



**SAN DIEGO COUNTY
REGIONAL AIRPORT AUTHORITY
STAFF REPORT**

**Item No.
11**

Meeting Date: **JANUARY 5, 2012**

Subject:

Award a Contract to Stronghold Engineering, Inc. to Upgrade Gates in Terminal 2 East: Gate 24-Gate 28 Holdrooms, at San Diego International Airport

Recommendation:

Adopt Resolution No. 2012-0008, awarding a contract to Stronghold Engineering, Inc. in the amount of \$13,997,127 for Project No. 104056, to upgrade Terminal 2 East Facility: Gate 24-Gate 28 Holdrooms, at San Diego International Airport.

Background/Justification:

The Project will upgrade the Terminal 2 East building between Gate 24 and Gate 28 and between Gate 25 and Gate 27 to increase holdroom capacity, create new concessions, provide necessary infrastructure for future use of passenger transport vehicles, relocate the existing tenant clubroom to allow for the buildout of the adjacent roof area above the American Airlines baggage make-up area, and create a new post security concession area. The existing pre-security food court area will also be reconfigured to increase ticket counter queuing and passenger circulation area and to provide for new concessions.

The project has been divided into three (3) separate contract packages:

1. Upgrade T2E Facilities: Terminal Building (Approved November 3, 2011 Board Meeting)
2. Upgrade T2E Facilities: Gate 24-Gate 28
3. Upgrade T2E Facilities: Gate 25-Gate 27

This contract is for the Gate 24-Gate 28 work only (Item 2, above).

The Scope of Work for this contract includes the expansion between Gate 24 and Gate 28 to increase holdroom capacity, create new concessions and provide the necessary infrastructure for future use of the passenger transport vehicles.

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This contract was advertised on October 28, 2011, and bids were opened on December 2, 2011. The following bids were received: (See Attachment A)

Company	Total Bid
Stronghold Engineering, Inc.	\$ 13,997,127
SOLPAC Construction, Inc., dba Soltek Pacific	\$ 14,562,000
Barnhart Reese Construction, Inc.	\$ 14,574,162
Jaynes Corporation	\$ 14,740,553
Ledcor Group of Companies	\$ 14,835,000
USS Cal Builders	\$ 15,109,602
Turner Construction Company	\$ 15,208,000
Hearne/Bayley JV	\$ 15,371,489
TB Penick & Sons, Inc.	\$ 15,498,161
PW Construction, Inc.	\$ 15,668,000

Engineer's estimate is \$ 14,000,000 (See Attachment A)

Fiscal Impact:

Adequate funds for Stronghold Engineering, Inc., are included within the FY2012-FY2016 Capital Budget in the Project No. 104056, Expand Terminal 2 East Facilities. Sources of funding for this project include Airport Revenue Bonds and Passenger Facility Charges.

Authority Strategies:

This item supports one or more of the Authority Strategies, as follows:

- Community Strategy
 Customer Strategy
 Employee Strategy
 Financial Strategy
 Operations Strategy

Environmental Review:

- A. This Board action is for the Terminal 2 East project that was determined to be a class of project not to have a significant effect on the environment (Section 15301, Existing Facilities – Class 1) and a categorical exemption was prepared in accordance with the California Environmental Quality Act (CEQA).
- B. This Board action is for the Terminal 2 East project for which the California Coastal Commission issued a Notice of Permit Waiver Effectiveness (Waiver Number 6-11-036-W) effective on July 14, 2011 in accordance with the California Coastal Act.

Equal Opportunity Program:

The San Diego County Regional Airport Authority's small business program promotes the utilization of small, local, disadvantaged, and other business enterprises, on all contracts, to provide equal opportunity for qualified firms. By providing education programs, making resources available, and communicating through effective outreach, the Authority strives for diversity in all contracting opportunities.

The Authority has a Disadvantaged Business Enterprise ("DBE") Plan as required by the Department of Transportation, 49 CFR Part 26. The DBE Plan calls for the Authority to submit an annual overall goal for DBE participation on all federally funded projects.

This project does not utilize federal funds; therefore, it will not be applied toward the Authority's over-all DBE goal.

Prepared by:

IRAJ GHAEMI, P.E.
DIRECTOR, FACILITIES DEVELOPMENT

BID TABULATION

CIP 104056 - Expand Terminal 2-East Facility: Gate 24 - Gate 28

ATTACHMENT A

BIDS OPENED: December 2, 2011 at 2:00 PM PST
 ENGINEERS ESTIMATE: \$14,000,000.00

CONTRACTOR:		Stronghold 2000 Market Street Riverside, CA 92501				SOLPAC Construction Inc dba Soltek Pacific 2424 Congress Street San Diego, CA 92110				Barnhart Reese Construction, Inc. 10805 Thornmint Road, #200 San Diego, CA 92127			
ADDRESS:													
GUARANTEE OF GOOD FAITH:		Safeco Insurance Company of America				Safeco Insurance Company of America				Federal Insurance Company			
BID SCHEDULE A		1				2				3			
Bid Item	Item Description	Unit of Measure	Quantity	Unit Price In Figures	Total In Figures	Unit of Measure	Quantity	Unit Price In Figures	Total In Figures	Unit of Measure	Quantity	Unit Price In Figures	Total In Figures
1	Expand Terminal 2 East Facility: Gate 24 - Gate 28	Lump Sum	N/A	N/A	\$ 12,082,127.00	Lump Sum	N/A	N/A	\$ 12,312,680.00	Lump Sum	N/A	N/A	\$ 12,159,876.00
2	Section 1D-17 - Contractor's Employee Office Trailer	Lump Sum	N/A	N/A	\$ 75,000.00	Lump Sum	N/A	N/A	\$ 20,000.00	Lump Sum	N/A	N/A	\$ 16,800.00
3	Section 1D-45 - Contractor's Progress Schedule	Lump Sum	N/A	N/A	\$ 40,000.00	Lump Sum	N/A	N/A	\$ 132,000.00	Lump Sum	N/A	N/A	\$ 142,000.00
4	Contractor's Quality Control Program, Section 01400	Lump Sum	N/A	N/A	\$ 225,000.00	Lump Sum	N/A	N/A	\$ 160,000.00	Lump Sum	N/A	N/A	\$ 142,000.00
5	Contractor Commissioning, Section 01910	Lump Sum	N/A	N/A	\$ 50,000.00	Lump Sum	N/A	N/A	\$ 15,000.00	Lump Sum	N/A	N/A	\$ 159,750.00
6	Section 1D-46, Overhead	Day	462	\$2,500.00	\$ 1,155,000.00	Day	462	\$3,360.00	\$ 1,552,320.00	Day	462	\$3,428.00	\$ 1,583,736.00
7	Allowance for Reimbursement of Permit Fees	Allowance	N/A	N/A	\$ 120,000.00	Allowance	N/A	N/A	\$ 120,000.00	Allowance	N/A	N/A	\$ 120,000.00
8	Allowance for Relocation of Utilities and Mitigation of Unknown Conditions	Allowance	N/A	N/A	\$ 75,000.00	Allowance	N/A	N/A	\$ 75,000.00	Allowance	N/A	N/A	\$ 75,000.00
9	Allowance for Reimbursement of Work Performed on ACS and CCTV	Allowance	N/A	N/A	\$ 25,000.00	Allowance	N/A	N/A	\$ 25,000.00	Allowance	N/A	N/A	\$ 25,000.00
10	Allowance for Reimbursement of Work Performed on Public Address System.	Allowance	N/A	N/A	\$ 90,000.00	Allowance	N/A	N/A	\$ 90,000.00	Allowance	N/A	N/A	\$ 90,000.00
11	Allowance for Dewatering	Allowance	N/A	N/A	\$ 60,000.00	Allowance	N/A	N/A	\$ 60,000.00	Allowance	N/A	N/A	\$ 60,000.00
TOTAL BID SCHEDULE A =					\$ 13,997,127.00				\$ 14,562,000.00				\$ 14,574,162.00
Notes:										Calculation error: Bid Item 6, total amount is \$1,583,736.00 vs. \$1,583,886.00 in the Bid Proposal. Therefore, total bid amount is \$14,574,602.00 vs. \$14,941,835.00 in the Bid Proposal.			

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BID TABULATION

CIP 104056 - Expand Terminal 2-East Facility: Gate 24 - Gate 28

ATTACHMENT A

BIDS OPENED: December 2, 2011 at 2:00 PM PST
ENGINEERS ESTIMATE: \$14,000,000.00

CONTRACTOR:		Jaynes Corporation 111 Elm Street, 4th Floor San Diego, CA 92101				Ledcor 6405 Mira Mesa Blvd, #100 San Diego, CA 92121				USS Cal Builders 8051 Main Street Stanton, CA 90680			
ADDRESS:		Western Surety Company				Fidelity and Deposit Company of Maryland				Safeco Insurance Company of America			
GUARANTEE OF GOOD FAITH:		4				5				6			
BID SCHEDULE A		4				5				6			
Bid Item	Item Description	Unit of Measure	Quantity	Unit Price in Figures	Total in Figures	Unit of Measure	Quantity	Unit Price in Figures	Total in Figures	Unit of Measure	Quantity	Unit Price in Figures	Total in Figures
1	Expand Terminal 2 East Facility: Gate 24 - Gate 28	Lump Sum	N/A	N/A	\$ 12,853,647.00	Lump Sum	N/A	N/A	\$ 12,987,000.00	Lump Sum	N/A	N/A	\$ 13,799,000.00
2	Section 1D-17 - Contractor's Employee Office Trailer	Lump Sum	N/A	N/A	\$ 13,000.00	Lump Sum	N/A	N/A	\$ 7,000.00	Lump Sum	N/A	N/A	\$ 9,372.00
3	Section 1D-45 - Contractor's Progress Schedule	Lump Sum	N/A	N/A	\$ 100,000.00	Lump Sum	N/A	N/A	\$ 41,000.00	Lump Sum	N/A	N/A	\$ 87,330.00
4	Contractor's Quality Control Program, Section 01400	Lump Sum	N/A	N/A	\$ 141,000.00	Lump Sum	N/A	N/A	\$ 121,000.00	Lump Sum	N/A	N/A	\$ 85,200.00
5	Contractor Commissioning, Section 01910	Lump Sum	N/A	N/A	\$ 9,500.00	Lump Sum	N/A	N/A	\$ 51,000.00	Lump Sum	N/A	N/A	\$ 42,600.00
6	Section 1D-46, Overhead	Day	462	\$2,713.00	\$ 1,253,406.00	Day	462	\$2,722.94	\$ 1,258,000.00	Day	462	\$1,550.00	\$ 716,100.00
7	Allowance for Reimbursement of Permit Fees	Allowance	N/A	N/A	\$ 120,000.00	Allowance	N/A	N/A	\$ 120,000.00	Allowance	N/A	N/A	\$ 120,000.00
8	Allowance for Relocation of Utilities and Mitigation of Unknown Conditions	Allowance	N/A	N/A	\$ 75,000.00	Allowance	N/A	N/A	\$ 75,000.00	Allowance	N/A	N/A	\$ 75,000.00
9	Allowance for Reimbursement of Work Performed on ACS and CCTV	Allowance	N/A	N/A	\$ 25,000.00	Allowance	N/A	N/A	\$ 25,000.00	Allowance	N/A	N/A	\$ 25,000.00
10	Allowance for Reimbursement of Work Performed on Public Address System.	Allowance	N/A	N/A	\$ 90,000.00	Allowance	N/A	N/A	\$ 90,000.00	Allowance	N/A	N/A	\$ 90,000.00
11	Allowance for Dewatering	Allowance	N/A	N/A	\$ 60,000.00	Allowance	N/A	N/A	\$ 60,000.00	Allowance	N/A	N/A	\$ 60,000.00
TOTAL BID SCHEDULE A =					\$ 14,740,553.00				\$ 14,835,000.00				\$ 15,109,602.00
Notes:													

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BID TABULATION

CIP 104056 - Expand Terminal 2-East Facility: Gate 24 - Gate 28

ATTACHMENT A

BIDS OPENED: December 2, 2011 at 2:00 PM PST
 ENGINEERS ESTIMATE: \$14,000,000.00

CONTRACTOR: ADDRESS:		Turner Construction Company 9330 Scranton Road, Suite 300 San Diego, CA 92121				Hearna/Bayley JV 23101 Lake Center Drive, Suite 200 Lake Forest, CA 92630				TB Penick & Sons, Inc 15435 Innovation Drive San Diego, CA 92128			
GUARANTEE OF GOOD FAITH:		Liberty Mutual Insurance Company				Safeco Insurance Company of America				Safeco Insurance Company of America			
BID SCHEDULE A		7				8				9			
Bid Item	Item Description	Unit of Measure	Quantity	Unit Price in Figures	Total in Figures	Unit of Measure	Quantity	Unit Price in Figures	Total in Figures	Unit of Measure	Quantity	Unit Price in Figures	Total in Figures
1	Expand Terminal 2 East Facility: Gate 24 - Gate 28	Lump Sum	N/A	N/A	\$ 12,919,798.00	Lump Sum	N/A	N/A	\$ 13,270,218.00	Lump Sum	N/A	N/A	\$ 13,311,861.00
2	Section 1D-17 - Contractor's Employee Office Trailer	Lump Sum	N/A	N/A	\$ 14,200.00	Lump Sum	N/A	N/A	\$ 33,000.00	Lump Sum	N/A	N/A	\$ 23,250.00
3	Section 1D-45 - Contractor's Progress Schedule	Lump Sum	N/A	N/A	\$ 144,000.00	Lump Sum	N/A	N/A	\$ 77,000.00	Lump Sum	N/A	N/A	\$ 131,750.00
4	Contractor's Quality Control Program, Section 01400	Lump Sum	N/A	N/A	\$ 136,000.00	Lump Sum	N/A	N/A	\$ 324,000.00	Lump Sum	N/A	N/A	\$ 178,250.00
5	Contractor Commissioning, Section 01910	Lump Sum	N/A	N/A	\$ 159,750.00	Lump Sum	N/A	N/A	\$ 150,000.00	Lump Sum	N/A	N/A	\$ 42,000.00
6	Section 1D-46, Overhead	Day	462	\$3,169.38	\$ 1,464,252.00	Day	462	\$2,483.27	\$ 1,147,271.00	Day	462	\$462.00	\$ 1,441,050.00
7	Allowance for Reimbursement of Permit Fees	Allowance	N/A	N/A	\$ 120,000.00	Allowance	N/A	N/A	\$ 120,000.00	Allowance	N/A	N/A	\$ 120,000.00
8	Allowance for Relocation of Utilities and Mitigation of Unknown Conditions	Allowance	N/A	N/A	\$ 75,000.00	Allowance	N/A	N/A	\$ 75,000.00	Allowance	N/A	N/A	\$ 75,000.00
9	Allowance for Reimbursement of Work Performed on ACS and CCTV	Allowance	N/A	N/A	\$ 25,000.00	Allowance	N/A	N/A	\$ 25,000.00	Allowance	N/A	N/A	\$ 25,000.00
10	Allowance for Reimbursement of Work Performed on Public Address System.	Allowance	N/A	N/A	\$ 90,000.00	Allowance	N/A	N/A	\$ 90,000.00	Allowance	N/A	N/A	\$ 90,000.00
11	Allowance for Dewatering	Allowance	N/A	N/A	\$ 60,000.00	Allowance	N/A	N/A	\$ 60,000.00	Allowance	N/A	N/A	\$ 60,000.00
TOTAL BID SCHEDULE A =					\$ 15,208,000.00				\$ 15,371,489.00				\$ 15,498,161.00
Notes:										Bid Item 6: TB Penick Input incorrect 'Unit Price' in the Bid Proposal; the correct unit price is \$3,119.16 vs. \$462.00.			

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BID TABULATION

CIP 104056 - Expand Terminal 2-East Facility: Gate 24 - Gate 28

ATTACHMENT A

BIDS OPENED: December 2, 2011 at 2:00 PM PST
 ENGINEERS ESTIMATE: \$14,000,000.00

CONTRACTOR: ADDRESS:		PW Construction, Inc. 4075 Schaefer Avenue Chino, CA 91710			
GUARANTEE OF GOOD FAITH:		Liberty Mutual Insurance Company			
BID SCHEDULE A		10			
Bid Item	Item Description	Unit of Measure	Quantity	Unit Price in Figures	Total in Figures
1	Expand Terminal 2 East Facility: Gate 24 - Gate 28	Lump Sum	N/A	N/A	\$ 13,645,990.00
2	Section 1D-17 - Contractor's Employee Office Trailer	Lump Sum	N/A	N/A	\$ 16,500.00
3	Section 1D-45 - Contractor's Progress Schedule	Lump Sum	N/A	N/A	\$ 85,635.00
4	Contractor's Quality Control Program, Section 01400	Lump Sum	N/A	N/A	\$ 116,775.00
5	Contractor Commissioning, Section 01910	Lump Sum	N/A	N/A	\$ 139,500.00
6	Section 1D-46, Overhead	Day	462	\$2,800.00	\$ 1,293,600.00
7	Allowance for Reimbursement of Permit Fees	Allowance	N/A	N/A	\$ 120,000.00
8	Allowance for Relocation of Utilities and Mitigation of Unknown Conditions	Allowance	N/A	N/A	\$ 75,000.00
9	Allowance for Reimbursement of Work Performed on ACS and CCTV	Allowance	N/A	N/A	\$ 25,000.00
10	Allowance for Reimbursement of Work Performed on Public Address System.	Allowance	N/A	N/A	\$ 90,000.00
11	Allowance for Dewatering	Allowance	N/A	N/A	\$ 60,000.00
TOTAL BID SCHEDULE A =					\$ 15,668,000.00
Notes:		Calculation error: Total bid amount is \$15,668,000.00 vs. \$15,643,000.00 in the bid proposal.			

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RESOLUTION NO. 2012-0008

A RESOLUTION OF THE BOARD OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY AWARDING A CONTRACT TO STRONGHOLD ENGINEERING, INC., IN THE AMOUNT OF \$13,997,127 FOR PROJECT NO. 104056, TO EXPAND TERMINAL 2 EAST FACILITY: GATE 24-GATE 28, AT SAN DIEGO INTERNATIONAL AIRPORT

WHEREAS, the Project will expand the Terminal 2 East building between Gate 24 through Gate 28 and between Gate 25 through Gate 27 to increase holdroom capacity, create new concessions, provide necessary infrastructure for future use of passenger transport vehicles, and relocate the existing tenant clubroom to allow for the buildout of the adjacent roof area above the American Airlines make up area, to create for a new post security concession area; and

WHEREAS, the existing pre-security food court area will be reconfigured to increase ticket counter queuing and passenger circulation area, and to provide for new concessions; and

WHEREAS, the Project has been divided into three separate contract packages, and the award of a contract to Stronghold Engineering, Inc. is for the Gate 24 through Gate 28 work only; and

WHEREAS, the Scope of Work for this contract includes for the expansion between Gate 24-Gate 28 to increase holdroom capacity, create new concessions, and provide the necessary infrastructure for future use of the passenger transport vehicles; and

WHEREAS, the San Diego County Regional Airport Authority ("Authority") issued a Bid Solicitation Package for this contract on October 28, 2011; and

WHEREAS, on December 2, 2011, the Authority opened Sealed Bids received in response to the Bid Solicitation Package; and

WHEREAS, the apparent low bidder, Stronghold Engineering, Inc. submitted a bid of \$13,997,127 and the Authority's staff has duly considered Stronghold Engineering, Inc's bid, and has determined Stronghold Engineering, Inc. is responsible, and that its bid is responsive in all material respects; and

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WHEREAS, the San Diego County Regional Airport Authority Board ("Board") believes that it is in the best interest of the Authority and the public that it serves, for the Board to award Stronghold Engineering, Inc., the contract for Project No. 104056, Expand Terminal 2 East Facility: Gate 24-Gate 28, upon the terms and conditions set forth on the Bid Solicitation Package.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby awards a contract to Stronghold Engineering, Inc., in the amount of \$13,997,127, for Project No. 104056, to Expand Terminal 2 East Facility: Gate 24-Gate 28, upon the terms and conditions set forth on the Bid Solicitation Package; and

BE IT FURTHER RESOLVED that the Authority's President/CEO or designee hereby is authorized to execute and deliver such contract to Stronghold Engineering, Inc.; and

BE IT FURTHER RESOLVED that the Authority and its officers, employees, and agents are hereby authorized, empowered, and directed to do and perform such acts as may be necessary or appropriate in order to effectuate fully the foregoing resolution; and

BE IT FURTHER RESOLVED that the Board of the San Diego County Regional Airport Authority finds that this Board action is for a project determined not to have a significant effect on the environment (Section 15301, Existing Facilities – Class 1) and a categorical exemption was prepared in accordance with the California Environmental Quality Act; and the California Coastal Commission issued a Notice of Permit Waiver Effectiveness (Waiver Number 6-11-036-W) effective on July 14, 2011 in accordance with the California Coastal Act.

PASSED, ADOPTED, AND APPROVED by the Board of the San Diego County Regional Airport Authority at a regular meeting this 5th day of January, 2012, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

TONY R. RUSSELL
DIRECTOR, CORPORATE SERVICES/
AUTHORITY CLERK

APPROVED AS TO FORM:

BRETON K. LOBNER
GENERAL COUNSEL

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