TO: Wichita Airport Authority

SUBJECT: Tenant Funded Improvements
City of Wichita Dwight D. Eisenhower National Airport

INITIATED BY: Department of Airports

AGENDA: Consent

**Recommendation:** Approve the budget adjustment, supplemental agreement, revised Architect’s Estimate, and approve acceptance of the lowest bid.

**Background:** On March 17, 2015, the Wichita Airport Authority (WAA) approved a Tenant-Funded Improvements capital budget for $1,000,000 that included several individual projects. The final project that is ready to begin is the construction to fit-out the statewide and regional office suite for the Transportation Security Administration (TSA) on the second floor of the new terminal, as well as adjacent airline office space. The project was bid for construction on August 12, 2016, with all bids exceeding the Architect’s Estimate.

**Analysis:** The project has been bid, and a budget increase is necessary to complete the project. A supplemental agreement with HNTB in the amount of $94,403 is required for additional architectural design services requested by the tenants, and customary construction phase services.

The lowest bid received for the project exceeded the Architect’s Estimate by $164,550. Accepting this bid will allow the project to proceed without requiring it to be re-bid; thus, eliminating a potential increase in the cost and delay in construction of the improvements. In accordance with Charter Ordinance No. 222 (A), staff recommends that the WAA approve acceptance of the lowest bid based on the best interests of the WAA. A revised estimate has been prepared to reflect the increased cost of constructing the improvements. The original Architect’s Estimate total was $947,882 and the revised estimate total is $1,112,432.

**Financial Considerations:** A budget increase of $700,000 is requested, bringing the total budget to $1,700,000. Past and future payments from airlines, concessionaires, rental car tenants, and the TSA are expected to reimburse up to $1,458,895 with the remainder being funded with available funds of the Airport and the issuance of general obligation bonds repaid with Airport revenues.

**Legal Considerations:** The Law Department has reviewed and approved the supplemental agreement as to form.

**Recommendation/Actions:** It is recommended that the Wichita Airport Authority approve the budget adjustment, supplemental agreement, revised Architect’s Estimate, acceptance of the lowest bid, and authorize the necessary signatures.

**Attachments:** HNTB Supplemental Agreement No. 26 and the bid summary.