



City of San Antonio

Agenda Memorandum

File Number:

Agenda Item Number: 13

Agenda Date: December 12, 2023

In Control: City Council A Session

DEPARTMENT: Aviation Department

DEPARTMENT HEAD: Jesus H. Saenz Jr.

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Amendment to the Program Management/Construction Management Services Agreement for the Terminal Development Program at the San Antonio International Airport

SUMMARY:

This ordinance approves the amendment to the professional services agreement with Freese and Nichols, Inc. for the Program Management/Construction Management (PM/CM) Services for the Terminal Development Program (TDP) for the San Antonio International Airport in an amount not to exceed \$23,000,000 over the duration of the program for a new contract value not to exceed \$55,000,000. Freese and Nichols, Inc. will provide program delivery and program management oversight throughout the life of the program. Funding for FY 2024 in the amount of \$10 Million is available from Interim Airport Financing and included in the FY 2024 to FY 2029 Capital Improvement Program. Funding for future years is contingent upon City Council approval of the annual budget and payment is limited to the amounts budgeted in the Capital Improvement Program.

The City will seek reimbursement for eligible project costs through the submittal of Federal Aviation Administration grant applications in future fiscal years.

BACKGROUND INFORMATION:

On May 18, 2022, the Aviation Department presented to City Council its initial schedule and plan for the design and construction of the New Terminal Facility and its enabling projects. As part of the B Session briefing, the Aviation Department provided pre-solicitation briefings to City Council for high-profile solicitations to support the delivery of the Terminal Development Program which included the PM/CM services contract. On November 2, 2022, the Aviation Department presented the selection of Freese and Nichols as part of the post-solicitation high profile briefing, which was approved by City Council on December 15, 2022 through Ordinance 2022-12-15-0955 in the amount not to exceed \$32 million.

Since awarded the contract, Freese and Nichols has coordinated with the Executive Program Manager and the City to set up the foundational framework needed to develop the TDP to allow the City to make the best decisions on how to deliver the program, including the project delivery method for the construction of the new terminal facility. Lastly, Freese and Nichols is providing project and construction management oversight and additional services that will be carried out throughout the duration of the program.

ISSUE:

This ordinance approves the amendment to the professional services agreement with Freese and Nichols, Inc. for the PM/CM Services for the TDP for the San Antonio International Airport in an amount not to exceed \$23,000,000 over the duration of the program for a new contract value not to exceed \$55,000,000. Freese and Nichols, Inc. will provide program delivery and program management oversight throughout the life of the program. Funding will be provided from the Terminal Development Fund. Payment is limited to the amounts budgeted in the Capital Improvement Program and is contingent upon City Council approval of the annual budget.

Over the past year, the PM/CM consultant has assisted the City and Executive Program Manager in determining the project delivery method for the new terminal facility, including providing technical experts to develop the solicitation and contract documents used for the process. This amendment will authorize the PM/CM to continue their work as the design for the new terminal facility and enabling projects are completed and construction phases begin. This amendment will provide and include project management, construction management, budget and cost management, quality assurance and compliance, risk management and stakeholder engagement, systems implementation, and extension of staff. During the design and construction phases, the PM/CM will perform the following to ensure the project is designed and constructed to the City's requirements:

- Developing, analyzing and monitoring project and program schedules
- Review estimates provided by other consultants and stakeholders to support security grant funding
- Constructability reviews
- Independent design reviews
- Independent cost and/or fee analysis, benefit cost analysis studies
- Benefit cost analysis studies
- Overall construction contract sequency and packaging strategies

- Review for design and airport standards
- Policies and procedures

ALTERNATIVES:

While City Council could choose not to approve amending the agreement, the action would jeopardize the timely delivery of the TDP and potentially impact the receipt of grant funds in future years.

FISCAL IMPACT:

This ordinance approves the amendment to the professional services agreement with Freese and Nichols, Inc. for the PM/CM Services for the TDP for the San Antonio International Airport in an amount not to exceed \$23,000,000 for the duration of the program to a new contract value not to exceed \$55,000,000. Freese and Nichols, Inc. will provide program delivery and program management oversight throughout program completion. Funding for FY 2024 in the amount of \$10 Million is available from Interim Airport Financing and included in the FY 2024 to FY 2029 Capital Improvement Program. Payment is limited to the amounts budgeted in the Capital Improvement Program and is contingent upon City Council approval of the annual budget.

Expenses for this contract may be paid from the Terminal Development Fund and funded through the Terminal Development Project. All expenses for this contract will be in accordance with the appropriations authorized in the Terminal Development Project.

RECOMMENDATION:

Staff recommends the approval of an amendment to the professional services agreement with Freese and Nichols, Inc. for PM/CM Services for the Terminal Development Program for the San Antonio International Airport.