Agenda Item #37 Airport Baggage Screening System/West Terminal Expansion

Process that leads the Airport and City Manager to the recommendation of awarding the contract to the lowest responsive bidder.

April 12, 2010

- Council approved a design contract with BNP Associates, Inc. in the amount of $880,000 for the design of the CBIS.

May 24, 2010

- Council accepted a grant from the Transportation Security Administration (TSA) for the design and construction of the CBIS in the amount of $45,431,845 (90% of the eligible costs for the system). The eligible costs include the CBIS and building modifications required to accommodate the system.

Jan 26, 2012 – Jan 30, 2012

- Five firms were pre-qualified by BNP Associates to bid the work:
    - G&T Conveyor Company, Inc.
    - Jarvis B. Webb Company
    - Pteris Global (USA), Inc.
    - Siemens Industry, Inc.
    - Vanderlande Industries, Inc.

  The qualification process included a review of previous work at similar sized airports, demonstrated ability to construct systems in an active environment, the key personnel to be involved in the project, and contact with references from previous projects. The qualifications were verified by Airport staff and BNP Associates.

Jan 30, 2012

- Airport advertised for bids. The bid documents included a base bid for the CBIS and the following four alternates:
    - Alternate #1 – Spare parts allowance
    - Alternate #2 – 40 hours of additional operational training
    - Alternate #3 – 40 hours of additional maintenance training
    - Alternate #4 – Two replacement bag make-up conveyor units

- Alternates 1, 2 and 3 are eligible for grant funding. Alternate #4 is not, but they are a part of the overall baggage handling system that is fed by the conveyor system in the base bid. These units were added to the bid because the existing units need to be replaced due to life cycle, and to ensure that the entire conveyor system is uniform for purposes of operation and maintenance.

March 22, 2012

- Four bids were received:

Bidder	Base Bid	Alt. #1	Alt. #2	Alt. #3	Alt. #4	Base + Alt.
Pteris Global	$24,999,900	$200,000	$0	$0	$184,671	$25,384,571
Siemens	$24,899,000	$200,000	$17,063	$17,089	$484,407	$25,617,559
Webb	$25,486,050	$200,000	$18,619	$18,619	$323,703	$26,026,991
G&T	$28,078,000	$200,000	$22,500	$22,500	$498,819	$28,821,819

March 23, 2012

- BNP Associates recommended that the Airport select all four alternates for the project. The low bidder is Pteris Global over Siemens by a difference of $232,988.

March 23, 2012

- The Aviation Director met with Barry Lagerstedt of Siemens at Mr. Lagerstedt's request. During the meeting Mr. Lagerstedt asserted that Pteris Global was not qualified to install the CBIS system.

April 4, 2012

- Mr. Lagerstedt held a conference call with the Aviation Director and provided documents outlining his company's assertions why Pteris Global was not qualified to perform the work including:
    - Submission of an unbalanced bid
    - Lack of experience in installation of similar systems in the US
    - Inability to meet the "Buy American" requirements

April 11, 2012 – April 14, 2012

- The Airport referred Siemens' assertions to BNP Associates for evaluation. They determined that there was no evidence of an unbalanced bid and reiterated their earlier position that the firms that submitted bids were qualified to perform the work.

May 24, 2012 – June 1, 2012

- Airport reviewed the bids with TSA to ensure that the agency found the recommendation of award to Pteris Global acceptable. TSA responded in writing that they are comfortable with the procurement process.

June 20, 2012

- Airport reached out to Pteris Global about their ability to meet the "Buy American" requirements and they confirmed that 85% of the value of the contract would be American-based.

Based on the low bid and the additional information obtained during review of the bid, the Airport and the City Manager recommend that City Council proceed with awarding the low bid contract for the CBIS to Pteris Global (USA), Inc. at the June 25, 2012 Business Meeting.