



Billings Logan International Airport
Aviation and Transit Department
1901 Terminal Circle, Room 216
Billings, MT 59105
P 406-657-8495

Travel With Us

May 26, 2026

Mr. Jeremy Goettle, P.E.
Federal Aviation Administration
Northwest Mountain Region
Helena Airports District Office

Via Email

Re: Independent Fee Estimate (IFE) on Construction Administration Services
BIL Airport Ticket and Baggage Remodel

Dear Jake,

During the previous 5-year Terminal Expansion Construction Project, the Airport built new concourses and provided additional airline gate and ramp space, a large welcoming lobby and a new TSA screening area, more bathrooms, a gift shop, restaurant and bars which was all completed in October of 2024. Now it is time to begin the next phase of Terminal Building Improvements that will add more ticket counters for additional airlines, reconfigure existing airline operational space, and install a new baggage belt system. Specifically, this project will encompass three primary components aimed at enhancing airline and TSA operational efficiencies and providing our passengers with an excellent customer experience. The first component involves moving the existing TSA baggage screening machines out of the lobby and relocating them behind the ticket counter, which will free up valuable space to provide more room for queuing of passengers checking in for flights and dropping off luggage. The project went out to bid on April 1 with a Gross Maximum Price for construction of \$22,906,907.00.

Morrison-Maierle, Inc. (M-M) will be providing construction administrative (CA) services during the construction of the project. This is a two-year project with many phases to allow baggage, TSA, and airline operations to be maintained during the project. The proposed fee for these services is \$1,602,445.00. The Aviation Consulting firm Rood & Associates from Arvada, Colorado was hired to perform an IFE for the above services. Using the Scope of Work (SOW) agreed to with M-M, Rood & Associates proposed a fee of \$1,323,071.00. The estimates and negotiations were conducted in accordance with Advisory Circular 150/5100-14E, Architectural, Engineering, and Planning Consultant Services for Airport Grant Projects.

M-M will also complete all structural, mechanical, plumbing, fire suppression, electrical and information technology CA including hiring sub-consultants to complete some of the work. Collaborative Design Architects (CDA) will provide the architectural design, Swanson Rink will provide CA services for the in-line baggage belt handling system for the Airport, K4 Inspection will provide special inspections for structural components, and Rimrock Engineering will provide all the acceptance testing.

On May 18, 2026, Heather Mosser and I discussed the cost of the construction administration work for the Terminal Ticketing and Baggage Remodel project. There were a few key scope of work items that were low on hours with the Rood IFE. M-M is budgeting 2 hours per working day for the Terminal Observation time and full-time (10 hours per day) during the site civil work, to assure that everything is being installed correctly in the ground and pavement items. Once these hours were added to Rood IFE, it brought the difference from 17% to 12% difference. One other



difference was when the IFE went to Rood, the Baggage subconsultant fees were not finalized prior to sending the scope of work. The fees for Swanson Rink were \$50,000 higher than in the initial scope description. Comparing the same subconsultant fees, this brings the negotiations within 10%. Rood's fees become \$1,454,036 and M-M are \$1,602,455. There are a few additional items that are different. Looking at the building group fees for One Schedule of work instead of 4-6 phases to allow continuity of airport operations, moving airlines 2-4 times, digging into 4 additions and remodel spaces for 24 months, and the many items can come up that will require requests for information (RFIs). Once construction starts, these requests come from the contractor, airline, airport, and architect making the space work for the passengers, airlines, and with existing building layout. These require additional design, options, and working with the team to provide the best final product. Below are the building fee differences. For the complexity of this project, the airport finds that M-M hours are adequate.

IFE REVIEW 5.13.26

	Rood & Associates	Rood Hours	MM	MM Hours	Rood Modifications	MM Modifications	Notes
Project Management	\$ 250,000	1200	\$ 225,000	900	\$ 250,000.00	\$ 225,000.00	
Airport Group Civil (CA Oversight + Precon + submittals)	\$ 194,312	899	\$ 331,805	1957	\$ 277,592.00	\$ 331,805.00	2 hours per day (average) 2 year project - Terminal. Full time site/civil 75 calendar days. Need to add the 75 calendar day civil observation time. This is an additional 536 hours for an engineer with a cost of 83,280.
Construction Staking	\$ 18,949	94	\$ 22,020	96	\$ 18,949.00	\$ 22,020.00	
Buildings Group Fees (construction oversight + Precon + RFIs + submittals)	\$ 160,035	800	\$ 290,000	1052	\$ 190,000	\$ 290,000	Mechanical fee for Rood is Mechanical only mechanical time. Mechanical also does plumbing and no hours shown. MM hours are double for this division of work in hours and cost. This is a two year project with multiple remodels, additions, and phases, multiple airlines. All the hours and time are higher to complete "request for information" throughout the two year project. BIL remodel projects take extra work during the unknowns of demo. Telecommunications for the security doors, airline infrastructure for the server room, and all ticket counters, many phases. (MM was at \$41K and Rood \$10K). Mechanical and Plumbing (MM \$75,400 and Rood \$30,000). Electrical (MM \$55K and Rood \$32K).
Project Close Out	\$ 35,900	208	\$ 22,000	104	\$ 35,900	\$ 22,000	Could take additional time with multiple grants, this fee could go up for MM. Will leave the same right now.
CA Expenses	\$ 663,875		\$ 711,630		\$ 711,630	\$ 711,630	Baggage CA fee came back \$50,000 higher than originally estimated. This is a CPFF price and there are phasing for baggage handling with project time and contractor.
Total CA	\$ 1,323,071	3201	\$ 1,602,455	4109	\$ 1,484,071	\$ 1,602,455	



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IFE Fee Comparison - Design Fees through Construction Administration 05-12-2026

Using a resource provided by the Office of Financial Management, Guidelines for Determining A/E Fees for Public Works Building Projects

Building Cost \$ 23,000,000.00

MEP/A/E 15% with project management and FAA items the % is usually higher
 \$ 3,450,000.00

Schematic Design	15%	\$ 517,500.00
Design Development	24%	\$ 828,000.00
Construction Document	35%	\$ 1,207,500.00
Bidding	2%	\$ 69,000.00
Construction Administration	22%	\$ 759,000.00
Project Closeout	2%	\$ 69,000.00
	100%	\$ 3,450,000.00

Percentage-based Fee for Projects Using Building Information Modeling (BIM)

Emerging forms of project design and documentation, such as Building Information Modeling (BIM), require more documentation and design in the early phases. The table below reflects a range of fee breakdowns for projects with intense early phases. For specific projects, it may be appropriate to vary these percentages, subject to agreement with the client.

Phase	Percentage of Total Fee
Schematic Design	20-25%
Design Development	20-25%
Construction Documents	35-25%
Bidding and Negotiation	2.5%
Construction (Contract Administration)	22.5%

Table 2 Range of Fee Breakdowns for Projects with Intensive Early Phases Including Building Information Modeling

	Neil Rood IFE	M-M Fee	M-M Fee Revisions	NOTES
SD-DD Fee	\$1,131,866.00	\$1,019,570.00	\$ 1,019,570.00	10% under
CD-Bidding Fee	\$ 731,973.00	\$ 808,000.00	\$ 778,000.00	10% over, revised, 6% over
CA Fee	\$1,323,071.00	\$1,602,455.00	\$ 1,602,445.00	
Total Project Fee	\$3,186,910.00	\$3,430,025.00	\$ 3,400,015.00	Within 6.6% of Neil Rood Total Project Less than A/E standard fee 1.0%

After discussing the phasing and complexity of the project with Heather Mosser at M-M and seeing the total fee from Neil Rood IFE of \$3,186,910.00 and M-M \$3,400,015.00 are within 6.6%. The City of Billings Logan International Airport believes that the construction administrative costs and project closeout services for the \$22.9 million dollar Terminal project are fair, reasonable, and justified.

We ask for your concurrence of this review. If you have any questions, please let me know.

Sincerely,

Paul Khera, A.A.E., ACE
 Assistant Aviation Director

PK:

cc: FAA, NWMR Corres
 Chrono
 J. Roach- Via Email
 P. Khera- Via Email