



Legislation Text

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TO: Mayor and Members of City Council

THRU: Kristoff Bauer, Deputy City Manager, ICMA-CM

FROM: Bradley S. Whited, A.A.E., Airport Director
Tracey Broyles, Budget and Evaluation Director
Kimberly Toon, Purchasing Manager

DATE: August 13, 2018

RE:
Adoption of Budget Ordinance Amendment 2019-2 and Capital Project Ordinance Amendment 2019-17 to Fund Two Additional Passenger Boarding Bridges with Airport Terminal Improvement Project - Part I, and Authorization for the City Manager to Amend Resolute Building Company's Contract

COUNCIL DISTRICT(S):
All

Relationship To Strategic Plan:

Goal IV: Fayetteville will be a highly desirable place to live, work, and recreate with thriving neighborhoods and a high quality of life for all residents.

- Objective D: To develop and maintain public transportation investments with high quality transit and airport services.

Executive Summary:

Council is asked to appropriate \$2,081,000 in additional funding for the Airport Terminal Renovation Phase I Project and authorize the City Manager to amend the contract with Resolute Building Company to allow for the purchase of two replacement passenger boarding bridges (PBBs) for Concourse B.

Adoption of Budget Ordinance Amendment (BOA) 2019-2 will appropriate \$514,148 from Airport Fund net assets to transfer to the Airport Capital Fund. These funds will be used along with \$630,981 of funds previously transferred from the operating fund, \$797,412 of Passenger Facility Charge (PFC) revenue and \$138,459 of interest earnings on PFC revenues to fund the additional \$2,081,000 appropriation on proposed Capital Project Ordinance Amendment (CPOA) 2019-17.

Background:

In prior actions related to the Airline Terminal Improvement Project:

- City Council approved conceptual terminal design June 22, 2015
- Gordon Johnson briefed City Council on design progress February 22, 2016
- City Council approved pre-qualification process April 11, 2016
- City Council accepted FAA Grant #44 on August 22, 2016
- City Council accepted FAA Grant #45, approved CPO 2018-20, authorized the Mayor to sign the NCDOT Aviation Grant when received and authorized the City Manager to execute the Resolute Building Company contract for construction of Terminal Improvement Part I on August 28, 2017

The original design for Terminal Renovation Part I included four passenger boarding bridges, two for new Concourse A and two replacements in existing Concourse B. These two replacement bridges were removed from the base bid on the final bid process on July 18, 2017 as part of the value engineering process, but were included as alternates to the base bid.

The two current bridges in Concourse B are 1978 models that were purchased used in 1991. They have required extensive repair over the years and need to be replaced with newer, more reliable bridges. As the Airport has now received additional State funding, the contractor was asked if the two replacement PBBs could be added back into the contract at the same cost as proposed in the 2017 bid. The Airport Commission approved this recommendation at its June 26, 2018 meeting.

The \$2,081,000 additional appropriation for the project is proposed to be funded through a combination of local Airport revenues (\$1,145,129) and PFC revenues and associated interest (\$935,871). The State has also asked that State grant funds appropriated for the terminal improvements be expended as quickly as possible. To meet this interest, project funding from PFCs and State grants are being reallocated among project components to use the State funds for the replacement PBBs for which expenditures are expected by October 2019.

Issues/Analysis:

The proposed uses of PFC funds are consistent with current Federal Aviation Administration approved uses.

According to subject matter experts at the School of Government, the collective provisions of the bid, specifications, and subsequent contract are the key determinants under state law as to whether the City may add the cost of the bid alternates to the awarded base bid at this time. In this case, the following provisions allow for the addition:

- The July 18, 2017 Bid Tabulation documents that Resolute was awarded the contract because it was the “lowest responsive and qualified bidder based on any combination of Base Bid and Bid Alternates selected by the City at the time of the initial contract.” (See Page 2 of the Bid Proposal.)
- The Construction Contract contains the provision that “[i]t is agreed and understood that the Invitations of Bids, Proposal, Standard Specifications, Special Provisions, and the enumerated ... Alternates... are parts and parcels of this Contract to the same extent as if incorporated herein in full.”
- Finally, Page 2 of the Bid Proposal allows the City to reserve “its right to select the bid

alternatives at a later date during the contract or not at all.

Thus, the collective provisions of the bid, specifications, and subsequent contract provide legal authorization to seek the Council's authorization for the \$2,081,000 increase in the contract price to include the two replacement PBBs.

Budget Impact:

BOA 2019-2 will appropriate \$514,148 from available Airport Operating Fund net assets to transfer to the Airport Capital Project Fund. With this transfer, there will be sufficient local Airport funding, PFC funds and associated PFC interest earnings to support the \$2,081,000 project appropriation. There are no General Fund contributions required.

Options:

- 1) Adopt BOA 2019-2 and CPOA 2019-17, and authorize the City Manager to execute an amendment to the Resolute Building Company construction contract to include the two additional PBBs.
- 2) Do not adopt BOA 2019-2 or CPOA 2019-17, or authorize the City Manager to execute an amendment to the Resolute Building Company construction contract and provide direction to staff.

Recommended Action:

Staff recommends that Council move to adopt BOA 2019-2 and CPOA 2019-17, and to authorize the City Manager to execute an amendment to the Resolute Building Company construction contract to include the two additional Passenger Boarding Bridges.

Attachments:

Budget Ordinance Amendment 2019-2
Capital Project Ordinance Amendment 2019-17