



13750 San Pedro Avenue, Suite 300
San Antonio, Texas 78232
Voice 210.224.2800
Fax 210.545.3103

October 20, 2014

Mr. James Wingate
Project Manager
San Antonio Airport System
9800 Airport Blvd.
San Antonio, TX 78216
(210) 207-3514

Re: San Antonio International Airport
GA FIS Taxiway and Apron Improvements
Project No. 33-00050
RS&H Project No. 223-3267-004

Dear Mr. Wingate:

Enclosed please find the bid tabulation for the above referenced project. Bids submitted have been reviewed for conformity to the requirements established in the bid documents. A total of three bids were received as detailed on the bid tabulation and analysis summary.

The requested information stated in the Formal Invitation for Bids (IFB) was submitted for all three bids. Additionally, the three companies submitted evidence of past experience in Airport projects and demonstrated their capabilities to complete the project. Therefore, all three bids were determined to be responsive. Bids received were: a low of \$3,162,885.00 (J3 Company LLC); \$3,310,272.50 (Texas Sterling); to a high of \$3,461,606 (Tropical Contracting LLC). All bids appeared to be consistent with less than a 10% between the high and low bids. RS&H's latest Engineer's estimate is \$2,882,110.50. The low bid is within 10% of our estimate.

The lowest of the three bids received was from J3 Company, LLC. Although the total bid prices between bidders is consistent, unit prices for some pay items exceed the engineers estimate by more than 100%. Certain bid items also vary between the three bidders.

RS&H discussed the relatively high unit prices with the low bidder J3 Company. J3 Company stated there were no issues, uncertainties, or questions they had regarding the plans and spec's which resulted in the higher unit prices. There were three main reasons for certain unit prices being higher than the engineers estimate. First, quotes for certain work items with low quantities were provided by subcontractors. The subcontractors have included their own mobilization in the cost supplied to J3. When this is divided by the bid quantities, higher unit prices were obtained.

Second, the plans and specifications require that the contractor maintain adjacent pavement areas (outside of the construction limits) in the same condition prior to construction. If the contractor damages pavement areas they are to be restored. J3 Companies determined that pavement demolition operations would damage some existing pavement areas and they would need to repave these areas at no cost to the project. This additional risk to the contractor resulted in higher unit prices for pavement demolition and pavement construction.

Lastly, due to the requirement to rebuild safety areas and reopen Taxiway R and Taxiway D each morning, phasing plan includes night grading and paving operations in the taxiway safety areas and object free areas. This complicates the construction methods resulting in higher unit costs. Also, based on other recently bid projects, construction cost in the area are increasing faster than was anticipated based on projects bid over the last few years.

J3 Company, LLC submitted a DBE goal of 5.8%. Although J3 Company did not achieve the 7.86% DBE goal for this project, the Company demonstrated a good faith effort including publicly advertising for DBE firms. Also, J3 Company showed commitments to other SBE firms, J3 Company itself is a certified SBE in Texas. RS&H discussed the good faith efforts undertaken by J3 Company with San Antonio Airport System (SAAS) Small Business Office and they confirmed that under the DBE program a Contractor is not required to meet the DBE goal to be considered responsive. The Small Business Office can work with Contractor to certify SBE's as DBE's if needed.

Our analysis of J3 Company's bid submittal indicates that their bid price exceeds San Antonio Airport's programmed construction budget for this project. To conclude, based on availability of funds, we recommend the construction contract for this project be awarded to J3 Company, LLC. subject to DBE review and approval by SAAS. Should you have any questions, please call me at (210) 301-4813.

Sincerely,

A handwritten signature in blue ink that reads "John E. Hippchen". The signature is fluid and cursive, with the first name "John" being the most prominent.

John Hippchen, P.E., LEED® AP
Senior Aviation Engineer