



# City of San Antonio

## Agenda Memorandum

**File Number:** 19-2666

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**Agenda Item Number:** 12B.

**Agenda Date:** 3/21/2019

**In Control:** City Council A Session

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**DEPARTMENT:** Transportation & Capital Improvements

**DEPARTMENT HEAD:** Razi Hosseini, P.E., R.P.L.S.

**COUNCIL DISTRICTS IMPACTED:** Citywide

### **SUBJECT:**

Contract Amendments: Consolidated Rental Car Facility (ConRAC)

### **SUMMARY:**

Consideration of the following ordinances related to the ConRAC project at the San Antonio International Airport (SAIA):

- A. An ordinance authorizing execution of a project closeout agreement with Turner Construction Company for a \$995,000.00 payment to Turner Construction Company to resolve claims associated with the construction of the ConRAC.
- B. An ordinance authorizing an amendment in the amount of \$995,000.00 to the construction manager at risk contract with Turner Construction Company for a total contract value of \$143,637,316.00.
- C. An ordinance authorizing an amendment in an amount not to exceed \$484,918.00 with TranSystems Corporation's professional service agreement for a total contract value not to exceed \$13,252,261.00 to provide for additional and extended construction administration services required to closeout the ConRAC Project.

### **BACKGROUND INFORMATION:**

In January 2018, City celebrated the grand opening of a 1.8 million square foot facility which provides rent-a-car (RAC) customers a conveniently located facility within walking distance of the terminals to pick up and

return RAC vehicles. The short-term public parking garage is on the first two levels of the facility and the next five levels are designated rental car areas. The ConRAC's close proximity to the Airport eliminates the need for RACs to shuttle passengers to and from offsite RAC locations, enabling significant improvements to traffic flow around the Airport campus. The ConRAC is a modern structure providing travelers with convenience and a first-class experience for those visiting San Antonio and the surrounding area.

Upon completion of the ConRAC, Turner Construction Company submitted claims for additional incurred costs due to extended contract days, general conditions and cost of work overruns. Whereas, the City and Turner Construction Company have agreed to resolve the claims by entering into a negotiated project closeout agreement.

In addition, as a result of Turner Construction Company's extension of construction contract days, TranSystems Corporation provided extended construction administration services for the ConRAC project.

Proposed Council Actions

- A. An ordinance authorizing execution of a project closeout agreement with Turner Construction Company in an amount not to exceed \$995,000.00 to resolve claims associated with the construction of the ConRAC.
  
- B. An ordinance authorizing an amendment to the construction manager at risk contract with Turner Construction Company in the amount of \$995,000.00 for a total contract value of \$143,637,316.00.

**Turner Construction Company**

<b>Item</b>	<b>Amount</b>
Original Contract Value	\$105,000,000.00
Previous Amendments	\$37,642,316.00
<i>Proposed Amendment</i>	\$995,000.00
<b>Revised Contract Value</b>	<b>\$143,637,316.00</b>

- C. An ordinance authorizing an amendment in an amount not to exceed \$484,918.00 to TranSystems Corporation's professional service agreement for a total contract value not to exceed \$13,252,261.00 for additional construction administration services for the ConRAC project.

**TranSystems Corporation**

<b>Item</b>	<b>Amount</b>
Original Contract Value	\$12,000,000.00
Previous Amendments	\$767,343.00
<i>Proposed Amendment</i>	\$484,918.00
<b>Revised Contract Value</b>	<b>\$13,252,261.00</b>

**ISSUE:**

Whereas Turner Construction Company and the City have asserted the right to compensation and payment associated with the ConRAC project which the parties desire to resolve amicably.

Consideration of the following ordinances related to the ConRAC project at the SAIA:

- A. This ordinance authorizes a project closeout agreement in the amount of \$995,000.00 with Turner Construction Company to resolve a claim on the ConRAC made payable to Turner Construction Company from the existing Project budget. This amount represents the final amount due either party under the construction contract.
- B. This ordinance authorizes an amendment in the amount of \$995,000.00 to the construction manager at risk contract with Turner Construction Company for a total contract value of \$143,637,316.
- C. This ordinance authorizes an amendment in an amount not to exceed \$484,918.00 to TranSystems Corporation's professional service agreement to provide for extended construction administration services for the ConRAC project for a total contract value not to exceed \$13,252,261.00.

**ALTERNATIVES:**

City Council could choose not to approve these ordinances; however, Turner Construction Company may escalate the dispute into litigation. It would be in the best interest of the City to settle this matter to avoid the uncertainty and risks associated with litigation. City Council could choose not to approve TranSystems Corporation amendment for additional construction administration services; however, this would adversely affect final close-out of the project and possibly generate a claim against City.

**FISCAL IMPACT:**

- A. Approval of the project closeout agreement will result in a payment to Turner Construction Company in the amount of \$995,000.00 from the existing ConRAC project budget.
- B. Approving the amendment to the construction manager at risk contract with Turner Construction Company will increase the contract value of the construction contract with Turner Construction Company from \$142,642,316.00 to a not to exceed amount of \$143,637,316.00.
- C. This is one-time capital improvement expenditure increasing the value of the professional services agreement with TranSystems Corporation from \$12,767,343.00 to a not to exceed amount of \$13,252,261.00.

**RECOMMENDATION:**

Staff recommends approval of the amendment to the construction at manager at risk contract, and the project closeout agreement with Turner Construction Company, and the amendment to the professional services agreement with TranSystems Corporation for the Consolidated Rental Car Facility project.