



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: March 11, 2014

TO: Mayor and Councilmembers

FROM: Administration Division, Airport Department

SUBJECT: Tolling Agreement With EMMA Corporation For Terminal Improvement Project

RECOMMENDATION:

That Council authorize the Airport Director to execute a Tolling Agreement with EMMA Corporation for the Terminal Improvement Project.

DISCUSSION:

The City and EMMA propose to enter into an agreement to preserve the rights of the parties in relation to each other while the City attempts to resolve the concerns raised by the FAA Los Angeles District Office regarding the City's alleged violation of the FAA Airport Improvement Program (AIP) Buy American provisions for the terminal project. According to those provisions, AIP grant recipients are required to certify that they will not use any steel or manufactured products produced outside the United States on any portion of the project for which funds are provided, unless otherwise approved by the FAA.

The City has withheld funds from the project contractor, EMMA Corporation, for certain items of work that may not have met the Buy American provisions. The cost of the product in question is \$87,650.76. EMMA has filed a claim against the City for release of those funds. Neither party wants to pursue their rights against the other until after the issues with the FAA are determined or clarified.

The Agreement preserves the rights of each party and prevents the passing of applicable statutes of limitations.

PREPARED BY: Owen Thomas, Supervising Engineer

SUBMITTED BY: Hazel Johns, Acting Airport Director

APPROVED BY: City Administrator's Office