



City of Killeen

Legislation Text

File #: RS-23-038, **Version:** 1

Consider a memorandum/resolution awarding Bid Number 23-06 for construction of the Corporate Hangar II project to Native American Services Corporation, in the amount of \$5,335,019.32.

DATE: February 21, 2023

TO: Kent Cagle, City Manager

FROM: Mike Wilson, Executive Director of Aviation

SUBJECT: Authorize the Award of Bid No. 23-06, Corporate Hangar Phase II Project, to Native American Services Corporation.

BACKGROUND AND FINDINGS:

The Corporate Hangar Phase II project was originally bid in March 2022. In response, the City received three bids. However, the City was required to reject all bids due to a delay in receiving Federal Aviation Administration (FAA) grant funding.

On September 13, 2022, the City Council accepted a FAA Military Airport Program (MAP) grant in the amount up to \$4,553,070 to fund eligible portions of the Corporate Hangar II Project at the Killeen-Fort Hood Regional Airport (KFHRA).

City staff re-advertised for bids for the project on November 6 and 13, 2022. Advertising appeared in the local newspaper as well as the City's website. Additionally, it was advertised on multiple statewide electronic bidding sites. A pre-bid meeting was held on November 15, 2022, with six (6) general contractors and various sub-contractors attending.

Bids were opened on December 8, 2022, and the City of Killeen received one (1) bid as follows:

	NASCO
Base Bid A-Site Civil Improvements (Eligible)	\$1,451,143.35
Base Bid B-Hangar (Eligible)	\$2,387,187.00
Base Bid C-Interior Framing/Finish Out Office Space (Ineligible)	\$918,721.00
Additive Alternative 1-Lift Station Upgrades (Eligible)	\$70,841.97
Additive Alternative 2-2 nd Floor Structure over Office Space (Ineligible)	\$176,296.00
Additive Alternative 3-Wet Pipe Sprinkler System (Eligible)	\$54,871.00
Additive Alternative 4-Hangar Bay Extension (Eligible)	<u>\$275,959.00</u>
Total	\$5,335,019.32

A thorough review of the bid package was completed by the airport's consultant and Aviation staff. The Native American Services Corporation (NASCO) was the only bidder, and their bid was found to be responsive and

responsible. NASCO is a very experienced construction company with excellent references. Therefore, the consultant and staff's recommendation is to award the construction contract to NASCO in the amount of \$5,335,019.32.

Base Bids A and B, and Additive Alternates 1, 3, and 4 will be funded 90% with MAP Funds. The 10% grant match and the ineligible costs (Base Bid C and Additive Alternate 2), in the amount of \$1,519,017.23, will be funded by the Aviation Enterprise Fund. Base Bid C is the interior framing and finishing out of 2,000 square feet of office space and Additive Alternate 2 is the floor structure over the office space.

	FAA Eligible 90%	City Match 10%/Non-Eligible	Total
Base Bid A	\$1,306,029.02	\$145,114.33	\$1,451,143.35
Base Bid B	\$2,148,468.30	\$238,718.70	\$2,387,187.00
Base Bid C	\$0	\$918,721.00	\$918,721.00
Additive Alternative 1	\$63,757.77	\$7,084.20	\$70,841.97
Additive Alternative 2	\$0	\$176,296.00	\$176,296.00
Additive Alternative 3	\$49,383.90	\$5,487.10	\$54,871.00
Additive Alternative 4	<u>\$248,363.10</u>	<u>\$27,595.90</u>	<u>\$275,959.00</u>
Total	\$3,816,002.09	\$1,519,017.23	\$5,335,019.32

THE ALTERNATIVES CONSIDERED:

1. Reject the bid.
2. Authorize award of the construction contract to NASCO for Base Bids A and B and Additive Alternates 1, 3, and 4.
3. Authorize award of the construction contract to NASCO for Base Bids A, B, and C and Additive Alternates 1, 2, 3, and 4.

Which alternative is recommended? Why?

Alternative 3 is recommended because:

1. Our consultants recommended the contract be awarded to NASCO based on the completeness of the bid, the price offered and their experience.
2. Project is funded through a MAP grant and available Aviation funds.
3. Not funding Base Bid C (the office finish-out) and Additive Alternate 2 (floor structure over office space) would severely limit the ability of the facility to be rented and would impact the amount of revenue it would produce.

CONFORMITY TO CITY POLICY:

This item conforms to local and state policies.

FINANCIAL IMPACT:

What is the amount of the expenditure in the current fiscal year? For future years?

The expenditure for Alternative 3 in the current fiscal year is \$5,335,019.32.

Is this a one-time or recurring expenditure?

One-time

Is this expenditure budgeted?

Yes, funding is available in the Aviation AIP Grants Fund in account 524-0515-521.69-03 and the match is available through the Aviation CIP fund in account number 523-8905-493.69-03.

If not, where will the money come from?

N/A

Is there a sufficient amount in the budgeted line-item for this expenditure?

No. The City's portion increased an additional \$362,351 due to inflation and the increase in building material prices. An accompanying budget amendment in the amount of \$362,351 is needed to fund the increase in Base Bid C and Additive Alternate 2 in account 523-8905-493.69-03. There will be a significant positive impact from the rental revenues for this facility with these two additions. Upon approval of the budget amendment, sufficient funding will be available.

RECOMMENDATION:

Staff recommends City Council authorize Bid Number 23-06 for construction of the Corporate Hangar II project to NASCO for Base Bids A, B, and C and Additive Alternates 1, 2, 3, and 4, in the amount of \$5,335,019.32 and recommends that City Council authorize the City Manager, or designee, to execute all contract documents and any and all change orders or actions within the amounts set by state and local law.

DEPARTMENTAL CLEARANCES:

Purchasing
Finance
Legal

ATTACHED SUPPORTING DOCUMENTS:

Bids
Contract
Certificate of Interested Parties