



July 01, 2015 (revised)

Ms. Diane Cook
Planning & Development Manager
San Antonio Airport System

Re: Recommendation for Award - "Terminal Area Taxiway Improvements (Package 3)"

Dear Ms. Cook:

KHA has reviewed the bids for the above referenced project received on June 23, 2015. The award of the bid was to be based on the aggregate of the Base Bid and two alternatives. There were three bids received for this project ranging from \$22,534,937.97 to \$24,807,445.00. Two of these bids were only separated by 1.51% (\$345,499.53) with the low bid being 12.52% (\$2,507,277.97) above the Engineers estimate. Bids were submitted by SpawGlass Civil Construction Inc. (\$22,534,937.97), Jordan Foster Construction (\$22,880,437.50), and the J3 Company LLC. (\$24,807,445.00). There do not seem to be any irregularities in the Base Bid or any of the alternatives.

KHA's final estimate including all quantity changes based on the FAA changes was \$20,027,660.00 or \$2,507,277.97 below the low bid. Our estimate was based on historical costs for similar work completed at this airport with assumed escalation for anticipation of cement price increases and confined work areas. This project was originally designed with additional alternates that would have led to additional flexibility within the bid but these were removed from the plan (added into the base bid) at different phases of the project. This set of plans and specifications was extremely complicated due to the nature of phasing for construction while minimizing impacts to operations.

With the bids being received above the Engineer's estimate, this project is now over budget and in need of additional funding. The request has been made for additional funding to the FAA and alternate solutions will be evaluated to reduce the overall construction costs of this project. It has been suggested and preliminary information indicates that the removal of one of the connecting taxiways (N2 or N3) could reduce construction costs to within the planned funding levels. Further investigations and discussions will be made following the award of this project to reduce the project costs.

In all cases, all of the requested information as directed in the Formal Invitation for Bids (IFB) was submitted. Also, in all cases the companies submitted example projects similar in nature to this and demonstrated their capabilities to complete this project.

Evaluating the bids and checking the calculations found that there were no apparent extension errors in any of the bids. It is also our intention to have specific discussions with the apparent low bidder to determine if certain bid items contained estimating errors related to misunderstanding of the construction documents.

In addition to the bid numbers, KHA reviewed the DBE requirements to establish if each contractor had met the 9.4% goal as outlined in the specifications. For each submittal the contractors provided information stating that their intent is to meet this requirement with SpawGlass being the lowest at 9.43%. The breakout for each sub-consultants was provided along with DBE Form 2 allocating amounts for each DBE sub-consultant. However, SpawGlass did not provide any letters or certifications verifying the DBE as stated. This information should be further reviewed by the airport staff.

Finally, bonding information provided for SpawGlass far exceeded the necessary requirements for this project with more than 400 million in remaining bonding capacity available.

Based on the information reviewed and with a final determination of the DBE requirements to come later from the COSA Aviation department, we recommend that the airport award the project to SpawGlass Civil Construction Inc. as the apparent lowest bidder. If in fact the DBE requirements are not fully met, KHA feels that Jordan Foster Construction has submitted the necessary information and could be awarded the project if the SpawGlass has been determined to be non-responsive to the DBE requirements.

Should you have questions, comments, or need further information, please don't hesitate to call me at (602) 944-5500 or on my cell phone at 602-799-1231.

Sincerely,

KIMLEY-HORN AND ASSOCIATES, INC.



For

Michael A. Norby, P.E.