



# City of Killeen

## Legislation Text

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**File #:** RS-21-083, **Version:** 1

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Consider a memorandum/resolution awarding Bid No. 21-24, Rehabilitate Terminal Capital Equipment System at Killeen-Fort Hood Regional Airport, with Lochridge-Priest, Inc. in the amount of \$3,693,871.

**DATE:** June 15, 2021

**TO:** Kent Cagle, City Manager

**FROM:** Mike Wilson, Executive Director of Aviation

**SUBJECT: Award of Bid No. 21-24 Rehabilitate Terminal Capital Equipment System at Killeen-Fort Hood Regional Airport**

### **BACKGROUND AND FINDINGS:**

The Killeen Fort Hood Regional Airport (KFHRA) staff submitted an application to the Federal Aviation Administration (FAA) for an Airport Improvement Program (AIP) grant for the rehabilitation of the heating, ventilation and air-conditioning (HVAC) system at KFHRA. The existing system is almost 17 years old and has been experiencing increased maintenance issues over the last few years including some major component failures leading to increased repair costs and impacting the ability to heat and cool the terminal. This project will replace all major components of the HVAC system in the airport terminal including chillers, boilers, water pumps, air handlers, control systems, and other associated components. This project is listed on our approved FAA Capital Improvement Plan (CIP) for FY21.

The City has been offered an FAA AIP grant in the amount of \$3,898,271 to fund this project, of which \$400 will be allocated for legal advertising, \$204,000 for construction administration/management, and other associated costs, and \$3,693,871 for the contract itself. Under normal circumstances, AIP grants require a 10% match from the airport sponsor. However, the American Rescue Plan Act, signed into law on March 11, 2021, increases the federal share to 100 percent for AIP grants planned for fiscal year 2021.

On May 27, 2021, bids were opened; Three (3) bids were received. The results were as follows:

| Bidders                             | Base Bid    | Deductive Alt.2 | Total       |
|-------------------------------------|-------------|-----------------|-------------|
| Seneca Construction Management, LLC | \$4,804,324 | (\$77,440)      | \$4,726,884 |
| Lochridge-Priest, Inc.              | \$3,758,446 | (\$64,575)      | \$3,693,871 |
| R.E.C. Industries, Inc.             | \$3,777,000 | (\$60,000)      | \$3,717,000 |

A thorough review of each bid package was completed by the airport's consultant and staff. Lochridge-Priest, Inc. was the lowest responsive and responsible bidder. Therefore, the consultant and staff's recommendation are to award the construction contract to Lochridge-Priest, Inc. in the amount of \$3,693,871.

**THE ALTERNATIVES CONSIDERED:**

Alternatives considered: (1) Do not award the bid, or (2) award the bid to Lockridge-Priest, Inc.

**Which alternative is recommended? Why?**

Staff recommends alternative 2. The project is 100% funded by the AIP grant; and there is no impact on the Airport operating fund or fund balance.

**CONFORMITY TO CITY POLICY:**

Yes

**FINANCIAL IMPACT:**

This project will be funded by an FAA MAP Grant, if accepted.

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

The amount of the expenditures in the current year is \$3,693,871.

**Is this a one-time or recurring expenditure?**

One-time

**Is this expenditure budgeted?**

Upon approval of the corresponding budget amendment, funds will be budgeted in account 524-0515-521.69-03.

**If not, where will the money come from?**

N/A

**Is there enough in the budgeted line-item for this expenditure?**

Upon approval of the corresponding budget amendment

**RECOMMENDATION:**

Staff recommends City Council award a contract with Lochridge-Priest, Inc. in the amount of \$3,693,871 and authorize the City Manager or designee to execute all necessary agreement documents and any and all change orders within the amounts set by state and local laws.

**DEPARTMENTAL CLEARANCES:**

Finance  
Legal  
Purchasing

**ATTACHED SUPPORTING DOCUMENTS:**

Bid Tabulation

Bid Proposal

Contract

Certificate of Interested Parties