MEMORANDUM

TO: Airport Board
FROM: Patrick Dame, C.M., Executive Director
DATE: February 23, 2022
RE: Sanitary Sewer System Improvements, Project #18-5279
Contract Award R.C.S. Construction

Please find the attached bid recommendation letter from Rod Senn of Mead & Hunt, Inc. (M&H) regarding the Sanitary Sewer System Improvements. M&H recommends awarding the bid to R.C.S. Construction in the amount of $3,846,322.73. Funding will come from the CARES Act Build Grant program.

STAFF RECOMMENDATION: Staff recommends the Airport Board award the Sanitary Sewer System Improvements, Project #18-5279, to R.C.S. Construction in the amount, not to exceed, $3,846,322.73 and authorize the Board President to sign the Notice of Award.
February 18, 2022

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

Subject: Sanitary Sewer System Improvements
Airport Project No. 18-5279
Bid Results

Dear Patrick:

Bids for the subject project were opened and read aloud on Thursday, January 27, 2022. One (1) bid was received for this project. A summary of the bid, including the Engineer’s Opinion of Probable Cost, is enclosed for your records. The basis of award was specified as the lowest responsive Base Bid price.

As part of the bid analysis, Mead & Hunt, Inc. (M&H) reviewed in detail the bid. No irregularities or mathematical issues were noted. The total apparent low bid was from R.C.S. Construction, Inc. of Rapid City, South Dakota with a Base Bid amount of $4,190,492.73.

Following the bid opening, members of the Airport and Design Team met with R.C.S. Construction to discuss design elements, construction materials and schedule and to identify value engineering options which would potentially lower the cost of the project. Attached you will find the final value engineering offer from R.C.S. Construction which indicates a deduction from their bid in the amount of $344,170.00 for an over revised contract value of $3,846,322.73. Based on our current bidding environment and contractor availability, we believe that R.C.S. Construction revised bid is a fair price for the project. Additional deductions are being discussed which will require a Modification to Standards from the City of Rapid City Public Works Department. As approved, those items will be addressed as a Change Order to the project.

As the Bid Tabulation indicates, the lowest Base Bid substantially exceeds the Engineer’s Opinion of Probable Cost. The bid total and the fact only one (1) bid was received reflect the volatile construction bidding environment of our area. Supply chain disruptions, high material costs and labor shortages have greatly influenced construction cost and contractor availability in our region. In particular on this project, the Contractors have indicated that the cost of the steel materials, pipe fittings and the generator unit have escalated rapidly and are changing weekly.
Rapid City Regional Airport  
February 18, 2022  
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R.C.S. Construction’s bid acknowledged receipt of the three (3) addendums issued on the project and was accompanied by a Bid Bond in the amount of ten (10%) of the bid amount.

Based on the Airport’s desire to utilize Coronavirus Aid, Relief, and Economic Security Act funds issued by the Federal Aviation Administration for this project the bid documents included the applicable Buy American Certification and Disadvantaged Business Enterprise Participation requirements.

R.C.S. Construction indicated with their bid it would comply with the Buy American Certification provisions and that only steel and manufactured products produced in the United States would be installed; or products for which the FAA has issued a waiver; or installing products listed as an Excepted Article, Material or Supply in Federal Acquisition Regulation Subpart 25.108. Based on this certification the Airport will not be required to obtain a waiver for the project from the FAA.

The bid documents included a Disadvantaged Business Enterprise goal of 3.29% of the overall project. R.C.S. Construction committed with their bid to a minimum of 0.5% participation. Since the contractor did not achieve the project DBE goal, R.C.S. Construction included documents with their bid demonstrating a good faith effort to achieve the goal.

Based on the negotiations completed, it is the recommendation of Mead & Hunt for the Rapid City Regional Airport to award a construction contract for the project to R.C.S. Construction, Inc. in the amount of $3,846,322.73. The table below provides a budget summary for the project. With the bid-in-hand, the total cost for the project including construction, Engineering Design, Airport Administration, easements and Construction Management costs, is $4,744,840.00. As previously noted, the project is to be primarily funded with CARES Act Funds.

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<tr>
<th>Description</th>
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If you should have any questions or require additional information regarding this project, please feel free to contact our office at your convenience.

Sincerely,

MEAD & HUNT, Inc.

Rod Senn, PE
Senior Project Manager

Attachment/Enclosure:  Bid Tabulation
                      RCS Value Engineering Letter
                      Notice of Award
February 17, 2022

Rod Senn, PE
Mead & Hunt
Email: Rod.Senn@meadhunt.com
Phone: (605) 610-2938

RE: Rapid City Airport – Sanitary Sewer System Improvements – Value Engineering Options – REV2

RCS Construction has reviewed the plans and specifications of this project to find any possible value engineering items. Below is our list of possible Value Engineering Items revised based on our conversations:

- Modify completion date: Overall Completion move to June 1, 2023  DEDUCT $150,000.00
- Eliminate Bid Items #3/4 – Surveying to be provided by the Owner per plan notes  DEDUCT $44,420.00
- Owner to Pay for Actual Quantity of Imported Soil as required by site conditions*  DEDUCT $75,000.00
  *If encountered, to be paid at Bid Item #76 rates. If quantity exceeds 1,500 CY, unit price to be negotiated.
- Asphalt Pavement – Revise Binder to PG64-22  DEDUCT $3,500.00
- Concrete Testing to be provided by Owner  DEDUCT $1,000.00
- Accept Tnemec coating products for Wet Well/Diversion MH’s in lieu of Raven  DEDUCT $7,500.00
- Allow Dakota Pump Incorporated to provide pump package per attached revised pumps  DEDUCT $4,000.00
- Revise Generator to match requirements per attached email from FMG, add propane.  DEDUCT $13,750.00
- Allow One Lane Stop Sign Closure of Dunn Road in lieu of Flagging. Allow overnight setup  DEDUCT $20,000.00
- Reduce Compaction to 85%, waive moisture requirements on all 8” Sewer and 4” Force Main in Hwy 44 ROW  DEDUCT $25,000.00

**Total of All Possible Deductions: $344,170.00**

Kind Regards,

Evan Walteman
Project Manager/Estimator
RCS Construction, Inc.
NOTICE OF AWARD

TO: R.C.S. Construction, Inc.                                                      DATE: February 23, 2022
2400 Commerce Road
P.O. Box 9337
Rapid City, South Dakota 57709-09337

The Rapid City Regional Airport, having considered the Contract Proposal submitted for improvements to the Rapid City Regional Airport, and it appearing that your Contract Proposal of Three Million, Eight Hundred Forty-Six Thousand, Three Hundred Twenty-Two Dollars and Seventy-Three Cents ($3,846,322.73) for Sanitary Sewer System Improvements is fair, equitable and in the best interest of the Rapid City Regional Airport and having authorized the work to be performed, the said Contract Proposal is hereby accepted at the bid prices contained therein.

In accordance with the terms of the Contract Documents, you are required to execute the formal Contract Agreement and furnish the required Performance Bond and Payment Bond within 10 consecutive calendar days from and including the date of this notice.

The Bid Bond submitted with your Contract Proposal will be returned upon execution of the Contract Agreement and the furnishing of the Performance Bond and Payment Bond. In the event that you should fail to execute the Contract Agreement and furnish the Performance Bond and Payment Bond, within the time specified, the Bid Bond will be forfeited to the Rapid City Regional Airport.

Rapid City Regional Airport
Rapid City, South Dakota

By: ______________________________________
Contract Authorized Representative

Rod Pettigrew
President – Airport Board of Directors

February 23, 2022
Date