MEMORANDUM

TO: Airport Board
FROM: Patrick Dame, C.M., Executive Director
DATE: March 10, 2020
RE: Bid Award – High Speed Multi-Tasking Snow Removal Equipment
Project #19-5267 / AIP 3-46-0048-053-2020

Attached is the bid recommendation memo from KLJ. Two bids were received for the above referenced equipment #19-5267 as follows:

<table>
<thead>
<tr>
<th>Company</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>M-B Companies</td>
<td>$ 785,836.00</td>
</tr>
<tr>
<td>TransSource Truck &amp; Equipment</td>
<td>$ 937,000.00</td>
</tr>
</tbody>
</table>

The low bid from M-B Companies did not acknowledge Addendum #1 on the outside of their envelope, but did acknowledge it on their Bid Form submittal. The City Attorney’s office concurs that this is a technical irregularity that can be waived and award given to the lowest bidder. Funding will be as follows:

<table>
<thead>
<tr>
<th>Funding Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>FAA (AIP Grant #53 2020)</td>
<td>$707,252.40</td>
</tr>
<tr>
<td>SD DOT 5%:</td>
<td>$ 39,291.80</td>
</tr>
<tr>
<td>Airport 5%:</td>
<td>$ 39,291.80</td>
</tr>
<tr>
<td>Total</td>
<td>$785,836.00</td>
</tr>
</tbody>
</table>

**STAFF’S RECOMMENDATION:** Award bid to M-B Companies in an amount not to exceed $785,836.00.
March 2, 2020

Mr. Patrick Dame
Airport Executive Director
Rapid City Regional Airport
4550 Terminal Road – Suite 102
Rapid City, SD  57703-8706

Re: High Speed Multi-Tasking Snow Removal Equipment
   AIP 3-46-0048-053-2020
   Bid Results

Dear Patrick:

We have reviewed the bids received on Thursday, February 27, 2020 for the above referenced procurement. Two bids were received and publicly read. A copy of the bid proposal form for each vender has been enclosed for your review. Extensions and numeric unit prices were reviewed for correctness and no mathematical errors were noted. The read low bid did not acknowledge Addendum No. 1 on the exterior of the bid submittal, but did acknowledge the addendum on their Bid Form submittal. Both bids included the proper bid bonds as requested in the Instructions to Bidders. The two bids received for the procurement are summarized as follows:

The low bid received for the equipment was from M-B Companies, Inc. of Chilton, WI in the amount of $785,836.00. The Engineer’s Opinion of Cost for this procurement was $800,000.00. The second bid received was from TransSource Truck and Equipment of Aberdeen, SD in the amount of $937,000.00. TransSource Truck and Equipment provides Oshkosh equipment.

It is our understanding that the Federal Aviation Administration grant application for an Airport Improvement Program grant will be submitted in May 2020 with the grant funding ninety percent (90%) of the equipment procurement. It is anticipated that the grant will be issued before the end of July 2020. An additional five percent (5%) of the funding will be issued through the State Office of Air, Rail & Transit once the federal grant is in place with the remaining five percent (5%) being a local share.

M-B Companies, Inc. indicated with their bid that the sixty percent (60%) or more of the cost of all of the components on the equipment and its final assembly has or will occur in the United States which does not meet the Airport’s requirements regarding the Federal Aviation Administration’s requirements for the Buy American program. Included for your signature is the Federal Aviation Administration, Exhibit A - Request for Waiver of Buy American Requirement to be completed and submitted to the FAA Bismarck Airports District Office for approval. This practice occurs frequently when procuring equipment utilizing AIP funding.
It is the recommendation of KLJ that the Rapid City Regional Airport seek legal counsel concurrence that a bidder not acknowledging an addendum on the outside of a bid envelope is a bid irregularity that can be waived in the best interest of the Airport. Assuming concurrence, the Airport can proceed with the awarding of a contract for this procurement to M-B Companies, Inc. in the amount of their total bid of $785,836.00.

Upon the Airport awarding the contract, the three (3) enclosed original documents of the Notice of Award can be executed by the Airport to be forward to the equipment vendor.

If you should have any questions or need additional information regarding this procurement, please feel free to contact our office at your convenience.

Sincerely,

KLJ

Rod Senn, PE
Project Manager

Enclosure(s): 2 – Vender Bid Forms
1 – FAA Buy American Waiver Form
3 – Notice of Award

Project #: 1905-01612