCAs

Previous Ordinances

Type

Financial Information

Backup Material

Backup Material

Backup Material

Backup Material