

**FINANCE COMMITTEE
AGENDA**

DATE: MARCH 19, 2017

DAY: SUNDAY

TIME: 9:45 A.M.

PLACE: CABINET ROOM, ORLANDO CITY HALL, 400 SOUTH ORANGE AVENUE

For individuals who conduct lobbying activities with Aviation Authority employees or Board members, registration with the Aviation Authority is required each year prior to conducting any lobbying activities. A statement of expenditures incurred in connection with those lobbying instances should also be filed prior to April 1 of each year for the preceding year. As of January 16, 2013, lobbying any Aviation Authority Staff who are members of any committee responsible for ranking Proposals, Letters of Interest, Statements of Qualifications or Bids and thereafter forwarding those recommendations to the Board and/or Board Members is prohibited from the time that a Request for Proposals, Request for Letters of Interests, Request for Qualifications or Request for Bids is released to the time that the Board makes an award. As adopted by the Board on September 19, 2012, lobbyists are now required to sign-in at the Aviation Authority offices prior to any meetings with Staff or Board members. In the event a lobbyist meets with or otherwise communicates with Staff or a Board member at a location other than the Aviation Authority offices, the lobbyist shall file a Notice of Lobbying (Form 4) detailing each instance of lobbying to the Aviation Authority within 7 calendar days of such lobbying. As of January 16, 2013, Lobbyists will also provide a notice to the Aviation Authority when meeting with the Mayor of the City of Orlando or the Mayor of Orange County at their offices. The policy, forms, and instructions are available in the Aviation Authority's offices and the web site. Please contact the Director of Board Services with questions at (407) 825-2032.

I. CALL TO ORDER.

II. ROLL CALL.

III. NEW BUSINESS:

- A. Recommendation to Approve South Terminal Complex Phase 1 Construction Manager at Risk (CM@R) Contract

Access to Cabinet Room

Park in the garage

Take elevator to 1st floor of the parking garage

Exit the parking garage and walk across the street

Once you cross the street, take a left on the sidewalk and go around the building to the front of City Hall. Check in with the security guards.



GREATER ORLANDO AVIATION AUTHORITY

Orlando International Airport
One Jeff Fuqua Boulevard
Orlando, Florida 32827-4399

MEMORANDUM

TO: Members of the Finance Committee
FROM: Phillip N. Brown, Executive Director
DATE: March 19, 2017

ITEM DESCRIPTION

Recommendation to Approve South Terminal Complex Phase 1 Agreement for Construction Management at Risk (CM@R)

BACKGROUND

On May 20, 2015, the Aviation Authority Board authorized the design of a 16 to 24 gate South Terminal at the Orlando International Airport. The Board further authorized staff to proceed immediately with the procurement of professional and construction management firms through release of appropriate Requests for Proposals (RFPs) and Requests for Qualifications (RFQs) related to the design of the first phase of the South Terminal, aka, South Terminal C, Phase 1.

The South Terminal C, Phase 1, Program provides for a world-class domestic and international airport terminal building, consisting of a new airside terminal with 16 airline gates and a landside terminal with both secure and non-secure areas, and may include, but is not limited to: all associated improvements and infrastructure required or related thereto, such as sitework, roadways, aprons, runways, taxiways, other airfield work, utilities, landscaping, lighting, walkways, pedestrian bridges, expansion of the parking garage, a new and/or expanded chiller plant, aircraft loading bridges, and all interior design, such as concessions planning, ticketing, and security improvements, and baggage handling systems. The Program may include expansion of existing facilities and structures in the South Airport Automated People Mover (APM) Complex Program and the Intermodal Terminal Facility (ITF) Program and will require interfacing and integration with both of these programs and other ground infrastructure, transportation facilities, and improvements.

On May 21, 2015, Requests for Proposals (RFPs)/Requests for Qualifications (RFQs) were publicly advertised for, among other services, Construction Manager at Risk Services for the Landside and Airside Terminals.

The Aviation Authority intended to select one or more Construction Management at Risk (CM@R) entities for the project. The selected firms are required to coordinate closely with each other, as well as with the Aviation Authority's General Consultants, Legal Counsel, Technology and Multi-Media Systems Specialty Engineer, Prime Architectural Design Consultant, Architect of Record, Major Subconsultants, Program and Project Management Firm(s), International Cultural Consultant, and other Aviation Authority consultants as applicable, including but not limited to the South Airport Terminal C, Phase 1 Airfield CM@R Entity, South Airport APM Complex and ITF Construction Managers, the Design, Build, Operate and Maintain (DBOM) Contractor for the South Airport APM Operating System, and other intermodal system owners as applicable.

The CM@Rs for the South Terminal C, Phase 1, will provide pre-construction, construction, commissioning, and close-out phase services for the project. The pre-construction services may include, but are not limited to: cost studies and estimates; design review, value engineering, analysis of design documents for conflicts and constructability; coordination services; analysis of materials and alternate systems; development and maintenance of the construction schedule; production of detailed

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jobsite management plans; site development services; development of strategies for the procurement of materials, equipment, and trade contracts; development of waste management and other sustainability strategies; permitting; and the development of multiple Guaranteed Maximum Price (GMP) proposals. The construction phase will not begin until the Aviation Authority approves and executes a GMP for each specific scope of work. During the construction phase, each CM@R shall be the single point of responsibility for all work necessary for the completion of its scope of work, within the Authority's budget and schedule. Each CM@R will be responsible for its construction means and methods and will be required to solicit bids from prequalified subcontractors using a selection process coordinated with and approved by the Aviation Authority. Each CM@R must have the ability to self-perform up to 20% of the estimated direct cost of the work, although the CM@R will generally be required to submit competitive bids for self-performed work.

The submission requirements of the RFQ stated that it is preferred that the proposers have completed a minimum of two construction management at risk (or construction management as agent or design-build) projects of a similar nature during the past ten years, at least one of which was an international airport terminal in the United States and at least one of which was an airport terminal project with a construction value of not less than \$300 million.

By November 16, 2015, six firms responded to the Aviation Authority's advertisement for CM@R services for the South Terminal C, Phase 1, (WS112) as follows (in alphabetical order):

- Austin Skanska Joint Venture
- Balfour Beatty Construction, LLC
- Hensel Phelps Construction Co.
- PCL Construction Services, Inc.
- Turner-Kiewit Joint Venture
- Tutor Perini Building Corp.

On December 15, 2015, the Professional Services Committee (PSC) met to consider the six SOQs. The PSC voted to invite all six firms to make a presentation and be interviewed by the PSC.

On December 21, 2015, in accordance with the RFQ, the proposed CM@R agreement for the South Terminal C, Phase 1, was issued to the six shortlisted firms for review. All six firms responded by the deadline of January 20, 2016, with the required statement that each firm would be willing to execute the contract without substantial revision of any terms.

On April 29, 2016, the Professional Services Committee (PSC) met to interview the six proposers and consider their SOQs. The PSC determined that all six SOQs passed the minimum criteria and were responsive and sufficiently acceptable to be scored.

It was the consensus of the PSC that the three Proposers as shown below, through their SOQs, coupled with the Aviation Authority's review and research, significantly demonstrated their qualifications, their approach to the project, their ability to provide the advertised services, their prior experience on similar projects, and their past performance, to support advancing the three Proposers to the price proposal phase. The three Final Shortlisted Proposers are shown below (in alphabetical order).

- Hensel Phelps Construction Co.
- PCL Construction Services, Inc.
- Turner-Kiewit Joint Venture

On May 10, 2016, the PSC met to open the price proposals submitted by the three Final Shortlisted Proposers, as follows:

	Item 1	Item 2	Total
• Turner-Kiewit Joint Venture	4.211%	0.664%	4.875%
• PCL Construction Services, Inc.	5.890%	0.509%	6.399%
• Hensel Phelps Construction Co.	7.731%	0.616%	8.347%

Item 1 includes the CM@R's Fee, Overhead, Profit and All Non-Reimbursable Expenses. Item 2 includes the CM@R's Performance and Payment Bonds, and Item 3 is the total of Items 1 and 2.

On May 18, 2016, the Board approved the ranking of the PSC and authorized the Executive Director to enter into contracts with the two top ranked proposers. Following Board approval, contracts were entered into with Turner-Kiewit Joint Venture and with PCL Construction Services, Inc.

ISSUES

On March 15, 2017, the Board ratified the Executive Director's decision to terminate the CM@R contract with PCL Construction Services, Inc. without cause, and authorized the Executive Director to enter into negotiations with Hensel Phelps Construction Co. as the third ranked proposer. The Board also delegated to the Finance Committee the authority to approve any agreement with Hensel Phelps Construction Co.

Under the supervision of the Executive Director, staff has negotiated with Hensel Phelps Construction Co. and have arrived at a revised price proposal that includes the overhead, profit and all non-reimbursable expense and Hensel Phelps Construction Co.'s performance and payment bonds. Following is a comparison of Hensel Phelps Construction Co.'s original price proposal to the negotiated price proposal:

	Fee	Bond	Total
HPCC	7.731	0.616	8.347
*HPCC	6.031	0.660	6.691

Hensel Phelps Construction, Co. is prepared to execute the Aviation Authority's CM@R contract without any substantives changes and particularly without modifications to any risk allocation provisions.

ALTERNATIVES

The Finance Committee may direct the Executive Director to negotiate with other available companies.

FISCAL IMPACT

The future agreements and addenda will be based on specific tasks of work as assigned and negotiated, and approved in accordance with the Aviation Authority's policies and they will actually determine the financial impact, however, based upon an assumption of a \$900,000,000 total cost of work under this CM@R contract and considering the difference in the price proposals between PCL Construction Services, Inc. and Hensel Phelps Construction Co., the increase is estimated at \$2,628,000.

RECOMMENDED ACTION

It is respectfully requested that the Finance Committee approve a no-cost agreement for Construction Management at Risk, South Airport Terminal C, with Hensel Phelps Construction Co. for the work previously assigned to PCL Construction Services, Inc., which is the Airside Terminal, and may include the airfield/ramp areas and Related Work with a CM@R Fee and Overhead Price in the amount of 6.691% and authorize the Executive Director to execute the contract following satisfactory review by legal counsel.