



## AGENDA MEMORANDUM

First Reading for the City Council Meeting November 15, 2022  
Second Reading for the City Council Meeting December 6, 2022

**DATE:** November 15, 2022

**TO:** Peter Zaroni, City Manager

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<b><u>Construction Contract Award</u></b> <b>CCIA Rehabilitate Terminal Building</b>
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**CAPTION:**

Ordinance authorizing a construction contract to SpawGlass Contractors, Inc., Corpus Christi, Texas, for CCIA Terminal Rehabilitation in an amount not to exceed \$17,941,349.64; appropriating Airport Grant No. 68 for \$10,708,995 in Fund 3020; appropriating Airport Grant No. 69 for \$1,800,000 in Fund 3020; appropriating \$1,284,625.33 from the unreserved fund balance and transferring to Fund 3018; amending the FY 2023 Operating and Capital Budgets.

**SUMMARY:**

This ordinance appropriates Airport Grant No. 68 in an amount of \$10,708,995.00 and the 10% City match of \$1,189,888.33 for Airport Grants No. 68 and awards a construction contract for CCIA Rehabilitate Terminal Building. It also authorizes the appropriation of Airport Grant No. 69 in the amount of \$1,800,000 from the Federal Aviation Administration (FAA) Bipartisan Infrastructure Law (BIL) Airport Terminals Program (ATP) and programs the associated 5% local match of \$94,737.00. The grant supports the upcoming Terminal Rehabilitation Project which will replace aging facilities, increase terminal capacity, and improve energy efficiency.

This project provides for various multi-floor terminal building improvements including a 2nd floor outdoor patio and Electric Vehicle (EV) charging stations.

**BACKGROUND AND FINDINGS:**

The Corpus Christi International Airport (CCIA) is owned, operated, and maintained by the City of Corpus Christi. The airport opened the current terminal in 2000, which was the last major upgrade

to the terminal building. This project will bring the terminal up to code and new FAA regulations. In Calendar Year 2021, CCIA served 285,195 enplaning passengers which represents a 75.87% increase over CY20 numbers. CCIA is the seventh largest non-hub airport in the country and experiences over 100,000 annual aircraft operations each year.

Airport staff maintains a prioritized list of capital improvement projects that satisfy eligibility requirements for the Federal Aviation Administration (FAA) Airport Improvement Program (AIP) grant funding. The criteria for grant eligible projects are outlined in the FAA's Airport Improvement Program Handbook. To be eligible, proposed projects must demonstrate the advancement of one or more AIP objectives such as airport safety, airport security, airport capacity, meeting FAA standards, preservation of airport infrastructure, environmental protection, noise mitigation, and airport planning. The Terminal Rehabilitation Project satisfies the criteria for the preservation of airport infrastructure funding.

CCIA's terminal was built in the early 2000s and experiences some degree of accelerated depreciation due to the coastal environment. This critical rehabilitation project will replace aging infrastructure throughout the airport and modernize accommodations.

The Terminal Rehabilitation Phase I is currently under construction and is projected to be completed by November 2022. That project involved the removal and replacement of 5 passenger boarding bridges for \$ 4.5 million and was funded 100% by the FAA Coronavirus Aid, Relief, and Economic Security (CARES) Act funding.

The FAA, City, Garver Engineering, and Corgan Architects have coordinated to package Phase II of these projects to maximize grant funds and minimize impacts on airline and airport operations. The rehabilitated infrastructure and the addition of modern accommodations will result in the airport becoming more appealing and enjoyable for both current and future passengers and airlines that serve our traveling community.

On September 1, 2022, City received the FAA Grant No. 68 in the amount of \$10,708,995.00 for CCIA development with the City required to fund 10% as a local match. The award of this Project is contingent upon the execution of all grants by the FAA. The FAA awards AIP grants based on actual bid results, as well as the availability of grant funds.

On July 7, 2022, the President signed the Infrastructure Investment and Jobs Act (Public Law 117-58) of 2021 referred to as the Bipartisan Infrastructure Law (BIL). The BIL includes multiple grant programs for airports to address aging infrastructure, terminal capacity, energy efficiency, and other improvements. One such grant program is the Airport Terminal Program (ATP), which is an annual competitive grant process that will take place each year through 2026. Funds from Grant No. 69 in the amount of \$1,800,000.00 are expected to be combined with Airport Grant 68. This project will include renovations and improvements in all public restrooms, public central waiting areas, terminal roofing and windows, HVAC, cooling towers, energy management systems, generator and switchgear, and other components. The terminal will be modernized with a Service Animal Relief Area (SARA), nursing mothers' room, and an outdoor patio, improving public areas and accessibility for passengers with different needs.

#### **BASE BID SUMMARY:**

- Renovations to 1st and 2nd floor public restrooms in non-secured and secured areas of Terminal Building.
- Renovations of spaces to create a Service Animal Relief Area and Nursing Room in the secured concourse area.

- Re-covering of external roof sections, including comprehensive base flashing replacement, certification of lightning protection, added insulation and appurtenances, and clerestory stucco coating.
- Replacement of existing exterior curtain wet glazing and window perimeter seals
- Replacement of building Energy Management System (EMS)
- Replacement of existing HVAC cooling towers
- Replacement of fire alarm control panel that serves the entire Terminal Building
- Improvement to electrical generator and switch gear that serves backup emergency power to west portion of Terminal Building.

**ADDITIVE ALTERNATE SUMMARY:**

- Additive Alternate I - 2<sup>nd</sup> Floor Outdoor Patio
  - An outdoor patio area that is accessed from the terminal concourse area. In addition to multiple passenger seating options, the patio offers a pet relief area and complimentary wi-fi service is available throughout the terminal.
- Additive Alternate II - Recover Main Terminal PVC Roof
  - Recovering the visible white waves and half-dome to extend useful life of the decorative roofing.
- Additive Alternate III – Curb Side Security - **Electing not to award.**
- Additive Alternate IV – Electric Vehicle Charging Stations
  - Installation of five electric vehicle charging stations in each of the Covered and Short-Term parking lots.

**PROJECT TIMELINE:**

2022				2023				2024								
Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2							
F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J
Design			Bid / Award	Construction												

The project schedule reflects City Council award in December 2022 with anticipated completion in June 2024.

**COMPETITIVE SOLICITATION PROCESS:**

The Contracts and Procurement Department issued a Request for Bids on July 25, 2022, the City received bids from 1 bidder. The City analyzed the bids in accordance with the contract documents and determined SpawGlass as the lowest responsive, and responsible bidder.

A summary of the bid is provided below:

<b>BID SUMMARY</b>	
<b>CONTRACTOR</b>	<b>SpawGlass</b>
Base Bid	\$14,676,316.50
Additive Alt 1	\$1,779,077.68
Additive Alt 2	\$1,230,179.47
Additive Alt 3 – Not Awarded	\$0.00
Additive Alt 4	\$255,775.99
<b>TOTAL</b>	<b>\$17,941,349.64</b>
<b><i>Engineer's Opinion of Probable Construction Cost</i></b>	<b>\$15,740,000.00</b>
Base Bid	\$14,676,316.50

\*Engineer’s estimate (OPCC) includes Base Bid plus all additive alternates.

**ALTERNATIVES:**

City Council could choose not to award the construction contract to the lowest responsive and responsible bidder, SpawGlass Contractors. However, the Engineer’s estimate was a 15% difference from the contractor’s bid. With the current construction climate, especially within the aviation industry, this difference was expected. Analysis of the contractor’s bid with the consultant determined the bid is reasonable, and award is recommended to ensure the City can capture available federal funding. If the contract is not awarded, the Corpus Christi International Airport would lose approximately \$10M in discretionary funds. This would cause the project to be re-bid, an approximate 70% reduction in project scope, and significant delay to much needed improvements to the terminal.

**FISCAL IMPACT:**

Funding for this project will be through multiple capital funding sources. Grant No. 68 is comprised of both FAA FY22 passenger entitlement grants and discretionary grants, totaling \$10,708,995. Additional funding from FY22 includes Grant No. 69 in the amount of \$1,800,000. The remainder of funds are contingent on future FY23 FAA Grant(s) as outlined, including Bipartisan Infrastructure Law - Airport Infrastructure Grant (AIG) and FY (23) Passenger Entitlement Grant. These future grants are calculated using formulas and amounts are fixed. The final source of funding is the required City funding match for applicable grants discussed above. A 10% local match for Grant 68 totals \$1,189,888.33 and a 5% local match for Grant 69 totals \$94,737. Total funding detail for this project is discussed below.

Bid Additive Alternate III - Curbside Security Improvements will not be awarded due to lack of funding. City staff will implement these improvements using future operating budget funds as part of an asset management program.

Funding is partially available through the appropriation of Grant No. 68 for \$10,708,995 and Grant No. 69 for \$1,800,000 to a capital fund account. These grants are comprised of federal FY22 Passenger Entitlement and Discretionary funds. Additional funding is available through future Fiscal Year 2023 Passenger Entitlement funds and Airport Infrastructure Grant funds. These grants are calculated using pre-determined formulas and the amounts are fixed. Awards for these grants are expected in Q1 and Q2 of CY2023.

All federal grants are 90% and or 95% level of participation for eligible project cost, with the City required to fund the remaining 10% and or 5% as a local match. This local match will be allocated from the unreserved balance in Airport Operational Fund 4610.

**FUNDING DETAIL:**

Fund: **3020 – Airport Grants Fund**  
Organization/Activity: 223021683020C  
Mission Element: 274  
Project # **(CIP Only)**: 22302 – CCIA Terminal Building Improvements (Phase II)  
Account: 550910  
Amount: \$10,708,995.00

Fund: **3020 – Airport Grants Fund**  
Organization/Activity: 223021693020C – ATP Grant  
Mission Element: 274  
Project # **(CIP Only)**: 22302 – CCIA Terminal Building Improvements (Phase II)  
Account: 550910  
Amount: \$1,800,000

Fund: **4610 – Airport Fund**  
Organization/Activity: 35010 – Development and Construction  
Mission Element: 274  
Project # **(CIP Only)**: 22302 – CCIA Terminal Building Improvements (Phase II)  
Account: 548500  
Amount: \$1,284,625.33

Fund: **3020 – Airport Grants Fund**  
Organization/Activity: 223021683020C  
Mission Element: 274  
Project # **(CIP Only)**: 22302 – CCIA Terminal Building Improvements (Phase II)  
Account: 550910  
Amount: \$4,147,729.31 - Additional funding available through future Fiscal Year 2023 Passenger Entitlement funds and Airport Infrastructure Grant funds

**Total: \$17,941,349.64**

**RECOMMENDATION:**

Staff recommends awarding a construction contract for CCIA Terminal Building Rehabilitation to SpawGlass Contractor, Inc. in an amount not to exceed \$17,941,349.64. The construction duration is planned for 19 months from the issuance of Notice to Proceed to begin construction in December 2022.

Staff recommends approval of this ordinance to appropriate Grant No. 68 & 69 totaling \$12,508,995. The Airport Board recommended approval at their regularly scheduled Board Meeting.

**LIST OF SUPPORTING DOCUMENTS:**

Ordinance  
Location & Vicinity Maps  
Bid Tab  
CIP Page  
PowerPoint