



CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 1/3/2018

District B

Item Creation Date: 8/23/2017

HAS - Amendment No. 1 to Design-Build Contract with Pepper Lawson Waterworks, LLC
for PMO Building at IAH

Agenda Item#: 9.

Summary:

Background:

RECOMMENDATION:

Enact an Ordinance to approve Amendment No. 1 to the Design-Build Contract with Pepper Lawson Waterworks, LLC to accept the Guaranteed Maximum Price and appropriate the necessary funds to finance the cost of this project. Project No. 821 (WBS: A-000800-0021-4-01-01; Contract No. 4600014119)

SPECIFIC EXPLANATION:

On November 16, 2016, City Council approved a Design-Build Contract with Pepper Lawson Waterworks, LLC (Pepper Lawson) for a Program Management Office (PMO) Building at George Bush Intercontinental Airport/Houston (IAH) in support of the IAH Terminal Redevelopment Program (ITRP). The initial appropriation was for pre-construction phase services, including pre-design, design development, preparation of construction documents, and design services during construction. In addition, funds were appropriated for enabling works.

It is now requested that City Council approve Amendment No. 1 to accept the Guaranteed Maximum Price (GMP) of \$16,308,755.00 and provide funding for construction phase services of the PMO Building. The GMP amount includes funds that were appropriated in the prior Council action. The construction phase services scope of work will consist of all labor, materials, and equipment necessary and reasonable to complete the entire contemplated scope of work in accordance with City requirements and the terms of the Contract. The scope of work includes permitting, Civil, Architectural Finishes, Structural, MEP, IT, Furnishings, testing, commissioning, systems integration and activation, regulatory requirements, project closeout, and all necessary general conditions. The project is expected to be completed in December 2018 and operational in January 2019.

In accordance with Section 8.2.5 of the Contract, this Action authorizes the Director to implement performance incentives in the form of a sharing of the final project completion savings within the GMP, with 30 percent reverting to the City and 70 percent to the Design-Build Contractor.

Upon completion, the one-story PMO Building will be 50,900 square feet and will accommodate approximately 224 personnel. The

PMO Building will be utilized by Houston Airport System (HAS) staff, key stakeholder representatives, Program Management Team (PMT), and Designers' and Contractors' management teams during the multi-year project. The ITRP PMT and Designers and Contractors are currently housed in temporary leased space until the PMO Building is completed. Moreover, upon completion of ITRP, the new building will provide permanent office space for HAS personnel who currently work in portable buildings.

The PMO building provides office, meeting, and conferencing spaces, including a multi-use room for community/industry outreach and training activities. The PMO Building is to be situated on a former warehouse site, located North East of the intersection of Lee Road and Standifer Road, directly East of IAH Airport.

An analysis conducted on the use of temporary facilities versus the permanent PMO Building concluded that the permanent PMO Building was the most cost effective, long-term beneficial solution for HAS.

A portion of the spending under this contract may be eligible for reimbursement under either the Federal Aviation Administration (FAA) Airport Improvement Program (AIP) grants or Passenger Facility Charge (PFC) program.

Engineering Testing Services Contract: Engineering testing services will be provided by Geotech Engineering, Inc. under Contract No. 4600012369.

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Project Costs: The total amount to be appropriated for Amendment No. 1 is as follows:

\$ 13,108,755.00	Construction Costs
\$ 393,263.00	Contingency (3%)
\$ 201,900.00	Engineering Testing Services (2%)
\$ 229,403.00	Civic Art (1.75%)
\$ 13,933,321.00	Total Appropriation

Pay or Play: The proposed contract requires compliance with the City's "Pay or Play" ordinance regarding health benefits for Employees of City contractors. In this case, the contractor and/or its sub-contractors provide benefits for some employees but will pay into the Contractor Responsibility Fund for others in compliance with City policy.

M/WBE Participation: PepperLawson has achieved 53.44% participation toward the 30% Minority/Women Business Enterprise (M/WBE) goal for the Pre-Construction Phase of this project. The M/WBE goal for Phase 2 – Construction Services portion of this contract is 28% (20% MBE and 8% WBE). PepperLawson proposes to exceed the 28% goal and achieve 32.68% participation for Phase 2 through the services performed by the following firms:

Certified Firm	Type of Work	%	\$
MBE: 23.2%			\$3,041,231.16
J. Simmons Group	Earthwork	2.91%	\$381,464.77
Gonzales Commercial Electric	Electrical	8.20%	\$1,074,917.91
W.A. Robbins Construction	Structural Concrete	2.52%	\$330,340.63
Washington and Sons	HVAC	6.16%	\$807,499.31
Bamex Painting, Inc.	Paint	0.62%	\$81,274.28
TAG Electric Company, L.P.	Electrical (TPMO)	0.73%	\$95,693.91
J.A.G.R. Construction	Drywall (TPMO)	0.14%	\$18,352.26
Preferred Technologies, Inc.	Electrical Safety/Security	0.44%	\$57,678.52
Preferred Technologies, Inc.	Elec Safety/Security (TPMO)	0.11%	\$14,419.63
Preston Banks Construction Co, LLC	General Conditions/Proj Mgmt	1.37%	\$179,589.94
SBE: 5.11%			\$669,857.38
Texas Lone Star Pavement Svcs, Inc.	Pavement Marking	0.11%	\$14,419.63
BMF Solutions	Fire Sprinkler	1.44%	\$188,766.07
SWG, LLC, DBA Southwest Glass of Houston	Glass and Glazing	3.09%	\$405,060.53
JL Hardware Supply, LLC	Doors and Hardware	0.47%	\$61,611.15
WBE: 4.37%			\$572,852.59
Hou-Scape, Inc.	Landscape	0.99%	\$129,776.67
SDC Builds, Inc.	Concrete Paving	3.38%	\$443,075.92

The Houston Airport System's Office of Business Opportunity has reviewed and approved this Minority Participation Plan and will continue to work with the Prime for the duration of this Contract.

Fiscal Note:

This contract amendment is being executed for the GMP for Phase II, construction, of the PMO project. There is no impact to the FY18 Adopted Operating Budget. An estimate of the annual operating expense impact of the completed project is provided below.

CIP Fiscal Note:

See attached Form A.

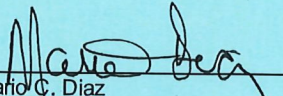
Estimated Fiscal Operating Impact

Project	FY18	FY19	FY20	FY21	FY22
Program Management Office	\$ -	\$ 158,000	\$ 357,000	\$ 365,000	\$ 376,000
Total	\$ -	\$ 158,000	\$ 357,000	\$ 365,000	\$ 376,000

Estimated date of beneficial occupancy (DBO) January 2019

Director's Signature:

Additional Approval:


Mario C. Diaz
Houston Airport System

Andy Icken
Chief Development Officer

Prior Council Action:

11/16/2016 (O) 2016-896

Amount of Funding:

\$13,703,918.00 HAS-ITRP AMT Construction Fund (8207)
~~\$ 229,403.00~~ HAS Aprt Improvement (8011)
\$13,933,321.00 TOTAL

Contact Information:

Todd Curry 281/233-1896
Robert Barker 281/233-1953

2016

ATTACHMENTS:

Description	Type
HAS - Contract with Pepper Lawson - PMO Building at IAH - Previous RCA	Backup Material
Previous Ordinance (File 1 of 2)	Backup Material
Previous Ordinance (File 2 of 2)	Backup Material
HAS - Contract with Pepper Lawson - PMO Building at IAH - Fair Campaign Form A	Backup Material
HAS - Contract with Pepper Lawson - PMO Building at IAH - Fair Campaign Form B	Backup Material
HAS - Contract with Pepper Lawson - PMO Building at IAH - Delinquent Tax Report	Backup Material
HAS - Contract with Pepper Lawson - PMO Building at IAH - Affidavit of Ownership	Backup Material
HAS - Contract with Pepper Lawson - PMO Building at IAH - Pay or Play	Backup Material
HAS - Contract with Pepper Lawson - PMO Building at IAH - Conflict of Interest Questionnaire	Backup Material
HAS - Contract with Pepper Lawson - PMO Building at IAH - Secretary of State	Backup Material
HAS - Contract with Pepper Lawson - PMO Building at IAH - Comptroller Documentation	Backup Material
HAS - Contract with Pepper Lawson - PMO Building at IAH - Form 1295	Backup Material
HAS - Contract with Pepper Lawson - PMO Building at IAH - Insurance	Backup Material
HAS - Contract with Pepper Lawson - PMO Building at IAH - Bonds	Backup Material
HAS - Contract with Pepper Lawson - PMO Building at IAH - CGMP	Backup Material