



City of San Antonio

Agenda Memorandum

File Number:

Agenda Item Number: 25

Agenda Date: May 18, 2023

In Control: City Council A Session

DEPARTMENT: Aviation Department

DEPARTMENT HEAD: Jesus H. Saenz Jr.

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Award of a Design-Build Contract for the Terminal A Ground Loading Facility project at the San Antonio International Airport

SUMMARY:

This ordinance authorizes the City Manager or designee to negotiate and execute a Design-Build services contract with Hensel Phelps Construction Co. in a not-to-exceed amount of \$61,700,000 for the new Terminal A Ground Loading Facility (TAGLF) and Relocation of Vehicle Gate 20 project which accepts the additive alternate for Phase 1 of the Remain Overnight Parking project. This ordinance also authorizes the use of funds not to exceed \$9,600,000 for contingency and other work such as material testing, inspections, environmental remediation, and construction administration which will be performed by on-call consultants. Funding in the amount of \$911,000 is available from the Airport Improvement & Contingency Fund, \$949,000 is available from Unissued Interim Financing, and \$1,612,000 is available from the Passenger Facility Charge Fund and is included in the FY 2023 to FY 2028 Capital Improvement program. This action will also accept and appropriate funding from a grant award in the amount of \$20,000,000 from the Bipartisan Infrastructure Law (BIL) Airport Terminals Program; appropriate Passenger Facility Charge revenues in the amount of \$31,032,920; appropriate \$15,126,857 in Unissued Interim Financing; and appropriate \$1,668,223 from the Airport Improvement & Contingency Fund. This action will amend the FY 2023 – 2028 Capital Improvement Program.

Through this contract, a new ground load facility gate off the south concourse of Terminal A will be designed and constructed for both domestic and international carriers. The new facility will connect to the Federal Inspection Station (Customs) to allow for arrivals from international locations. This contract will also include projects for the relocation of Vehicle Gate 20 and provide additional aircraft parking for the TAGLF in advance of the new terminal.

BACKGROUND INFORMATION:

The San Antonio International Airport requires additional gate capacity and airline parking capacity to support domestic and international air service while the new terminal completes its design and construction, anticipated at the end of the March 2028. On May 5, 2022, City Council approved the amendment of the FY 2022 Capital Budget to create the Terminal A Ground Loading Facility project and initiate design work on the project. City Council was briefed on this pre-solicitation for the Terminal A Ground Load Facility and Relocation of Vehicle Gate 20 project during the May 18, 2022 B Session, and briefed on this post-solicitation during the May 11, 2023 B Session.

Procurement of Services:

A Request for Qualifications was released on December 21, 2022 in the San Antonio Hart Beat, the City's website, the Texas Electronic State Business Daily, on TVSA, and through the online bidding website CivCast. Responses were due on February 15, 2023 and five submittals were received. One respondent was deemed non-responsive for not meeting Disadvantaged Business Enterprise (DBE) requirements. A selection committee consisting of representatives from the City Manager's Office, Aviation Department, Information Technology Services Department, and an Outside Representative evaluated and ranked the four responsive submissions and scored the submittals on March 7, 2023. Scoring was based on the published evaluation criteria for Phase I which included Experience, Background, Qualifications of Design Build Firm, Key Personnel, and Key Sub-Consultants; Project Approach/Management Plan; and the Disadvantaged Business Enterprise Program.

The two highest ranked firms were shortlisted and interviewed on April 11, 2023. Scoring for Phase II was based on the published criteria which included, Proposed Design Methodology; Proposed Construction Methodology; Design-Build Team's demonstrated history of successful collaboration; Overall Evaluation of Firm/Team and its Ability to Provide the Required Services; Proposed Fees for General Conditions/Overhead and Profit; and the Disadvantaged Business Enterprise Program. Hensel Phelps Construction Co. (Hensel Phelps) received the highest score.

Due to the utilization of federal dollars, 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 13% of the total dollar value of the contract. Hensel Phelps is committed to this goal.

Hensel Phelps has completed other Design-Build services projects at airports including the Main Terminal Curbside Expansion Program at Tampa International Airport, Concourse D and Airport Wings at Nashville International Airport, Harvey Milk Terminal 1 at San Francisco International Airport and Terminal Area Improvement Program at San Jose International Airport.

Federal Grant Award

In February 2023, the FAA announced its award of \$20 million for the project as part of the FAA ATP grant program, approved under the BIL. Under the ATP, medium hub airports compete for \$145.5 million in grant funding each year for five years. City Council had been briefed on the program and the submittal of the Terminal A Ground Load Facility project during the November 2, 2022 and September 28, 2022 B Sessions as well as during an Intergovernmental Relations Committee meeting on October 17, 2022.

ISSUE:

This ordinance authorizes the City Manager or designee to negotiate and execute a Design-Build services contract with Hensel Phelps Construction Co. in a not-to-exceed amount of \$61,700,000 for the new Terminal A Ground Loading Facility and Relocation of Vehicle Gate 20 project which accepts the additive alternate for Phase 1 of the Remain Overnight Parking project. This ordinance also authorizes the use of funds not to exceed \$9,600,000 for contingency and other work such as material testing, inspections, environmental remediation, and construction administration which will be performed by on-call consultants. Funding in the amount of \$911,000 is available from the Airport Improvement & Contingency Fund, \$949,000 is available from Unissued Interim Financing, and \$1,612,000 is available from the Passenger Facility Charge Fund and is included in the FY 2023 to FY 2028 Capital Improvement program. This action will also accept and appropriate funding from a grant award in the amount of \$20,000,000 from the Bipartisan Infrastructure Law (BIL) Airport Terminals Program; appropriate Passenger Facility Charge revenues in the amount of \$31,032,920; appropriate \$15,126,857 in Unissued Interim Financing; and appropriate \$1,668,223 from the Airport Improvement & Contingency Fund. This action will amend the FY 2023 – 2028 Capital Improvement Program.

The projects will design and construct a new ground load facility on the southern end of Terminal A. The projects will have three ground-loaded gates with the expansion capability to five gates as well as concession space, integration to the Federal Inspection Station (Customs), restrooms and apron work and striping for the gates. As the new facility will block the current location of Vehicle Gate 20, which allows vehicles access to the airfield, the projects will relocate the vehicle gate. The projects also includes phase 1 of the Remain Overnight Parking project identified in the Strategic Plan and supported in the Terminal Development Plan to provide additional aircraft parking at the San Antonio International Airport.

ALTERNATIVES:

While City Council could choose not to approve awarding the agreement, the action would likely jeopardize the delivery of the Terminal A Ground Loading Facility and increasing air service

capacity, especially for international air carriers, 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 authorizes the City Manager or designee to negotiate and execute a Design-Build services contract with Hensel Phelps Construction Co. in a not-to-exceed amount of \$61,700,000 for the new Terminal A Ground Loading Facility and Relocation of Vehicle Gate 20 project which accepts the additive alternate for Phase 1 of the Remain Overnight Parking project. This ordinance also authorizes the use of funds not to exceed \$9,600,000 for contingency and other work such as material testing, inspections, environmental remediation, and construction administration which will be performed by on-call consultants. Funding in the amount of \$911,000 is available from the Airport Improvement & Contingency Fund, \$949,000 is available from Unissued Interim Financing, and \$1,612,000 is available from the Passenger Facility Charge Fund and is included in the FY 2023 to FY 2028 Capital Improvement program. This action will also accept and appropriate funding from a grant award in the amount of \$20,000,000 from the Bipartisan Infrastructure Law (BIL) Airport Terminals Program; appropriate Passenger Facility Charge revenues in the amount of \$31,032,920; appropriate \$15,126,857 in Unissued Interim Financing; and appropriate \$1,668,223 from the Airport Improvement & Contingency Fund. This action will amend the FY 2023 – 2028 Capital Improvement Program.

RECOMMENDATION:

Staff recommends authorizing the City Manager or designee to negotiate and execute a Design-Build services contract with Hensel Phelps Construction Co. for the Terminal A Ground Loading Facility and Vehicle Gate 20 Relocation projects at the San Antonio International Airport.