



Recommendation for Action

File #: 23-3325, **Agenda Item #:** 49.

11/30/2023

Posting Language

Approve a resolution finding the use of the construction manager at risk method of contracting, as authorized by Subchapter F, Chapter 2269 of the Texas Government Code, is the project delivery method that provides the best value to the City for the utility infrastructure project as part of the Airport Expansion and Development Program.

(Note: MBE/WBE goals will be established prior to issuance of this solicitation).

Lead Department

Financial Services Department.

Managing Department

Financial Services Department.

Fiscal Note

A Recommendation for Council Action with the not to exceed contract amount for each resultant contract will be presented to Council once the construction manager at risk selection has been completed.

Purchasing Language:

This request is for Council to authorize the use of the construction manager at risk method; therefore, no solicitation has yet been initiated.

For More Information:

Direct questions regarding this Recommendation for Council Action to the Financial Services Department - Central Procurement at: FSDCentralProcurementRCAs@austintexas.gov or 512-974-2500.

Additional Backup Information:

State Statute governs construction procurement for municipalities. The standard method of contracting used for construction services is competitive bidding where the contract is awarded to the lowest responsible bidder. Texas Government Code Chapter 2269 allows for methodologies alternate to the low bidding method which may provide the best value to the municipality. These alternate methodologies include competitive sealed proposals, construction-manager-at-risk (CMAR), design-build, and job order contracting. Texas Local Government Code Section 252.022(d) allows the City to adopt and use an alternative method such as design-build under Chapter 2269 of the Texas Government Code if such a method provides a better value for the City.

The CMAR method is a project delivery method where the City will contract with an architect/engineer to perform design services and separately contract with a CMAR to perform preconstruction and construction phase services. The role of the CMAR goes beyond performing general contractor services. The CMAR is under contract early in the design process to perform key preconstruction phase services such as collaborating with the City and the design team on scope and constructability and to optimize the design and control costs and budgets, and to provide quality assurance and quality control. After design, and before the CMAR begins construction, the City will negotiate and execute a Guaranteed Maximum Price for the remainder of the work,

including actual construction.

A CMAR firm will be selected by a City-staffed evaluation panel that will evaluate and score proposals based on published evaluation criteria to determine the highest ranked proposer. As set forth in Government Code 2269, the City of Austin will select a CMAR firm that will provide the “best value” to the City for preconstruction and construction services for the Project.

The Utility Infrastructure project encompasses the comprehensive preliminary engineering, design, construction, coordination, and integration of critical airport utility systems. This includes domestic water supply, reclaimed water distribution, sanitary sewer infrastructure, storm drainage systems, natural gas supply, jet fuel facilities, hydronic systems, electrical systems, airfield lighting infrastructure, communication systems, and their seamless connection to airport facilities. This connection will be to existing and new airport facilities including the new Central Utility Plant and Concourse B at Austin-Bergstrom International Airport.

The complexity of the project requires experienced design and construction teams specialized in the design and construction of utilities, civil infrastructure, electrical distribution, and building systems specific to an airport campus. The CMAR approach allows for staff and other airport project teams’ collaboration to determine the capacity and ultimate location on a system-wide scale, coordination of utility connections and relocations with utility providers and to establish new or expanded utility corridors as required on an already constrained airfield.

Additionally, the CMAR approach provides the opportunity to optimize the project schedule, addressing key milestones for design, and construction to bringing each system online when needed to achieve timely program implementation. A CMAR project delivery is the best delivery method supporting the airport’s need to guide design. The CMAR approach can effectively resolve complex phasing of design and construction in an active airport and simultaneous construction events at multiple locations on the airport campus.

A delay in authorization of the methodology will result in a delay in the issuance of the solicitation and construction improvements needed to expand utilities to for development of Concourse B and other planned facilities of the Airport Expansion and Development Program. The estimated construction budget for this work is \$312,000,000 and it is anticipated that construction will begin Fall of 2024.

The CMAR solicitation and evaluation process is approximately five months.