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## COMMUNITY DEVELOPMENT

### MEMORANDUM

Planning,  
Zoning,  
Building Safety,  
Construction Inspection Services,  
Public Health,  
Housing Inspections,  
Code Enforcement

**To:** Mayor and City Council Members  
**From:** Jodi Royal-Goodwin, Community Development Director  
**Cc:** Gregg Mandsager, City Administrator  
**Date:** August 15, 2019  
**Re:** Resolution to Award Contract for the Airport Hangar and Apron Construction Project

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**INTRODUCTION:** In 2017 the City of Muscatine received a grant from the Iowa Department of Transportation (IDOT) for the construction of hangars and associated apron at the Muscatine Municipal Airport. Bolton & Menk developed plans and specifications to be used in the bidding and construction process. Staff is now recommending award of the contract to SG Construction.

**BACKGROUND:** The City of Muscatine and the Airport Advisory Commission have been working for several years to develop additional hangar space at the Muscatine Municipal Airport. The Airport currently has 20 T-hangars that were built approximately 50 years ago, and there have been no vacancies in the past decade. As soon as a hangar becomes available, a tenant is identified and lease executed. There is currently a wait list of 17 and 11 pilots requesting a hangar upgrade.

In November 2016 City Council approved a professional services agreement with Bolton & Menk for engineering and construction services at the Airport from November 2016 through November 2021. A work order was also issued in November 2016 under this contract for the design and construction of 4 T-hangars and associated taxiway and apron improvements. The expansion of the hangars was adopted as part of the 5-Year Capital Improvement Program. Under this contract an application for vertical infrastructure (hangars) was submitted to IDOT, an option that had been unavailable for a number of years.

In November 2017 Council accepted two grants from IDOT. These grants included funds for:

- The construction of 4 T-hangars with up to 44% of the eligible project costs, not to exceed \$150,000, covered; and
- An apron expansion for up to 85% of eligible project costs not to exceed \$203,567.

In July 2018 Work Orders 2 and 3 were approved for design and construction services for 4 corporate (box) hangars and associated apron and taxiway extensions. Additional funding for this project was anticipated to be available from private entities who would execute long-term

land leases of the facilities. Unfortunately, Federal Aviation Administration regulations prevent such long-term leases and the commercial hangars were determined infeasible.

At the February meeting of the Airport Advisory Commission there was significant interest in pursuing box hangars rather than additional T-hangars utilizing the available grant funding. Staff requested Bolton & Menk provide a cost estimate for the construction of 5 box hangars. The total estimated construction costs for this project was \$512,600, compared to \$499,900 for the original 4 T-hangar design. Also in February staff received grant amendments extending grant period giving the City until fall 2019 to execute appropriate construction contracts. Bolton & Menk confirmed with IDOT the proposed project would be approved.

As discussed at the April 4 meeting of the City Council, there is currently \$177,583 available for this project and City council concurred with the staff proposal to use \$400,000 in proceeds from the 2020 bond issue to fully fund the balance of the project costs. State grant funds and proceeds from the City's May 2018 bond issue will fund the estimated costs for the Apron Expansion Project.

At their April 18 meeting, City Council approved Addendum Number 1 to the Professional Services Contract with Bolton & Menk for the Design and Construction of Hangars for Hangar Row 4 and use of bond proceeds for the local share of design and construction costs.

Requests for bids were issued for 3 box hangars with Alternate A for 2 additional hangars, Alternate B with extending gas service to the hangars, and Alternate C for project completion by December 31, 2019. Three bids packages were received as follows:

SG Construction, West Burlington, IA	\$632,119.47
Alternate A – 2 Additional Hangars	\$211,202.46
Alternate B – Extending Gas Service	\$ 9,734.75
Alternate C – December 31 Completion	\$ 0.00
Todd Hackett, Muscatine, IA	\$735,620.81
Alternate A – 2 Additional Hangars	\$245,106.70
Alternate B – Extending Gas Service	\$ 22,000.00
Alternate C – December 31 Completion	\$ 61,000.00
Tricon, Cedar Rapids, IA	\$743,000.00
Alternate A – 2 Additional Hangars	\$214,000.00
Alternate B – Extending Gas Service	\$ 19,000.00
Alternate C – December 31 Completion	\$ 35,000.00

Bolton & Menk reviewed the submissions with the Airport Advisory Commission and staff. The group discussed cost cutting measures, such as smaller hangar doors, and the added value of the extending the gas service. The Commission recommended the extension of gas service be included in the contract and requested consideration of constructing all 5 hangars. SG as the

lowest bidder was contacted regarding cost savings. Approximate savings for this change are \$6,000 for 3 hangars and \$10,000 for all 5 hangars.

The resulting total project costs for the construction of 3 hangars with the extension of gas service is \$636,354.22 and \$842,056.68 for 5 hangars. City funds required to complete the base project is \$349,155.46 and \$541,489.68 with the additional hangars. The design and construction management services from Bolton & Menk are in addition to the costs. However, because of the match requirements under the grant agreements not all funds available for construction of the taxi lane and apron will be expended. It is estimated \$13,368.24 will be returned to IDOT without constructing Bid Alternate A.

There is currently \$27,583 allocated to this project from the 2018 bond issuance. Project completion will require \$321,573 of funding from the 2020 bond issuance for the construction of 3 hangars or \$513,907 for 5 hangars, in addition to funds allocated for the design services contract. As Council previously approved the use of up to \$400,000 in bond proceeds for this project, it is recommended contracting be for the 3 hangar project with the gas service extension.

Currently there is additional bond financing available, however there are a number of other outstanding construction projects to be bid and that the use of additional funds may impact.

**RECOMMENDATION:** Staff recommends award of the contract to SG Construction for the base bid and Alternate B in the amount of \$641,854.22.

#### **Supporting Documents**

1. Resolution
2. Bid Tabulation

**RESOLUTION NO. \_\_\_\_\_**

**AWARD CONTRACT FOR  
AIRPORT HANGAR AND APRON CONSTRUCTION PROJECT**

It is resolved that the following bid is determined to be the lowest responsible bid for the Base Bid and Alternate B for the Airport Hangar and Apron Construction Project at the Muscatine Municipal Airport.

<u>NAME &amp; ADDRESS OF CONTRACTOR</u>	<u>AMOUNT OF BID</u>
SG Construction West Burlington, IA	\$641,854.22

It is further resolved that the Airport Hangar and Apron Construction Project at the Muscatine Municipal Airport is awarded the above named contractor for \$641,854.22 and the Mayor and City Clerk are authorized and directed to enter into a written contract with said contractor covering the furnishing of material for and construction Airport Hangar and Apron Construction Project, such contracting not to be binding until approved by resolution of this Council.

PASSED, APPROVED, AND ADOPTED THIS 15<sup>th</sup> DAY OF AUGUST, 2019

CITY COUNCIL OF THE CITY OF MUSCATINE, IOWA

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Diana Broderson, Mayor

ATTEST

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Gregg Mandsager, City Administrator