



July 2, 2014

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

Re: Bid Evaluations for "Terminal Area Taxiway Improvements (Package 2)

Dear Ms. Cook:

KHA has reviewed the bids for the above referenced project received on June 24, 2014. The award of the bid was to be based on the aggregate of the Base Bid and all 4 alternatives. There were four bids received for this project ranging from \$15,583,051.00 to \$20,886,154.51. Three of these bids were only separated by 7.53% (\$1,268,696.25) with the low bid being 3.49% (\$563,061.00) below the Engineers estimate. Bids were submitted by the J3 Company LLC. (\$15,583,051.00), Texas Sterling Construction (\$16,312,233.18), SpawGlass Civil Construction Inc. (\$16,851,747.25), and Weber LLC (\$20,886,154.51). There does not seem to be any irregularities in the Base Bid or any of the alternatives.

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.

KHA's final estimate including all quantity changes based on the FAA changes was \$16,146,112.00 or \$563,061.00 higher than the low bid. Our estimate was based on historical costs for similar work completed at this airport with some escalation for night work and smaller work areas. This set of plans and specifications was extremely complicated due to the nature of phasing and the fact that each alternate had to stand alone after it was constructed without limitations to the airport.

Evaluating the bids and checking the calculations found that there was one error in J3 Company calculations while there were no errors in the remaining bids. The errors included an extension of Item number 31 in the Additive Alternate 1 which should have totaled \$2,790 and the grand total of alternate number 1 which should have totaled \$3,365,210.00 for an adjusted Total Bid of \$15,582,841.00. The error was not enough to change the bid order for the project.



KHA also performed a detail line item review on the unit prices with that detail being provided to the airport.

In addition to the bid numbers, KHA reviewed the DBE requirements to establish if each contractor had met the goals as outlined in the specifications. This information was also reviewed by the airport DBE office and all firms were found to be compliant within the contract based on a good faith effort associated with their bids.

One additional item noticed on the information supplied by J3 Company was that their Bonding Capacity was \$40 million dollars with over \$28 million in current contracts. However it is known that almost 12 million of this will be completed prior to this project starting. Because of this issue, KHA contacted the Bonding Company to discuss the capability of bonding this project. On June 26, 2014, KHA spoke with Doug Mercer of Zurich Surety at (210) 314-9074 and was informed that the J3 Company is more than capable of performing the project and have the assets required doing so.

Based on the information reviewed and with a final determination of the DBE requirements we recommend that the airport award the project to J3 Company LLC as the lowest bidder.

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.

Michael A. Norby, P.E.
Project Engineer/Manager

Copy:
File 191629001
SAT