



# City of San Antonio

## Agenda Memorandum

**File Number:**

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**Agenda Item Number:** 13

**Agenda Date:** December 15, 2022

**In Control:** City Council A Session

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**DEPARTMENT:** Aviation Department

**DEPARTMENT HEAD:** Jesus H. Saenz Jr.

**COUNCIL DISTRICTS IMPACTED:** Citywide

**SUBJECT:**

Program Management/Construction Management Services for the Terminal Development Program for the San Antonio International Airport

**SUMMARY:**

Ordinance approving a professional services agreement with Freese and Nichols, Inc. for Program Management/Construction Management Services for the Terminal Development Program for the San Antonio International Airport in an amount not to exceed \$32,000,000.00. Funding is available in the amount of \$3,365,000.00 from Interim Airport Financing, and the remaining funding will come from Interim Airport Financing, Federal Aviation Administration (FAA) grant funds and Airport Improvement and Contingency Funds in future fiscal years, contingent upon City Council approval of the annual budget. The City will seek reimbursement for eligible project costs through the submittal of Federal Aviation Administration grant applications in future fiscal years.

The Program Management/Construction Management (PM/CM) Services will develop a program management and construction management plan for the Terminal Development Program (TDP) throughout the life of the program. Freese and Nichols will assist in the coordination of activities to ensure that the goals and objectives of the City are accomplished within the time frame and funding parameters. The PM/CM will coordinate with the City and Executive Program Manager

to manage activities required for the execution of the program/construction projects throughout the TDP.

## **BACKGROUND INFORMATION:**

On November 18, 2021, City Council approved the Strategic Development Plan for the San Antonio International Airport which identified the need for a new terminal facility to meet the current demand for air travel as well as the forecasted growth of the community. On May 18, 2022, the Aviation Department presented its initial schedule and plan for the design and construction of Terminal C and its enabling projects by the end of the second quarter of 2028. As part of the presentation, Council was briefed on several high-profile solicitations to support the plan, including Program Management/Construction Management Services. Airports utilize PM/CM services to manage complex, large-scale programs such as a new terminal facility. A PM/CM is integrated with the project owner to help organize multiple and concurrent efforts, assess risk, leverage funding options, navigate regulatory requirements, scale available resources appropriately, manage the variety of stakeholders and contractors, and expedite project timelines.

City Council was briefed on this solicitation during the May 18th B Session and approved its release. On July 1, 2022, a Request for Qualifications (RFQ) was released, and seven proposals were received on August 5, 2022 and deemed responsive for moving forward for full proposal evaluation. On August 26, 2022, an evaluation committee comprised of representatives from the City's Manager Office, San Antonio Airport System, Southwest Airlines and the Airport Advisory Commission reviewed the seven proposals and scored them based on the published criteria: experience, background qualifications; project approach/management plan; and Disadvantaged Business Enterprise (DBE). The committee selected two firms for interviews. On September 16, 2022, the evaluation committee interviewed the firms and scored the firms based on the same criteria. Freese and Nichols, Inc. received the most points and was recommended for the agreement.

City Council received a post-solicitation briefing during the B presentation on November 2, 2022.

### **Disadvantaged Business Enterprise (DBE)**

The solicitation was released under the FAA DBE Program; therefore, the DBE Program requirements of Title 49 Code of Federal Regulation Part 26 applies. The DBE goal is set based on relative availability of certified DBE firms in relation to the universe in specific trades in the primary market. The primary market is San Antonio Metropolitan Statistical Area, however, participation is open for all DBE certified firms from anywhere in Texas or the nation. The DBE Liaison Officer from the Aviation Department established a contract specific goal of 12% of the total dollar value of the contract. Freese and Nichols, Inc. committed to exceed the DBE Goal participation. Ten points were applied based on a narrative statement which includes a Business Diversity Plan, efforts to achieve meaningful diversity in its team compilation and historical DBE utilization on previous contracts.

## **ISSUE:**

This ordinance approves a professional services agreement with Freese and Nichols, Inc. for Program Management/Construction Management Services for the Terminal Development Program at the San Antonio International Airport in an amount not to exceed \$32,000,000.00 over the duration of the program. Funding is available in the amount of \$3,365,000.00 from Interim Airport Financing.

The Program Management/Construction Management for the Terminal Development Program (TDP) at the San Antonio International Airport will be responsible for developing a program management and construction management plan for the TDP. Freese and Nichols will coordinate with the Executive Program Manager and the City to successfully complete the Terminal Development Program and the construction of a new Terminal C Facility. The duties of the PM/CM will be in place through the planning, design, construction, and close-out phases of the Terminal Development Program. Tasks include:

- Initiation and Process Analysis
  - On-boarding and Start-up Procedures
  - Organizational Capacity and Readiness
  - Governance and Decision-Making Framework
  - Policies and Procedures
- Program Delivery Framework
  - Project Delivery Methods for the TDP Components
  - Systems and Implementation
- Program Management Oversight
  - Program Management Support
  - Stakeholder Engagement
  - Project Management
  - Development
- Construction Management

The Program Management Support will include developing, analyzing and monitoring project and program schedules at various level of detail as required to provide program-level budget, cost and trend management services. The PM/CM will also review estimates provided by other consultants and stakeholders to assist the City in the development of supporting project data for use in securing various types of funding. It will also include providing project management support for enabling projects of the TDP, providing consultant services for services including but not limited to:

- Constructability reviews
- Independent design reviews
- Independent cost and/or fee analysis
- Benefit cost analysis studies
- Overall construction contract sequencing and packaging strategies
- Document control management systems
- Design and airport standards
- Policies and procedures

## **ALTERNATIVES:**

While City Council could choose not to approve awarding the agreement, the action would likely jeopardize the delivery of the Terminal Development Program and potentially impact the receipt

of grant funds in future years. This solicitation process followed local, state and federal procurement policies and procedures.

**FISCAL IMPACT:**

This ordinance approves a professional services agreement with Freese and Nichols, Inc. for Program Management/Construction Management Services for the Terminal Development Program at the San Antonio International Airport in an amount not to exceed \$32,000,000.00 over the duration of the program. Funding is available in the amount of \$3,365,000.00 from Interim Airport Financing. Funding for future years is available from Airport Interim Financing, future FAA grant funds, and Airport Improvement and Contingency Funds, contingent upon City Council approval of the annual budget. The City will seek reimbursement for eligible project costs through the submittal of Federal Aviation Administration grant funds in future fiscal years.

**RECOMMENDATION:**

Staff recommends approval of a professional services agreement with Freese and Nichols, Inc. for Program Management/Construction Management Services for the Terminal Development Program for the San Antonio International Airport.