May 14, 2012

Mr. James S. O’Neill
Program Manager
City of El Segundo
Residential Sound Insulation Program
350 Main Street
El Segundo, CA 90245

Dear Mr. O’Neill:

Los Angeles International Airport
City of El Segundo

Project Title: Noise Mitigation Measures for Residences within the 65-69 DNL in the city of El Segundo
Project AIP: 3-06-0139-43, 47, 52, 56 and 65
Recommendation for Award of Contract
Project Bid Group 45

This is in response to your request for FAA authorization to allow the city of El Segundo to award a construction contract to the single bidder on your Residential Sound Insulation Program, Group 45.

Consideration has been given to the following factors:

1. The city of El Segundo originally opened bids on project Group 41 on November 29, 2011. There was only one bid received although there were thirteen (13) contractors attending the Pre-Construction Bid meeting. The city of El Segundo re-bid project Group 41 a second time opening bids on January 31, 2012. Again, there was only one bid received although there were seven (7) contractors attending the Pre-Construction Re-Bid meeting.

2. The city of El Segundo opened bids on project Group 45 on April 17, 2012. Similarly, there was only one bid received although there were three (3) contractors attending the Pre-Construction Bid meeting on March 29, 2012 and four (4) contractors and nine (9) sub contractors requesting plan sets and bid documents.

3. The city of El Segundo submitted a set of contract bid documents, including plans and specifications, for project Group 45 for FAA review. The documents were considered acceptable for bidding purposes.

4. The city of El Segundo provided bid abstracts and Schedule of Values for project Group 45 and for previous project Groups 39, 40, 41, 42, 43 and 44. The pricing for homes for Group 45 appear to be reasonable and consistent with the costs of comparable homes of previous Groups 39, 40, 41, 42, 43 and 44.

5. The city of El Segundo increased the number of homes on project Group 45 as well as eliminated the requirement for mandatory attendance at the Pre-Construction Bid meeting to further entice additional bidders on this project.

6. The single and apparent lowest responsive bidder for Group 45 is the same single bidder for Group 44 but different than the previous single bidder for Groups 41, 42 and 43.
Based on the information provided by the city of El Segundo, it appears that the city has made a best effort attempt for full and open competition. Similarly to the re-bidding of Group 41, it seems unlikely that re-bidding of this project would result in multiple bidders at this time. In addition, since there was only one bid received, the city has further negotiated with the sole bidder to obtain lower prices. The FAA is satisfied that the costs are fair and reasonable for the proposed work.

We therefore concur in your recommendation to award the construction contract for your Residential Sound Insulation Program, Group 45, to the single and apparent lowest responsive bidder, Karabuild Development Inc., in the amount of $1,383,839.00. We hereby authorize you to begin the contract award process.

Please provide a copy of the executed contract and of the labor, material and performance bonds for our review and records. The Notice to Proceed cannot be authorized until we have received this material.

We further encourage the city to continue in its efforts to obtain multiple bidders on future solicitations to insure fair and reasonable pricing.

If you have any questions, please feel free to contact me at (310) 725-3648 or send me an email at eduardo.arriola@faa.gov.

Sincerely,

Eduardo Arriola
Airports Program Manager