

COUNCIL DECISION REQUEST

SUBJECT: Airport Projects – 2010/2011

MEETING DATE: 7-7-11

CSP ITEM: Yes No KRA#

ITEM NO.:

TENTATIVE SCHEDULE:

SUBMITTED BY: LaRon G. Garrett, 
Assistant Town Manager

AMOUNT BUDGETED: \$ 315,000.00

SUBMITTAL TO AGENDA

EXPENDITURE REQUIRED: \$288,394.50

APPROVED BY TOWN MANAGER

CONT. FUNDING REQUIRED: \$ 0



EXHIBITS (If Applicable, To Be Attached): Consultant Recommendation of Aware; Copy of Notice of Award, Bid Tabulation

RECOMMENDED MOTION

I move to award the 2010 Airport Improvement Project to construct blast pads and upgrade the signage to AJP Electric, Inc. and authorize the Mayor to sign all necessary contract documents.

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). 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. This project was originally bid in late 2010. Unfortunately, all of the bids were higher than available FAA funding. Additional FAA funding is now available and the Town Council accepted the additional grant at the June 21st Council Meeting. No we are ready to move forward with this project to install an asphalt blast pad at each end of the runway and to install improved runway and taxiway signage. The Payson Regional Airport Authority is supportive of this project.

On May 17, 2011 we received bids for this project. We received three bids. A summary of the bids is as follows:

Contractor	Total Bid
AJP Electric, Inc.	\$288,394.5
Show Low Construction	\$317,443.20
CSW	\$345,748.50
North Country	\$369,782.40

Our airport consultant, Armstrong Consultants, has reviewed all the bids and determined that lowest responsive, responsible bid is from AJP Electric, Inc. and recommends that they be awarded the project. Staff concurs with this recommendation. Therefore, we are requesting that the 2010 Airport Project be awarded to AJP Electric, Inc.

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.

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COUNCIL DECISION REQUEST

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:

FM
BA: Hope Curb Date: 6-29-11

June 27, 2011

Mr. LaRon Garrett,
Public Works Director
Town of Payson, Arizona
303 N. Beeline Highway
Payson, Arizona 85541

RE: Payson Municipal Airport
AIP 3-04-0027-16/17
Notice of FAA Grant Offer

Dear Mr. Garrett,

As you are aware, FAA funding for the blast pad, guidance sign and marking construction project has been received and executed by the City. The total project cost is \$481,669.50. The FAA is contributing 95% of the total through two grants, AIP 16 and AIP 17. The total FAA contribution is \$457,586. ADOT will contribute 2.5% of the total leaving 2.5% of the cost for the City.

Now that the funding is in place, a Notice of Award (NOA) must be given to AJP Electric. A copy of the NOA is attached for your approval. Please execute and return all five copies of the NOA to Armstrong so that we may forward it to the Contractor and begin construction coordination. A copy of Armstrong's Recommendation to Award letter is attached for your reference.

Please contact me if you have questions.

Sincerely,

ARMSTRONG CONSULTANTS, INC.



Jason Musselman

Enclosures: Notice of Award
Recommendation of Award

**NOTICE OF AWARD
FOR
A.I.P. PROJECT NO. 3-04-0027-16 / 17
PAYSON MUNICIPAL AIRPORT**

TO: AJP Electric, Inc
11250 N Cave Creek Rd.
Phoenix, AZ 85020

The OWNER has considered the Bid submitted by you for the above described Work in response to its Invitation for Bids and Instructions to Bidders.

You are hereby notified that your Bid has been accepted in the amount of two hundred eighty eight thousand three hundred ninety four dollars and fifty cents (\$288,394.50).

You are required by the Instructions to Bidders to execute the Agreement and furnish the required Contractor's Performance, Payment and Maintenance Bonds and Proofs of Insurance within fifteen (15) calendar days from the date of this Notice to you.

If you fail to execute said Agreement and to furnish said Bonds and Proofs of Insurance within fifteen (15) days from the date of this Notice, said Owner will be entitled to consider your Bid abandoned, to annul this Notice of Award and to declare your Bid Security forfeited.

You are required to return an acknowledged copy of this NOTICE OF AWARD to the Owner.

Dated this _____ day of _____, 2011.

TOWN OF PAYSON, ARIZONA
(Owner)

By _____, Mayor
Address: 303 N. Beeline Highway
Payson, Arizona 85541
Telephone: (928) 474-5242

ACCEPTANCE OF NOTICE

Receipt of the above NOTICE OF AWARD is hereby acknowledged by:

_____, Contractor

By: _____ Date: _____

Title: _____ Telephone: _____

May 19, 2011

Mr. LaRon Garrett,
Public Works Director
Town of Payson, Arizona
303 N. Beeline Highway
Payson, Arizona 85541

RE: Payson Municipal Airport
AIP 3-04-0027-16/17
Recommendation of Award

Dear Mr. Garrett,

As you are aware, bids were received on the above-noted project on May 17, 2011. Four bids were received on the project. A bid tabulation is attached.

The bids were reviewed for conformance to the requirements. The review included a check of the math, evidence of unbalancing, bid bond and appropriate signature. The bids generally appear to be responsive.

AJP Electric is the low bidder for the project. The low bidder has been determined based upon the lowest bid of the schedules awarded.

The following table shows the relationship of the bids to each other and the engineer's estimate:

CONTRACTOR	SCHEDULE I	SCHEDULE II	TOTAL	COMMENTS
<i>AJP Electric</i>	\$261,629.50	\$26,765.00	\$288,394.50	
<i>Show Low</i>	\$294,989.20	\$22,454.00	\$317,443.20	
<i>CSW</i>	\$313,244.50	\$32,504.00	\$345,748.50	
<i>North Country</i>	\$329,672.30	\$40,110.10	\$369,782.40	Error in Unit Cost for Schedule I, Item 11
ENGINEER'S ESTIMATE	\$305,227.50	\$23,355.00	\$328,582.50	

The project was advertised two times in the Arizona Republic and five times in the local paper over the course of five weeks. Fifteen sets of the documents were provided to potential bidders and subcontractors. Fifty five potential contractors, subcontractors, testing firms, and industry professionals were sent the Invitation to Bid directly.

A DBE goal of 4.19% was established for this project. AJP Electric has not committed to meeting this goal. Based on the 9th Circuit Court Decision in Western States Paving Company v. Washington State Department of Transportation, the bid cannot be rejected due to failure to meet the DBE goal.

The following budget needs to be developed for the project:

A.I.P. No. 3-04-0027-16/17 COST SUMMARY	
ESTIMATED CONSTRUCTION COST – SCHEDULE I	\$ 261,629.50
ESTIMATED CONSTRUCTION COST – SCHEDULE II	\$ 26,765.00
TOTAL ESTIMATED CONSTRUCTION COST – ALL SCHEDULES	\$ 288,394.50
ENGINEERING FEES	\$ 67,000.00
ADMINISTRATION	\$ 12,775.00
LAND REIMBURSEMENT	\$ 113,500.00
TOTAL ESTIMATED PROJECT COST	\$ 481,669.50
FAA GRANT AIP 3-04-0027-016	\$ 345,325.00
STATE MATCHING GRANT FOR AIP 3-04-0027-016	\$ 9,087.00
LOCAL MATCHING SHARE FOR AIP 3-04-0027-016	\$ 9,088.00
TOTAL ESTIMATED PROJECT COST REMAINING	\$ 118,169.50
FAA SHARE (95%)	\$ 112,261.00
STATE SHARE (2.5%)	\$ 2,954.00
LOCAL SHARE (2.5%)	\$ 2,954.50

Based upon our review, we recommend that all schedules be awarded to AJP Electric upon receipt of an FAA AIP Grant No. 17.

Please contact me if you have questions.

Sincerely,

ARMSTRONG CONSULTANTS, INC.

Jessica Alm

Enclosures

Cc: Mark Guan, FAA, L.A. ADO
Nancy Wiley, ADOT Aeronautics

w/encl.
w/encl.