



Legislation Details (With Text)

File #: 08-0394 **Version:** 1 **Name:** 050508 - CMA and URS Airport Agreements for Box Hangars
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Title: Resolution to Approve an Agreement with CMA Construction Services Inc. (\$2,390,000.00), Approve Contract Amendments #1 and #2 to the Professional Services Agreement between the City and URS Corporation (\$38,000.00) and Appropriate Funds and Amend the Project Budget for the Box Hangar and Snow Removal Equipment Building Project at the Ann Arbor Airport (\$2,566,374.00) (8 Votes Required)

Sponsors:

Indexes:

Code sections:

Attachments: 1. Airport Contract Amendment #1.pdf

Date	Ver.	Action By	Action	Result
5/5/2008	1	City Council	Approved	Pass

Resolution to Approve an Agreement with CMA Construction Services Inc. (\$2,390,000.00), Approve Contract Amendments #1 and #2 to the Professional Services Agreement between the City and URS Corporation (\$38,000.00) and Appropriate Funds and Amend the Project Budget for the Box Hangar and Snow Removal Equipment Building Project at the Ann Arbor Airport (\$2,566,374.00) **(8 Votes Required)**

Approve an Agreement with CMA Construction Services Inc.

Attached for your review and approval, please find a resolution that approves an agreement between the City and CMA Construction Services Inc. for the construction of six box hangars and a snow removal equipment (SRE) building at the Ann Arbor Airport. The two projects were combined into one bid document and will be awarded to one contractor. These improvements were included on the Airport Layout Plan approved by City Council in January, 2007. The projects were originally bid last fall but prices came in too high and bids were rejected. The projects were redesigned, reduced in scope and eleven bids (see attached bid tabulation sheet) were received on the February 19th re-bidding.

Snow Removal Equipment Building: The existing vehicle storage and maintenance building is an old pole type structure that is partially heated and has no running water or sewers. This is the only facility that we currently have at the Airport to store and maintain our vehicles and equipment. The building will be retained after construction of the new SRE building to store off season equipment and materials. The heat will be shut off to minimize operational expenses. The new SRE building will be a 7,700 square foot structure that will provide office space for the airport maintenance staff, a vehicle repair bay and a vehicle storage area for in-season equipment. The need to retain the old building for storage is even more significant because of the 30% reduction in the size of the new building as a result of the redesign. The SRE building and the site work for the project are being funded through

federal/state/local Airport Improvement Grant funds administered through the Michigan Department of Transportation (MDOT). The local share of this grant funding is \$43,135.00 and is provided for in the Airport's approved FY 08 operating budget.

Box Hangars: A row of six box style hangars, for lease to airport tenants, will be constructed as part of this project. These hangars address a need to provide a full range of hangar styles and sizes at the Airport to remain competitive in the market. Each of these heated and insulated hangars are 65' x 63' with individual restroom facilities. The utilities will be individually metered and each tenant is responsible for their own consumption. Staff had previously committed to Council to have four of the six hangars pre-leased prior to moving forward with construction of the project. Within 24 hours of making pre-leasing documents available to interested parties, all six hangars were pre-leased and a waiting list established. The primary funding for the hangars will be through an internal loan utilizing the City's pooled investment funds with repayment, including interest, of that loan being made through revenues generated by the new hangars. Site work for the box hangars is being provided through Airport Improvement Grant funds and local financing previously authorized.

Approve Contract Amendments #1 and #2 with URS Corporation

Attached for your review and approval are amendments #1 and #2 to the January 9, 2007 Professional Services Agreement between the City and URS Corporation. Amendment #1 is in the amount of \$8,000.00 and covers services related to updating the Airport Layout Plan as directed by City Council on January 22, 2007. Amendment #2 is in the amount of \$30,000.00 and covers the services related to the redesign and re-bidding of the SRE building and box hangar project after initial bids came in high. Funding for both amendments is covered under the Airport Improvement Grant program through the MDOT. MDOT will make payment directly to URS Corporation after the City approves the work effort.

Appropriate Funds and Amend the Project Budget

The overall airport project is being funded by a combination of state and federal Airport Improvement Grant funds, an advance of funds from the City's pooled investment funds and Airport budget appropriations. The Airport Improvement Grant program requires a local contribution of \$43,135.00 which was included in the approved FY 08 Airport operating budget and contained in the Airport Improvement Grant line below. The Airport Improvement Grant funds are available for expenses related to the SRE building and site work expenses for the overall project. The amendment to the project budget is broken down as follows:

Revenue	Amount
Airport Improvement Grant Funds (includes local share)	\$1,291,374.00
Advance from City's pooled investment funds	\$1,250,000.00
Airport Fund (proposed budget in FY 09)	<u>\$ 25,000.00</u>
TOTAL	\$2,566,374.00
Expenses	Amount
Contract Construction	\$2,390,000.00
Engineering & Inspection	\$ 38,000.00
Art in Public Places (1% of box hangar construction) (1)	\$ 12,000.00

Contingency	<u>\$ 126,374.00</u>
TOTAL	\$2,566,374.00

(1) Airport Improvement Grant funds are ineligible for public art projects.

The \$25,000.00 revenue amount from the FY 09 Airport Fund and \$25,000.00 of the contingency expenses are subject to City Council's approval of the FY 09 budget. The total anticipated project budget, as amended, is \$2,580,874.00.

One requirement for this type of project is that the City enter into an agreement with MDOT stipulating the funding split and other rights and responsibilities of the parties. It is the same form of agreement that we have used on airport projects in the past and is provided as a separate agenda item for consideration.

Prepared by: Matthew J. Kulhanek, Fleet & Facility Manager

Reviewed by: Sue F. McCormick, Public Services Administrator

Approved by: Roger W. Fraser, City Administrator

Whereas, The City has determined that certain improvements are necessary at the Ann Arbor Airport;

Whereas, CMA Construction Services Inc. of Shelby Township, Michigan was the lowest responsible bidder to ITB #3921 which includes the construction of a snow removal equipment building and six box style hangars;

Whereas, CMA Construction Services Inc. received Human Rights approval on April 17, 2008;

Whereas, The City entered into a Professional Services Agreement on January 9, 2007 with URS Corporation Great Lakes (URS) to design the snow removal equipment building and box hangar project to be located at the Ann Arbor Airport;

Whereas, Additional engineering services were necessary to redesign and reduce the scope of the project as well as update the airport layout plan as directed by Council in January 2007;

Whereas, URS Corporation Great Lakes received Human Rights approval on April 17, 2008; and

Whereas, The project has been included in the City Capital Improvements Plan and the FY 08 approved Capital Budget and an amendment to the project budget is necessary;

RESOLVED, That the Mayor and City Clerk be authorized and directed to execute a contract with CMA Construction Services Inc. for the construction of a snow removal equipment building and six box style hangars (ITB #3921), substantially in the form on file with the City Clerk, following approval as to substance by the City Administrator, and approval as to form by the City Attorney;

RESOLVED, That the Mayor and City Clerk be authorized and directed to execute contract amendments #1 and #2 with URS Corporation Great Lakes following approval as to substance by the City Administrator, and approval as to form by the City Attorney;

RESOLVED, That City Council increase the project budget as follows with funding advanced from the City's pooled investment funds, and subject to the availability of sufficient funds in the Airport Fund in the FY 09 budget, to be available without regard to fiscal year:

Revenue	Amount
Airport Improvement Grant Funds*	\$1,291,374.00
Advance from City's pooled investment funds	\$1,250,000.00
Airport Fund (proposed budget in FY 09)	<u>\$ 25,000.00</u>

TOTAL \$2,566,374.00

*includes \$43,135 FY08 local share

Expenses	Amount
Contract Construction	\$2,390,000.00
Engineering & Inspection	\$ 38,000.00
Art in Public Places	\$ 12,000.00
Contingency	<u>\$ 126,374.00</u>

TOTAL \$2,566,374.00

RESOLVED, That the City Council authorize the reimbursement of project related expenses paid from prior years airport operating budgets if funding is available at the end of the project; and

RESOLVED, That the City Administrator is authorized to take necessary administrative actions to implement this resolution.