

COUNCIL ACTION FORM

**SUBJECT: FY 2015/16 AIRPORT TERMINAL BUILDING AND HANGAR –
PHASE 1: SITE WORK**

BACKGROUND:

The City's 2015-2020 Capital Improvements Plan (CIP) includes a project to construct a new terminal building, itinerant hangar, and related site improvements at the Ames Municipal Airport. This project is divided into two phases. The first phase is for the site improvements, and the second phase is for construction of the terminal facility. On Wednesday, June 17, 2015, bids for Phase 1 of this project were received as follows:

| <u>Bidder</u> | <u>Base Bid</u> | <u>Bid Alt #1</u> |
|--------------------------------|------------------------|--------------------------|
| Engineer's Estimate | \$ 689,526.50 | \$ 122,812.00 |
| Absolute Concrete Construction | \$ 772,499.10 | \$ 292,716.70 |
| Con-Struct, Inc. | \$ 803,144.20 | \$ 292,138.40 |
| Manatt's, Inc. | \$ 820,080.75 | \$ 278,481.75 |

Bid Alternate #1 included all related work necessary to move the airport runway and taxiway lighting controls from the basement of the existing terminal building over to a new, above ground electric vault. **Because of funding constraints, it is recommended that the City Council reject Alternate #1 and only consider the base bids.**

City Staff will propose at a future date a project to build the vault and demolish the old terminal building. In meantime, the lighting controls can remain in the existing terminal building. Space in the terminal can be leased to the FBO or other entities for airport-related services, thereby generating additional future revenue to the City.

ALTERNATIVES:

1. Award the FY 2015/16 Airport Terminal Building and Hangar (Phase 1: Site Work) to Absolute Concrete Construction of Slater, Iowa, in the amount of \$772,499.10, conditional upon FAA concurrence.
2. Award the FY 2015/16 Airport Terminal Building and Hangar (Phase 1: Site Work) to one of the other bidders.

However, this alternative is possible only if the FAA concurs with decision, which is highly unlikely without a justification for not moving ahead with the lowest, qualified bidder.

3. Reject the base bids and bid alternate #1, thereby delaying the terminal building improvements until such a time as the City Council is satisfied to proceed with the project.

MANAGER'S RECOMMENDED ACTION:

By awarding the site work contract for the new Ames Airport Terminal Building and itinerant hangar, it is anticipated that the City might still be able to take receipt of the donated Hangar by the private sector before the end of the year and expedite the completion of the new terminal building.

While the site work bids are \$202,000 over the original estimates and the construction cost for the new terminal is estimated to be \$548,000 over budget, the square footage of the terminal building has been reduced to generate \$250,000 in cost savings for the overall project and the revenue has been increased by \$500,000 with the commitment from ISU and City to each contribute up to an additional \$250,000, if needed. **With the financing now in place to meet the current projected costs, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, as noted above.**