Office of the City Controller

HOUSTON AIRPORT SYSTEM

IAH Terminal Redevelopment Program

Construction Contracts

Performance Audit

Chris Brown
City Controller

Report # 2021-04

Courtney Smith
City Auditor

CHRIS B. BROWN

OFFICE OF THE CITY CONTROLLER
CITY OF HOUSTON
TEXAS

August 25, 2020

The Honorable Sylvester Turner, Mayor

SUBJECT: REPORT #2021-04 HOUSTON AIRPORT SYSTEM (HAS)
IAH TERMINAL REDEVELOPMENT PROGRAM (ITRP) CONSTRUCTION CONTRACT PERFORMANCE AUDIT

Mayor Turner:

The Office of the City Controller's Audit Division contracted the professional services of BDO USA, LLP to conduct a performance audit of Houston Airport System's – IAH Terminal Redevelopment Program. The IAH Terminal Redevelopment Program (ITRP) is a $1.23 billion program of new construction, renovation, and demolition projects at the George Bush Intercontinental Airport. The current plan was updated in 2018 and is expected to be substantially complete by 2024.

The primary audit objectives were to:

- Determine if ITRP expenditures comply with key terms and conditions of applicable contracts; and
- Determine the contract deliverables to-date.

The engagement scope included the review of construction contract documents from the onset of the ITRP program through April 22, 2020.

During the course of the engagement, we determined that three of the four contractors reviewed have primarily been performing preconstruction and/or design services. These stages are subject to "Lump Sum" reimbursement provision rather than "Cost of the Work" provisions in the contracts. In addition, the audit team noted good controls in place in the following areas:

- Data integrity within ITRP's on-line document management system (EDMS);
- User access to EDMS;
- Activity logs within EDMS; and
- Checklists designed to track contractual deliverables.

Based on the procedures performed during the audit, we concluded the following:

- No exceptions were noted in payment applications observed; and
- Costs appear to be contractual.

In addition, we identified opportunities to maintain good controls through the review and validation of contractor labor rates and labor burden.

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CHRIS B. BROWN

We appreciate the time and effort from HAS and ITRP management extended to the Audit team during this engagement.

Respectfully submitted,

Chris B. Brown
City Controller

cc: Mario Diaz, Director, Houston Airport System
City Council Members
Marvalette Hunter, Chief of Staff, Mayor's Office
Harry Hayes, Chief Operating Officer, Mayor's Office
Kertecia Mond, Chief Auditor-Deputy Assistant Director, Houston Airport System
Robert Barker, Deputy Director-Infrastructure, Houston Airport System
Stephen Buwalda, Manager Program Controls, Houston Airport System
Shannan Nobles, Chief Deputy City Controller, Office of the City Controller
Courtney Smith, City Auditor, Office of the City Controller

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INTRODUCTION

The Office of the City Controller, City of Houston Texas ("The City", "Client" or "you") engaged BDO USA, LLP ("BDO", "we" or "our") to conduct a performance audit of the Houston Airport System – IAH Terminal Redevelopment Program. The IAH Terminal Redevelopment Program (ITRP) is a "Program" of various new construction, demolish & replace, and renovation projects located at George Bush Intercontinental Airport in Houston, TX. BDO performed sample-based, construction cost audit testing to determine if construction expenditures complied with the terms and conditions of the applicable contracts. BDO also observed and documented ITRP Program deliverables on ITRP's Electronic Document Management System (EDMS)- Oracle Aconex. Please see below **"EXHIBIT A DESIGN, PRECONSTRUCTION, AND CONSTRUCTION DATES"** for the dates associated with the projects and contractor/ design builders included in this report. The primary purpose of this report is to present BDO's performance audit observations to The Office of the City Controller, City of Houston Texas, for review and considerations.

This report is intended solely for the information and use of the management of the City of Houston and is not intended to and should not be used by any other party. The report may not be released to any third party without BDO's prior written consent.

SCOPE AND OBJECTIVES

BDO observed project costs and contractor deliverables for the following projects: MLIT North Concourse Project, Federal Inspection Service/ Central Processor Project, PMO Building Project, and Enabling Utilities – Landside Project. The projects observed were executed using Construction Manager at Risk and Design Build construction delivery methods. BDO observed and reviewed the following contractors/ design builders: Austin Gilbane A Joint Venture, Hensel Phelps Construction Co., Pepper Lawson Waterworks, and Burns & McDonnell Engineering Co. The following "TABLE 1" identifies the project, contract delivery method, and contractors or design builders included in BDO's review:

TABLE 1: CONTRACTORS AND DESIGN BUILDERS REVIEWED		
PROJECT	**CONTRACT DELIVERY**	**CONTRACTOR OR DESIGN BUILDER**
Mickey Leland International Terminal Project (MLIT) North Concourse	Construction Manager at Risk	Austin Gilbane A Joint Venture
Federal Inspection Service/ Central Processor	Construction Manager at Risk	Hensel Phelps Construction Co.

PMO Building	Design Build	Pepper Lawson Waterworks
Enabling Utilities – Landside	Design Build	Burns & McDonnell Engineering Co.

The primary objectives of this engagement were to:

(i) Determine if ITRP expenditures comply with key terms and conditions of applicable contracts; and
(ii) Determine the contract deliverables to-date.

BDO performed the following audit procedures on a sample basis:

- Provided initial document request (RFI)
- Provided initial engagement plan timeline
- Interviewed key personnel to understand the IAH Terminal Redevelopment Program
- Identified and documented internal controls
- Obtained and reviewed relevant contracts and contract expenditures
- Evaluated whether expenditures are compliant with contract terms and conditions
- Evaluated the quality and quantity of contract deliverables
- Performed payment application testing to test expenditures for arithmetic errors and contract compliance
- Performed change order testing to test expenditures for arithmetic errors and contract compliance
- Performed sample labor burden recalculations
- Documented, received, and reviewed additional requested information (RFI) from ITRP
- Observed contract deliverables and other documentation stored on ITRP's Electronic Document System (EDMS)- Oracle Aconex
- Documented audit observations and discussed/ reviewed with ITRP
- Provided the city relevant planning workpapers including: relevant planning documents, relevant email communication, and record of interview & conference calls
- Drafting and providing The City with BDO's Final Report

BDO utilized a Phased Approach to execute this engagement as follows:

- **Phase 1- Preliminary Survey and Planning:** The goal of the planning phase was to gather information from appropriate sources, determine who the ITRP team members were, and use the information to develop a detailed Fieldwork Plan to ensure the accomplishment of the engagement objectives. Initially we created an RFI and engagement plan, then scheduled Kickoff meetings with team members from ITRP. Following initial requests and Kickoff meetings, we collaborated with ITRP to develop interview dates/ times with the various ITRP team members, so that BDO could gain knowledge regarding the ITRP Program.

- **Phase 2- Fieldwork:** BDO performed a detailed transactional analysis of payment applications and change orders on a sample basis. During this phase we requested and reviewed detailed documentation used by the 4 contractors/ design builders to gather evidence, analyze and evaluated that evidence to meet the stated audit objectives (1) Obtained and reviewed relevant contracts and contract expenditures (2) Evaluated whether expenditures are compliant with contract terms and conditions and reporting on an exceptions basis and (3) Evaluated the quality and quantity of contract deliverables and reporting on an exceptions basis. During this phase, ITRP granted BDO temporary access to their document management web-based tool, EDMS, which BDO utilized to observe, review, and evaluate ITRP's document management system.
- **Phase 3- Reporting:** BDO finished observing, reviewing, and testing ITRP's documentation during this phase. BDO, ITRP team members, and The City Auditor had regular contact as necessary, including BDO provided status updates. BDO drafted an observations log, which were exceptions documented by BDO over the course of the performance audit. BDO, ITRP, and The City walked through these observations, and ITRP provided BDO with additional supporting documentation to clear up any open items. BDO also provided Olaniyi Oyedele (audit manager in the Audit Division of Office of the City Controller) relevant engagement planning workpapers including: relevant planning documents, relevant email communication, and a record of interview & conference calls. BDO also worked on developing a Final Report- Executive Summary during this phase of the engagement.

OVERALL ENGAGEMENT ASSESSMENT

BDO provided The City with a proposal in January 2020, and the engagement letter from The City to BDO was dated February 10, 2020. On March 3, 2020, BDO provided the ITRP team with an RFI and a tentative engagement plan, while coordinating "Kickoff Meetings" and interview times with ITRP personnel. BDO and ITRP had a "Kickoff" conference call on March 19, 2020. Interviews were originally scheduled to take place in Houston, TX, however, due to the Covid -19 pandemic, BDO conducted interview sessions with ITRP personnel via conference calls beginning on March 19, 2020 and commencing on March 24, 2020. Below is a list of Interview sessions:

1. **ITRP External Audit Interview - Procurement & ITRP RFP/ RFQ Guidelines**: Call at 2:30p.m. CST on March 19, 2020
2. **ITRP External Audit Interview - Invoice Review Process & Payment Application Process/ Guidelines**: Call at 3:30p.m. CST on March 19, 2020
3. **ITRP External Audit Interviews - Construction Manager "Progress Reporting" Status "Project Milestones"**: Call at 10:00a.m. CST on March 20, 2020
4. **ITRP External Audit Interviews - ITRP Project Management Guidelines, Daily Oversight**: Call at 11:00a.m. CST on March 20, 2020
5. **ITRP External Audit - "Contract Discussion, Contract Oversight, Including Contract Management"**: Call at 11:00a.m. CST on March 24, 2020
6. **ITRP External Audit - IAH Foreign Flag Carrier Representative**: Call at 3:00p.m. CST on March 24, 2020

Following interviews, BDO observed, reviewed, tested ITRP project documentation and reported exceptions on BDO's Observation- RFI Log. BDO provided The City with formal status updates via email on April 3, 2020, and May 9, 2020. On May 12, 2020, BDO provided The City and ITRP members a draft copy of BDO's Observation-RFI Log. BDO, members from The City, and ITRP members had a conference

call to walk through the items in the log on May 15, 2020. ITRP provided BDO with additional supporting documentation to clear up open items. BDO is in the process of issuing The City a Final Report "Executive Summary" detailing BDO's summary account of the engagement.

The City Auditor and ITRP team members have been very helpful and cooperative over the course of our engagement. The City Auditor and ITRP team members provided fast turnarounds regarding responding to emails, responding to conference call meeting times, RFI's, answering questions, additional documentation requests, and they portray a genuine willingness to help make the process run efficiently. In addition, The City Auditor and ITRP teams are very detail oriented and organized. For example, each time BDO requested RFI's, a "Letter of Transmittal", outlining the requested documents, was included with the requested information. These "Letters of Transmittal" included date of request, RFI number item, and description of the document. This level of organization makes it a much easier/ more efficient process of filtering through documentation. ITRP also gave BDO a "crash course" in navigating their on-line document management system (EDMS).

Contract Document/ Contract Deliverable Management

BDO observed thousands of contractor/ design builder required deliverables on ITRP's EDMS site. The contract deliverables contained on EDMS are contractually required to be provided to ITRP from the contractors/ design builders. ITRP Construction Manager and Design Build contracts specify the use of a Schedule of Values as the checklist and progress measurement sheets for the contract deliverables, which is used in conjunction with the Scope of Services. BDO also observed various checklists used by ITRP to track contractual deliverables; design deliverable checklists, GMP/CGMP and change submittal checklists, submittal checklists, and project closeout checklists. ITRP advised other checklists are underway and pending the completion of the specifications of each project to be finalized. Below is a partial list of the required deliverables observed:

1. Preliminary Schedule for Execution of the Work
2. Component Guaranteed Maximum Price (CGMP)
3. Guaranteed Maximum Price (GMP)
4. CMAR Management Plan
5. Daily Construction Reports
6. Commissioning Plan
7. Lifecyle Analysis
8. Meeting Minutes
9. Probable Cost of the Work
10. Monthly Status Reports
11. Agreed Estimated Cost of the Work
12. Technical Memorandum
13. Design Management Plan
14. Recovery Schedule
15. Design Issue Management Tool
16. Progress Report Template
17. Project Vision Statement
18. Workshop Summary Report
19. Concept Design Reports
20. Various Technical Reports

BDO noted contract deliverable controls within the EDMS site such as; (1) documents can't be deleted once entered, (2) outside team members have limited EDMS access (controlled by ITRP), (3) document searches are recorded in the system (for example when you convert a document search to an excel document on the EDMS site, a record of "what was searched", "who searched" and "when it was searched" is automatically generated.

BDO observed ITRP contractor documents stored on ITRP's document management tool, EDMS, from the onset of the ITRP program through April 22, 2020. ITRP utilized 2 file work spaces for the ITRP Program; ITRP 1 and ITRP 2. The total contractor (Austin Gilbane JV, Burns & McDonnell, Hensel Phelps, and Pepper Lawson) documents were 3,199.

BDO has summarized document deliverables from the onset of the program, through April 22, 2020 for Austin Gilbane Joint Venture, Burns & McDonnell, Hensel Phelps, and Pepper Lawson. See "TABLE 2" below:

TABLE 2: CONTRACTOR / DESIGN BUILDER DELIVERABLES THROUGH APRIL 22, 2020			
CONTRACTOR/ DESIGN BUILDER	**ITRP 1**	**ITRP 2**	**TOTAL DOCUMENT DELIVERABLES**
Austin Gilbane A Joint Venture	250	749	999
Burns & McDonnell Engineering Co.	17	209	226
Hensel Phelps Construction Co.	1	211	212
Pepper Lawson Waterworks	1761	1	1762
TOTALS	**2029**	**1170**	**3199**

Contractor/ Design Builder Expenditures

BDO observed Construction Manager at Risk contracts for Austin Gilbane, and Hensel Phelps; and Design Build contracts for Burns & McDonnell and Pepper Lawson. We observed 4 payment applications from each contractor/ design builder including each of their most recent payment application during the timeline scope of this engagement. BDO did not note any exceptions in the payment applications observed as costs appear to be contractual.

We observed 21 "change orders" between the 4 contractors/ design builders. Generally, the "change orders" observed were used as a means of building toward an agreed upon Guaranteed Maximum Price (GMP) for the various contracts. We observed many change orders that were labeled CGMP which stands for "Component Guaranteed Maximum Price", and these change orders appear to be building toward the GMP. To date there really hasn't been any major "changes in scope change orders" for MLIT, Enabling Utilities, and the Federal Inspection Service projects as these 3 projects remained in the preconstruction stage, or relatively recently entered the construction phase. Pepper Lawson is an exception as their construction phase for the PMO Building finished April 26, 2019. BDO and ITRP were able to resolve all change order expenditure exceptions through the process of going back and forth with the observation logs. ITRP has been able to provide additional documentation and additional

explanations as necessary to satisfactorily resolve all items included in BDO's original observation log. BDO recommendations are noted below in the section titled **"FINDINGS AND RECOMMENDATIONS"**.

Austin Gilbane, Hensel Phelps, and Burns & McDonnell have primarily been performing preconstruction and/ or design services thus far in the ITRP Program. The preconstruction stage(s)/ design stage(s) are subject to "Lump Sum" reimbursement provisions in their contracts, thus the majority of the ITRP program costs to date are not subject to the Cost of the Work provisions that applies to the construction phase(s). Pepper Lawson is the only contractor/ design builder that has completed their construction phase. The Pepper Lawson Contract Amount is $17,992,749.45, and their balance to finish $862,298.06 of which, $771,030.60 is retention. Please see below **"EXHIBIT A DESIGN, PRECONSTRUCTION, AND CONSTRUCTION DATES"** for the dates associated with the projects and contractor/ design builders included in this report.

"TABLE 3" indicates the committed amounts and balance to finish (of the committed amounts) per contractor/ design builder as follows:

TABLE 3: CONSTRUCTION COMMITTED AMOUNT THROUGH MOST RECENT PAYMENT APPLICATIONS				
CONTRACTOR/ DESIGN BUILDER	**PROJECT**	**PAYMENT APPLICATION**	**COMMITTED AMOUNT**	**BALANCE TO FINISH**
Austin Gilbane A Joint Venture	MLIT North Concourse	No. 26	$18,544,250.71	$6,776,110.71
Burns & McDonnell Engineering Co.	Enabling Utilities – Landside	No. 11	$6,003,638.30	$2,093,566.89
Hensel Phelps Construction Co.	Federal Inspection Service/ Central Processor	No. 14	$4,938,445.00	$638,824.40
Pepper Lawson Waterworks	PMO Building	No. 25	$17,992,749.45	$862,298.06
TOTAL COMMITTED AMOUNTS FOR THESE CONTRACTORS			**$47,479,083.46**	**$10,370,800.06**

The ITRP program has committed a total of $47,479,083.46 to contractor/ design builder costs (or 4.25%) of the February 2020 concept budget (includes design fees, construction costs, contractor fees, ancillary costs, Owners Cost, and Contingencies) of $1,118,000,000.00 pertaining to the following projects; MLIT, FIS, Enabling Utilities, and PMO Building. See "TABLE 4" below:

TABLE 4: CONSTRUCTION COMMITTED AMOUNTS COMPARED TO ITRP CONCEPT BUDGET FOR THE FOLLOWING PROJECTS				
PROJECT	**CONCEPT BUDGET (FEB. 2020)**	**CONTRACTOR/ DESIGN BUILDER**	**COMMITTED AMOUNT TO DATE**	**PERCENTAGE OF CONCEPT BUDGET**
MLIT North Concourse	$530,000,000.00	Austin Gilbane A Joint Venture	$18,544,250.71	3.50%

Federal Inspection Service / Central Processor	$508,000,000.00	Hensel Phelps Construction Co.	$6,003,638.30	0.97%
Enabling Utilities – Landside	$ 60,000,000.00	Burns & McDonnell Engineering Co.	$6,003,638.30	10%
PMO Building	$ 20,000,000.00	Pepper Lawson Waterworks	$17,992,749.45	89.96%
TOTAL	**$1,118,000,000.00**	**TOTAL**	**$47,479,083.46**	**4.25%**

FINDINGS AND RECOMMENDATIONS

Finding #1: Pepper Lawson Waterworks – Labor Costs have not been audited to validate labor/ labor burden was at actual cost
Risk Rating: Medium

Background: Pepper Lawson's executed contract states the following pertaining to city auditing labor burden, *"8.4.2.2 The components which comprise the Labor Burden shall not change throughout the term of the Project. The City shall be allowed to audit the actual cost of labor burden each year, and City shall be entitled to a refund to the extent that it has paid DESIGN-BUILD CONTRACTOR more than its actual Labor Burden costs. Initially, the labor burden will be set at 55%, subject to verification by the City's auditors. It will be reset each year based on the audited rate for the prior year. Under no circumstances shall the City pay more for labor burden than the percentage established for billing purposes for any given year. Labor Burden for overtime payments shall be eliminated or reduced to equal the DESIGN-BUILD CONTRACTOR's actual substantiated cost for such burden.*

BDO Observed Pepper Lawson was showing 55% on change orders, therefore, it is highly likely the Pepper Lawson labor costs paid by the City, were not at actual cost. Pepper Lawson's contract allows them to use 55%, however, if audited, they would need to credit the City if burden's actual cost was less than 55%. Pepper Lawson's contract allows the City to audit, however, the City is not required to audit. ITRP advised, *"The PMO Building construction had a contractual duration of less than 12 months, therefore no Internal Audit on Labor Burden was initiated".*

Findings: Pepper Lawson Waterworks – Labor Burden rate of 55% was used during this contract. BDO observed this fact on the following change orders.

1. Change order pdf document **"CGMP-01 – 20170123 MPXX – Marriott Fitout for Temp PMO=Furniture R00.1":** On. page No. 8 is, "EXHIBIT D KEY PERSONNEL STAFF CLASSIFICATION AND RATES". Burden rate of 55% is listed to show Pepper Lawson's staff hourly rates.
2. Change order pdf document **"CGMP-02 – 20170303 MPXX – Marriott Fitout for Temp PMO R.1 APPVD 20170308":** On. page No. 11 is, "EXHIBIT D KEY PERSONNEL STAFF CLASSIFICATION AND RATES". Burden rate of 55% is listed to show Pepper Lawson's staff hourly rates.

Recommendation: We recommend Houston Airport System (HAS) consider auditing Pepper Lawson's Waterworks labor/ labor burden. Below are some considerations:

1. Pepper Lawson's executed contract subsection 8.3.12 allows the City the right to verify and audit for a period of seven years after final payment for the Construction Phase. Pepper Lawson's most recent payment application (BDO observed) is "Request for Payment Number 25" dated February 2, 2019. Therefore, their contract is well within the seven-year statute of limitations. In addition, the City holds around $700K in retention as of June 17, 2020. Pepper Lawson's executed contract subsection 8.4.2.2 allows the City to audit Pepper Lawson's labor rates at actual cost.
2. Auditing Pepper Lawson's labor burden pertains to the Cost of the Work where labor is to be billed at cost (this does not apply to items such as Preconstruction Phase and Design Services lump sum amounts).

Management Response: Recommendation noted. Clause 8.4.2.2 of the Pepper Lawson contracts affords the opportunity to the City to renegotiate the Labor Burden rate based on audited, demonstrated, properly incurred actual costs, applied to subsequent period of delivery by the contractor. As the Pepper Lawson Construction duration for their principle GMP scope was 11 months in duration, it was not deemed necessary for the City to request such an audit be performed. As per 8.3.12, the City has the contractual rights to perform audits and may still chose to do so.

Responsible Party: Houston Airport System, Internal Audit, Kertecia Mond

Estimated Date of Completion: HAS Internal Audit to advise

Finding #2: City in the process of auditing Hensel Phelps and Austin Gilbane; and negotiating labor rates with Burns & McDonnell

Risk Rating: High

Background: BDO observed Burns & McDonnell and Hensel Phelps both have burden rates in excess of 55% as per the contracts.

1. Burns & McDonnell Payment Application No. 8**: "BMcD Inv 08 Final_submit to HAS Finance Dec 2019"**. The labor rates BDO observed are on p. 93. Burns & McDonnell's labor burden for "civil" has line item costs not calculated correctly (e.g., FICA, FUTA, SUTA), costs were at a higher percentage than the contract allows (e.g., Small tools and Consumables), and some costs are not contractually allowed (e.g., Bonus, Overhead & Profit). BDO also observed the civil position base rate was $35.09 per hour and the burden amount was $51.40 per hour or 146.48% burden.
2. Hensel Phelps Document No.: **"HP-002641" - Construction Office Trailers CGMP - 2 Proposal".** Hensel Phelps "Average Labor Rate 59.14%" found on p. 40.

Findings: It appears ITRP controls to address contractor labor burden is working as intended for those contractors with contracts exceeding 1 year.

ITRP is in the process of auditing labor rates for Hensel Phelps, and Austin Gilbane. In addition, ITRP is in the middle of negotiating with Burns & McDonnell rates, which have not impacted the program yet as Burns & McDonnell have only invoiced preconstruction costs, which are lump sum.

Furthermore, Stephen Buwalda advised, "the PMT identified and highlighted concerns with Burns & McDonnell Labor Rates in 2019 and have sought to resolve the difference in Contract interpretations between the City and the Contractor. In addition, an audit which commenced prior to the BDO audit, is underway by HAS Internal Audit to perform a Labor Burden Audit on the ITRP Contractors. ITRP controls will continue to ensure correct Labor Burden rates are being reimbursed by the City per Contract."

Recommendation: BDO recommends HAS continue auditing labor burden on at least an annual basis.

1. For contractors working less than 1 year, labor burden audit considerations should be on a case basis.
2. Audits of labor burden line items must consider variables and require documentary support to validate cost.

3. ITRP should leverages line-item burden analysis when negotiating Burns & McDonnell's labor burden.
4. Similar line-item burden analysis should be considered when ITRP audits any future labor rates.

Management Response: Recommendation noted. Initial Labor Burden audits by HAS Internal Audit are ongoing and shall be performed going forward as is laid out within each of the contracts. The Houston Airport System Internal Audit team also intend to perform other audits periodically or as may be required on a case by case basis. **Responsible Party:** Houston Airport System, Internal Audit, Kertecia Mond

Estimated Date of Completion: Annually, to the last date applicable within each of the contracts.

BDO COMPLIANCE STATEMENT

We conducted this performance audit under the direction of the City of Houston Audit Division which follows Generally Accepted Government Auditing Standards and in conformance with the International Standards for the Professional Practice of Internal Auditing. Those standards require that we plan and perform the audit to obtain sufficient and appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

BDO USA, LLP

By: _____ Date: 7/30/2020

EXHIBIT A DESIGN, PRECONSTRUCTION, AND CONSTRUCTION DATES

IAH Terminal Redevelopment Program (ITRP)

HOUSTON AIRPORT SYSTEM

ITRP Design / Construction Contract Dates

Projects	Contractor	Contract	Scope of Work	Start	Finish
IAH IDO Building (PMO)	Pepper Lawson Waterworks	Design-Build Contract	Phase 1 - Pre-Construction Phase		
			Request for Council Action	16-Nov-16	
			Award (NTP) of Pre-Construction Services	7-Dec-16	
			Pre-Construction Phase Duration	7-Dec-16	16-May-17
			CGMP - 01 - Advance Package	17-Apr-17	21-Apr-17
			CGMP - 02 - Advance Package	6-Mar-17	4-Aug-17
			CGMP - 03 - Advance Package	11-Aug-17	27-Nov-18
			Phase 2 - Construction Phase		
			Final GMP - Request for Council Action	9-Jan-18	
			Final GMP - Award of Construction Services	5-Feb-18	
			Construction Phase	5-Feb-18	26-Apr-19
Mickey Leland International Terminal (MLIT)	Fentress Architects	Design Services Contract	Revised Design Phase		
			Request for Council Action	31-Oct-18	
			Award (NTP) of Design Services	7-Jan-19	
			Design Start	7-Jan-19	
	Austin-Gilbane Joint Venture	CMAR Contract	Pre-Construction Phase (Amendment 1)		
			Request for Council Action	31-Oct-18	
			Award (NTP) of Pre-Construction Services	14-Jan-19	
			CGMP-01 - Advance Package	5-Aug-19	
			CGMP 02 - Advance Package	5-Nov-19	
			CGMP 03 - Advance Package	27-Mar-20	
International Central Processor (ICP) / Federal Inspection Services (FIS)	HOK / Page Architects	Design Services Contract	Design Phase		
			Request for Council Action	19-Dec-18	
			Award (NTP) of Design Services	8-Jan-19	
			Design Start	8-Jan-19	
	Hensel Phelps Construction	CMAR Contract	Pre-Construction Phase		
			Request for Council Action	19-Dec-18	
			Award (NTP) of Pre-Construction Services	8-Jan-19	
			Pre-Construction Phase Start	8-Jan-19	
Enabling Utilities Landside (EUL)	Burns & McDonnell Engineering	Design-Build Contract	Phase 1 - Pre-Construction Phase		
			Request for Council Action	27-Feb-19	
			Award (NTP) for Pre-Construction Services	18-Mar-19	
			Pre-Construction Phase Start	18-Mar-19	

Acknowledgement Statement

Date: 7/30/2020

Chris B. Brown
City Controller
Office of the City Controller

SUBJECT: IAH TERMINAL REDEVELOPMENT PROGRAM CONSTRUCTION PERFORMANCE AUDIT - **ACKNOWLEDGEMENT** OF **MANAGEMENT RESPONSES**

I acknowledge that the management responses contained in the above referenced report are those of the management of Houston Airport System (HAS). I also understand that this document will become a part of the final audit report that will be posted on the Controller's website.

Sincerely,

Mari Diaz, Director of
Houston on Airport System

City Auditor
Courtney Smith, CPA, CIA, CFE

Audit reports are available at:
http://www.houstontx.gov/controller/audit/auditreports.html