COUNCIL DECISION REQUEST

SUBJECT: Airport Projects - 2010

MEETING DATE: 11-18-10

CSP ITEM: Yes ☐ No ☒ KRA#

ITEM NO.:

TENTATIVE SCHEDULE:

SUBMITTED BY: LaRon G. Garrett, Public Works

AMOUNT BUDGETED: $ 315,000.00

SUBMITTAL TO AGENDA

EXPENDITURE REQUIRED: $244,327.75

APPROVED BY TOWN MANAGER

CONT. FUNDING REQUIRED: $ 0

EXHIBITS (If Applicable, To Be Attached):

POTENTIAL MOTION

I move to reject all bids received on October 26, 2010 for the 2010 Airport Improvement Project and to direct staff to rebid the project concurrent with the next opportunity to obtain an FAA grant for the additional costs and apply for a second grant from the FAA based on the actual bid amounts.

SUMMARY OF THE BASIS FOR RECOMMENDED MOTION:

Annually we attempt to have improvement projects at the airport. These projects are typically funded with grants from the Federal Aviation Administration (FAA) and the Arizona Department of Transportation (ADOT). This year we have received a grant to install an asphalt blast pad at each end of the runway and to install improved runway and taxiway signage. With the grant the FAA pays 95% of the cost, ADOT Pays 2.5% of the cost and the Town pays 2.5% of the cost. This is a reimbursable grant where the Town expends the funds and then is reimbursed by the FAA and ADOT. The Payson Regional Airport Authority is supportive of this project.

The total grant for this year is $363,500. This amount includes land reimbursement, design fees, construction, construction management and inspection, and administration. The construction funds available this year is $167,000. This amount was based on a preliminary estimate since the construction plans were not completed until after the deadline for the grant application submission.

On October 26, 2010 we received bids for this year's project. We received three bids. A summary of the bids is as follows:

Contractor	Total Bid
Show Low Construction	$244,327.75
Spire Construction	$254,627.00
J. Banicki Construction	$292,056.25

Our airport consultant, Armstrong Consultants, has reviewed all the bids and determined that lowest responsive, responsible bid is from Show Low Construction.

As you can see, the lowest construction bid of $244,327.75 exceeds the available construction funds by $77,327.75. We have discussed this shortage with our consultant, ADOT and the FAA. It appears that we have the following options: (1) Award the construction contract and the Town initially be responsible for the additional $77,327.75. The Town has the option of applying for an additional grant from the FAA and ADOT for funds to cover 97.5% of this

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overage. These funds could be available anytime between March and June, 2011: or (2) Reject all bids now and then rebid the project early next year on a time frame that would be concurrent with the FAA issuing the next round of grants. At that time we could use the actual bid number for the grant amount. Again, that grant would cover 97.5% of the construction cost and the Town would not be fronting the money without a grant in place for reimbursement. After Town Staff discussed this issue it was determined that the safest position is to go with option no. 2.

PROS: This project will improve the safety of the airport.

CONS: The runway will be temporarily shortened to 4,500 feet for 3 weeks during the construction and will be close 2 days during the construction.

PUBLIC INPUT (if any): N/A

BOARD/COMMITTEE/COMMISSION ACTIONS/RECOMMENDATIONS (if any) (give dates and attach minutes):

FUNDING:

Acct:260-5-4445-00-8818	Budget: $315,000	Available	Expense:	Remaining:
Acct:	Budget:	Available:	Expense:	Remaining:
Acct:	Budget:	Available:	Expense:	Remaining:

BA: _____ Date: _____