



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: May 11, 2010

TO: Mayor and Councilmembers

FROM: Engineering Division, Public Works Department

SUBJECT: Contract For Construction Of The Santa Barbara Airport Airline Terminal Baggage Handling System

RECOMMENDATION: That Council:

- A. Reject the bid of the apparent low bidder, Automatic Systems, Inc. (ASI), for the Santa Barbara Airport Airline Terminal Baggage Handling System Project (Project), Bid No. 3610, as non-responsive due to bid irregularities;
- B. Award a contract with The Horsley Company, LLC (Horsley), in their low bid amount of \$810,507.86, for construction of the Project; and
- C. Authorize the Public Works Director to approve expenditures up to \$121,000 to cover any cost increases that may result from contract change orders for extra work and differences between estimated bid quantities and actual quantities measured for payment.

DISCUSSION:

PROJECT DESCRIPTION

The work consists of specialty items not included in the overall terminal building bid process, specifically the outbound baggage handling system. This work was not included in the terminal bid, as it was determined that the Airport could save money by bidding this separately and independently from the Airline Terminal bid.

CONTRACT BIDS

A total of eight bids were received for the subject work, ranging as follows:

BIDDER	BID AMOUNT
1. Automatic Systems Inc.* Kansas City, MO	\$789,121.00
2. The Horsley Company, LLC Salt Lake City, UT	\$810,507.86
3. Vanderlande Industries Marietta, GA	\$845,283.00
4. Glidepath, Inc. Prairie, TX	\$871,563.00
5. Hilmot Corporation Waukesha, WI	\$898,078.55
6. G&S Mechanical Wichita, KS	\$965,700.00
7. Logan Teleflex Louisville, KY	\$1,067,062.00
8. Diversied Conveyors Memphis, TN	\$1,076,618.00

* Bid deemed non-responsive after staff review.

ASI's bid included an attachment that contained a number of "clarifications" to the bid, with an instruction to the City stating that "the following notations and/or exceptions are pertinent to our quotation and should be considered in the evaluation of same." The "clarifications" resulted in a modification or alteration of the bid which is expressly prohibited under the Project specifications. For this reason, staff deemed the ASI bid to be non-responsive and, therefore, it is staff's recommendation that it must be rejected.

The low bid of \$810,507.86, submitted by Horsley, is an acceptable bid that is responsive to and meets the requirements of the bid specifications.

The change order funding recommendation of \$121,000 or 15%, is typical for this type of work and size of project.

BID PROTEST

Horsley submitted a letter of appeal of ASI's proposal on April 6, 2010, in which it raised several concerns with ASI's bid. Horsley's correspondence is available for Council member review in the Council reading file, and available for public review in the City Clerk's Office.

Although Horsley brings up several issues with ASI's bid package, City staff's determination that ASI's bid is non-responsive is based on the grounds set forth above.

FUNDING

This project is funded by the Airport Bond Fund. There are sufficient funds in the Airport Bond Fund to cover the cost of this Project.

The following summarizes the expenditures recommended in this report:

CONSTRUCTION CONTRACT FUNDING SUMMARY

	Basic Contract	Change Funds	Total
The Horsley Company	\$810,507.86	\$121,000.00	\$931,507.86
TOTAL RECOMMENDED AUTHORIZATION			\$931,507.86

The following summarizes all Project design costs, construction contract funding, and other Project costs:

ESTIMATED TOTAL PROJECT COST

Design (by Contract or City staff)	\$100,000.00
Other Design Costs - City staff	\$5,000.00
Subtotal	\$105,000.00
Construction Contract	\$810,507.86
Construction Change Order Allowance	\$121,000.00
Subtotal	\$931,507.86
Construction Management/Inspection by City Staff	\$5,000.00
Subtotal	\$5,000.00
TOTAL PROJECT COST	\$1,041,507.86

PREPARED BY: Owen Thomas, Principal Engineer/LR/sk

SUBMITTED BY: Christine F. Andersen, Public Works Director

APPROVED BY: City Administrator's Office