



COUNCIL AGENDA: 6-26-07

ITEM: 6.2

Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Scott P. Johnson

**SUBJECT: REPORT ON BIDS FOR
PASSENGER BOARDING BRIDGES**

DATE: June 4, 2007

Approved

Kay Wines

Date

6/10/07

COUNCIL DISTRICT: N/A

RECOMMENDATION

Report on bids and award for the purchase of twenty-three (23) Passenger Boarding Bridges to the low bidder, FMC Technologies (Ogden, UT), for a total amount not to exceed \$11,057,724 including tax and authorize the Director of Finance to:

- a. Execute the purchase order for the initial purchase of 23 bridges;
- b. Amend the initial purchase order or execute additional purchase orders to purchase additional quantities of Passenger Boarding Bridges and/or Passenger Boarding Bridge components on an as-required basis subject to appropriation of funding.

OUTCOME

With the purchase of these Passenger Boarding Bridges, the Norman Y. Mineta San José International Airport will be able to replace existing Passenger Boarding Bridges in Terminal A and A+, and provide for new Passenger Boarding Bridges for the Terminal Area Improvement Project (TAIP), including the North Concourse.

BACKGROUND

The Airport and Public Works Departments requested the purchase of twenty-three Passenger Boarding Bridges to be installed at the Norman Y. Mineta San José International Airport beginning in the fiscal year 2007-08.

On November 15, 2005, the City Council approved recommendations to revise the Airport Development and Improvement Program. The Terminal Area Improvement Program (TAIP) as revised will be constructed in two phases. Phase 1 includes renovation and expansion of the

June 4, 2007

Subject: Report on Bids for Passenger Boarding Bridges

Page 2

existing Terminal A, the construction of new Terminal B, the construction of a new rental car garage, the realignment and widening of the airport roadways, and the demolition of the existing Terminal C building. Phase 2 of the TAIP, to be constructed upon the attainment of passenger volumes required to fiscally support the construction, will provide for the second phase of Terminal B and a south concourse facility serving the southern end of the airport. As part of Phase 1 of the TAIP program, the North Concourse facility currently under construction will be joined with Terminal B to create the north end concourse of the new Terminal B. All of the terminal and concourse facilities will have passenger processing functions and will include passenger hold rooms and boarding gates.

To further enhance airport amenities and customer services, the Airlines also agreed in 2006 to fund the Terminal A Equity Project. This project will provide for improvements to existing Terminal A, A+ and Baggage Claim systems in order to provide equitable facilities comparable to the new Terminal and Concourse facilities being delivered by the TAIP.

As part of the improvements being constructed by the TAIP Phase I and the Terminal A Equity Project, the City will install new Passenger Boarding Bridges required for Terminal B and the North Concourse and will replace the Passenger Boarding Bridges in Terminals A and A+. The bridges in Terminals A and A+ were installed in 1990 and have reached the end of their useful life. Additionally, the bridges in Terminal A+ are owned by American Airlines, who has the right to remove them in January 2007. This purchase, therefore, promotes consistent quality and performance throughout the entire Airport facility, and secures the City's authority over the assets.

ANALYSIS

The bid was structured to allow the City to purchase twenty-three Passenger Boarding Bridges (PBBs) in the next three years on an as-needed basis because of the phased delivery of the TAIP. Bridges are anticipated to be purchased in fiscal year 2007-2008 for A+, 2008-2009 for North Concourse and Terminal B, and 2009-2010 for Terminal A.

A notice inviting bids was published on March 14, 2007. In addition, bid packages were emailed to seven (7) vendors. A mandatory pre-bid conference was held on March 20, 2007, to answer questions from prospective vendors regarding the Passenger Boarding Bridge specifications. Three (3) bids were publicly opened on May 31, 2007 and are listed on the following page.

June 4, 2007

Subject: Report on Bids for Passenger Boarding Bridges

Page 3

Vendor	Unit Cost of PBB (includes adjustments for Preferences)	Local Business Preference	Small Business Preference	Bid Price for 23 PBBs	Tax	Bid Price for 23 PBBs (Including Tax)
FMC Technologies	\$444,129.87	N/A	N/A	\$10,214,987	\$842,737	\$11,057,724
INET Airport Systems	\$503,950.96*	Yes	Yes	\$11,590,872	\$956,247	\$12,547,119
Thyssenkrupp Airport Systems	\$526,521.70	NA	N/A	\$12,109,999	\$999,075	\$13,109,074

* Without adjustments, the price bid was \$530,474.70 per PBB

The Local and Small Business Preference policy did not affect the award of contract. Staff issued a Notice of Intended Award on June 1, 2007 to start the ten-day protest period. In case the City's Chief Purchasing Officer receives a protest, the content of the protest and its resolution will be communicated via a supplemental memorandum.

Staff recommends the award to FMC Technologies, the low bidder in accordance with the formal bidding procedures of the San José Municipal Code, Section 4.12.270.

POLICY ALTERNATIVES

Not applicable.

PUBLIC OUTREACH/INTEREST

- Criteria 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- Criteria 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- Criteria 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

This item meets Criteria 1 and the memorandum will be posted on the City's website for the June 26, 2007 Council meeting. To outreach to potential Vendors, this bid was advertised on the City's internet Bid-Line and the Demand Star bid notification system.

June 4, 2007

Subject: Report on Bids for Passenger Boarding Bridges

Page 4

COORDINATION

This memorandum was coordinated with the Airport and Public Works Departments, the City Attorney's Office, and the City Manager's Budget Office.

FISCAL POLICY ALIGNMENT

This Council item is consistent with Council approved Budget Strategy Economic recovery section in that it will spur construction spending in our local economy.

COST SUMMARY/IMPLICATIONS

1. AMOUNT OF RECOMMENDATION/COST OF PROJECT:
 Not to Exceed Amount for Initial Purchase \$11,057,724

2. COST ELEMENTS OF AGREEMENT/CONTRACT:
 Passenger Board Bridges \$10,214,987
 Tax \$ 842,737
 Not to Exceed Amount \$11,057,724

3. SOURCE OF FUNDING: Various Airport Capital Improvement Funds.

4. FISCAL IMPACT: Award value is within established budget. Subsequent award based on bid can be made without adverse fiscal impact.

BUDGET REFERENCE

Fund #	Appn.#	Appn. Name	Total Appn.	Amount for Contract	2006-2007 Adopted Budget Page	Last Budget Action (Date, Ord. No.)
520	4657	North Concourse Building	\$15,988,000	\$271,395	V-980	10/17/2006 27888
(526) 548	4657	North Concourse Building	\$176,806,000	\$2,990,559	V-980	10/17/2006 27888
(526) 554	5253	Terminal Area Improvement, Phase I	\$119,754,000	\$7,795,770	V-985	02/13/2007 27973
TOTAL			\$318,299,000	\$11,057,724		

HONORABLE MAYOR AND CITY COUNCIL

June 4, 2007

Subject: Report on Bids for Passenger Boarding Bridges

Page 5

CEQA

Not a project.



SCOTT P. JOHNSON
Director, Finance

For questions, please contact Walter C. Rossmann, Chief Purchasing Officer, at 408 535-7051.