

**State of Texas
County of Bexar
City of San Antonio**



**Meeting Minutes
City Council B Session**

Council Briefing Room
City Hall
100 Military Plaza
San Antonio, Texas 78205

2023 – 2025 Council Members

Mayor Ron Nirenberg
Dr. Sukh Kaur, Dist. 1 | Jalen McKee-Rodriguez, Dist. 2
Phyllis Viagran, Dist. 3 | Dr. Adriana Rocha Garcia, Dist. 4
Teri Castillo, Dist. 5 | Melissa Cabello Havrda, Dist. 6
Marina Alderete Gavito, Dist. 7 | Manny Pelaez, Dist. 8
John Courage, Dist. 9 | Marc Whyte, Dist. 10

Wednesday, November 29, 2023

2:00 PM

Council Briefing Room

The City Council convened a B Session meeting in the Council Briefing Room beginning at 2:04 PM. City Clerk Debbie Racca-Sittre took the Roll Call noting a quorum with the following Council Members present:

PRESENT: 10 – Nirenberg, McKee-Rodriguez, Viagran, Rocha Garcia, Castillo, Cabello Havrda, Alderete Gavito, Pelaez, Courage, Whyte

ABSENT: 1 - Kaur

ITEMS

1. Briefing on the Terminal Development Program for the San Antonio International Airport and a post-solicitation briefing on the Construction Manager at Risk for the New Terminal Facility for the San Antonio International Airport. [Jeff Coyle, Assistant City Manager; Jesus Saenz, Director, Aviation]

City Manager Erik Walsh introduced the Item by commenting that the San Antonio International Airport (SAIA) was a critical asset for our community. Jesus Saenz, Director of the Aviation Department, provided an overview of the solicitation for Construction Manager at Risk (CMR) for

the new terminal facility. Saenz provided a timeline for the project which would culminate in the opening of the new terminal in the second quarter of 2028. He announced that two more airlines were added to the list of signature airlines and that five or more destination flights departed regularly out of SAIA.

Saenz highlighted the growth of SAIA since the COVID Pandemic noting that this year's Thanksgiving travel was record-breaking for a holiday, while the last five months have all broken seat capacity performance records. Saenz provided a map of the SAIA nonstop destinations which included new service to Burbank California, Philadelphia Pennsylvania, Frankfurt Germany, Torreon and Queretaro Mexico. Saenz contributed the growth to passengers choosing San Antonio as a destination as well as the City team's planning efforts which included new gates and the addition of the ground load facility. He expected growth to continue as a result of more new gates being planned in Terminal A and the 2028 new terminal facility.

According to Saenz, the new terminal facility would include a 17-gate concourse and associated aircraft apron with new Federal inspection services (customs), expand elevated roadway, enhance the central utility plant, provide a multi-story ground transportation center including additional parking, north ramp overnight aircraft parking and utility improvements.

The CMR method was selected in October 2023 because the contractor worked with the Master Architect to maintain cost and schedule efficiencies and improve the projects constructability and biddability, according to Saenz. He noted that with the CMR method, the City would control the design and ensure significant opportunity for local contractors. Saenz added that because the project was eligible for Federal Aviation Administration (FAA) grant funding, the contract would utilize the Federal Disadvantaged Business Enterprise (DBE) program rather than the City's Small Business Economic Development Advocacy Program.

Deputy City Manager Maria Villagomez introduced the members of the evaluation panelists, described the two-step evaluation process which included written responses to a Request for Qualifications (RFQ) by three firms and once determined qualified the three firms provided a proposal and were interviewed and outlined the procurement timeline. Evaluation panelist Retired United States Air Force General Ed Rice, testified that the process was thorough, fair and resulted in selection of the best firm for the project. Deputy City Manager Villagomez reported that upon completion of the two-step evaluation process staff recommended the Hensel Phelps Construction Company and shared a video about the company.

Saenz stated that Hensel Phelps was the largest construction company in the country with over \$20 billion in experience at active airports that built airports worldwide and had a proven track record for working with local small businesses and a successful mentor-protégé program. Saenz provided a breakdown of the total costs of the \$1.4 billion terminal development program and concluded the presentation by mentioning that the \$1 billion CMR contract was expected to be considered by City Council at the December 12, 2023 A Session.

DISCUSSION:

Mayor Nirenberg opened the discussion by offering his support of the CMR delivery method and

selection process/CMR selection which was a significant milestone for the project. Mayor Nirenberg recognized John Dixon, Chair of the Air Service Delivery Committee (ASDC), who was in the audience and had served on the evaluation panel and thanked the Aviation Team for their work in expanding air service and developing this project.

Councilmember Cabello Havrda congratulated the team for their work and recognized the selection of the CMR as a significant milestone in the project. Councilmember Cabello Havrda asked Saenz if there were contingencies for delays and unforeseen issues. Saenz stated that there was a 10% contingency held within the total project budget but presently, the project was on schedule and on budget.

Councilmember Rocha Garcia asked how much of the \$1 billion would be awarded at once would all projects open at once, and was more money expected to be spent. Saenz stated that the contract would be for \$1 billion but the spending plan was spread out over the life of the project. Assistant City Manager Jeff Coyle confirmed that all components of the \$1.4 billion project would be completed by the 2028 deadline. Assistant Aviation Director, Tim O’Krongly, clarified the scope of each of the vendors on the project and the budget for each that totaled the \$1.4 billion. Councilmember Rocha Garcia thanked Dixon and Rice for their work.

Councilmember Alderete Gavito expressed concern that the CMR might need to learn how to handle such a project but was pleased that Hensel Phelps had extensive experience with airport projects. Councilmember Alderete Gavito thanked the ASDC for their work.

Councilmember Castillo thanked the staff and the evaluation panel for their work and noted that Hensel Phelps’ video had highlighted their record of safety and recommended that they hire local workers for the project and comply with the local protections against heat illness. She asked if the evaluation panel considered each firm’s safety record. Saenz confirmed that the City Attorney’s Office had assisted in ensuring compliance.

Councilmember Courage thanked the team for their work and recommendation. He requested clarification on the project management work provided by Freese & Nichols Engineering. Saenz stated that the executive program manager would assist the City in managing the project from the City’s perspective as an owner and represented the City’s interests, Freese & Nichols would inspect the work, and the Master Architect would design the project.

Councilmember Courage requested a forecast of the rest of the work planned for SAIA in addition to the new terminal. About \$2 billion in roadway, landside, parking, and airfield improvements were separate projects anticipated to be completed along with the new terminal and were not included in the \$1.4 billion, according to Saenz. Saenz also clarified that the 10% contingency funding and 30% escalation were included within the \$1 billion contract. Segovia noted that the airlines had agreed to the \$1 billion price tag and additional approvals would be required to go over the budget.

Councilmembers Courage and Whyte requested a briefing to their neighborhoods.

Councilmember Whyte noted that Hensel Phelps scored higher in their detailed proposed work

plan and approach. Deputy City Manager Villagomez stated that Hensel Phelps provided a good response as to how they would handle parking, ensure customers were satisfied and the operations of the airport would not be compromised. Saenz added that local participation of subcontractors and suppliers, particularly with long-lead time suppliers, the Guaranteed Maximum Price Plan was very comprehensive, as well as an accelerated project timeline. Deputy City Manager Villagomez stated that Hensel Phelps used innovative technology tools.

Councilmember Pelaez noted that the teams on the project were headquartered in other cities and states and suggested that local companies needed to have an opportunity to lead such a large project to help build local capacity, therefore, he did not support the recommendation. Deputy City Manager Villagomez mentioned that there were 20 different bid packages within the \$1 billion contract that could be performed by local firms. Councilmember Pelaez clarified that the lead firm needed to be local, not merely the subcontractors.

Councilmember Viagran noted that she had requested application of local preference points on the procurement, but it was not legally allowed. She congratulated Hensel Phelps on their proposal and noted that the Aviation Team hosted an event in Council District 3 that provided local vendors with information on the opportunities that were coming for those local contractors to have a part in building the new terminal and other airport projects. Saenz stated that the Terminal Development Program would create 6,000 local jobs and he committed to provide outreach to vendors in all council districts. He noted that each bid package would have a DBE goal. Councilmember Viagran asserted that more local vendors should be educated on how to get certified as a DBE.

Mayor Nirenberg commented that every major capital project in the City was a jobs program and he expected partnerships with local contractors to hire local workers; which produced a significant economic impact while building a world class airport facility.

EXECUTIVE SESSION

Mayor Nirenberg recessed the meeting into Executive Session at 3:21 p.m. to discuss the following:

- A. Economic development negotiations pursuant to Texas Government Code Section 551.087 (economic development).
- B. The purchase, exchange, lease or value of real property pursuant to Texas Government Code Section 551.072 (real property).
- C. Legal issues related to litigation involving the City pursuant to Texas Government Code Section 551.071 (consultation with attorney).
- D. Legal issues relating to emergency preparedness pursuant to Texas Government Code Section 551.071 (consultation with attorney).

Mayor Nirenberg reconvened the meeting in Open Session at 3:55 p.m. and announced that no official action had been taken in Executive Session.

ADJOURNMENT

There being no further business, the meeting was adjourned at 3:55 p.m.

Approved

**Ron Nirenberg
Mayor**

**Debbie Racca-Sittre
City Clerk**

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