



AGENDA REPORT

PROPOSED ACTION: Resolution: Approve and Authorize the Executive Director to Award and Execute a Contract with DeSilva Gates Construction, LLC for Construction of the Taxiway W Pavement Rehabilitation Project in an Amount Not to Exceed \$31,018,345; Execute Contract Change Orders in an Amount Not To Exceed \$3,101,835; Apply for and Accept Grants Awards of Approximately \$23,700,000, or more if Additional Funding Becomes Available; and Finding that the Proposed Action is Exempt Under the California Environmental Quality Act. **(Engineering / Aviation)**

Submitted By: Emilia Sanchez, Director of Engineering; Craig Simon, Director of Aviation; Kristi McKenney, Executive Director

Parties Involved: DeSilva Gates Construction, LLC – Dublin, CA

Amount: \$34,120,180 (Part of a \$37,461,133 Construction Budget and Total Project Budget of \$39,669,786) (Capital Expense)

EXECUTIVE SUMMARY: The rehabilitation of Taxiway W Phase 3 (Project), the final Phase of the Taxiway W Pavement Rehabilitation Program, was identified as a priority pavement rehabilitation area to maintain safe aircraft operations at Oakland San Francisco Bay Airport (OAK or Airport). It is anticipated that a portion of the design and construction of these improvements will be reimbursed through the Federal Aviation Administration (FAA) Airport Improvement Program (AIP) and Port of Oakland (Port) Staff will seek the maximum amount of grant funds possible. The Project was designed and formally advertised for construction in accordance with FAA guidelines.

BACKGROUND & ANALYSIS

The Port is responsible for maintenance of all pavement at OAK including airfield pavement for runways, taxiways, aprons, and vehicle service roads. Inspections performed as a part of the Airport Pavement Management System (APMS) identified Taxiway W as a top priority for programmatic rehabilitation. The rehabilitation of Taxiway W was designed to be completed in three phases as shown in Exhibit 1. Phase 1 and 2 have been completed. The Project, as shown in Exhibit 2, includes paving, lighting, and drainage work to improve the airfield to the latest FAA design standards.

The Project is proposed to be delivered in CY2026 and CY2027. Pavement work in CY2026 includes interim repairs to Taxiway W (Interim Repairs) that are a critical part of the overall Project delivery strategy to meet resiliency and continuity of airport operations before major rehabilitation activities (Major Rehabilitation Work). Bids were evaluated for all the components of work, a prospective FAA grant will fund the scope of work occurring in CY2027. Port staff anticipate starting construction of the major rehabilitation activities in February 2027 and reaching substantial completion by July 2027.

Exhibit 1 Taxiway W Pavement Rehabilitation Program Overview

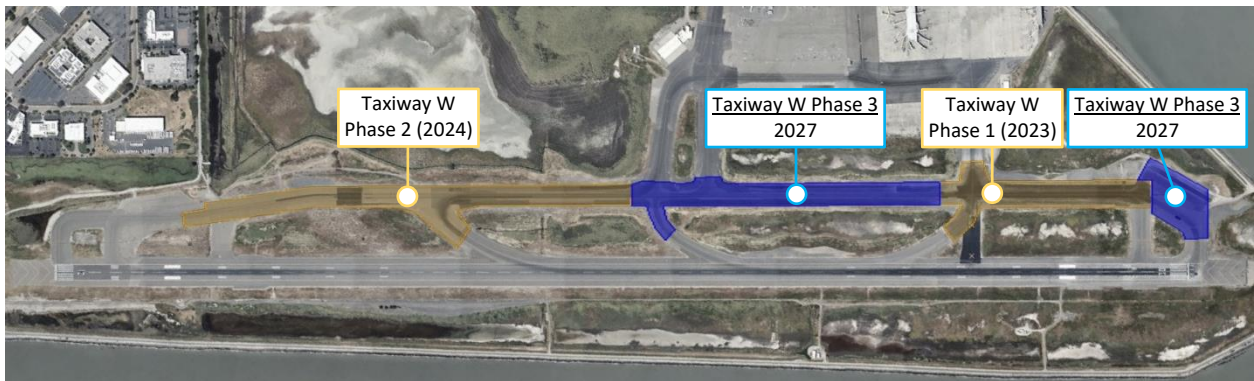
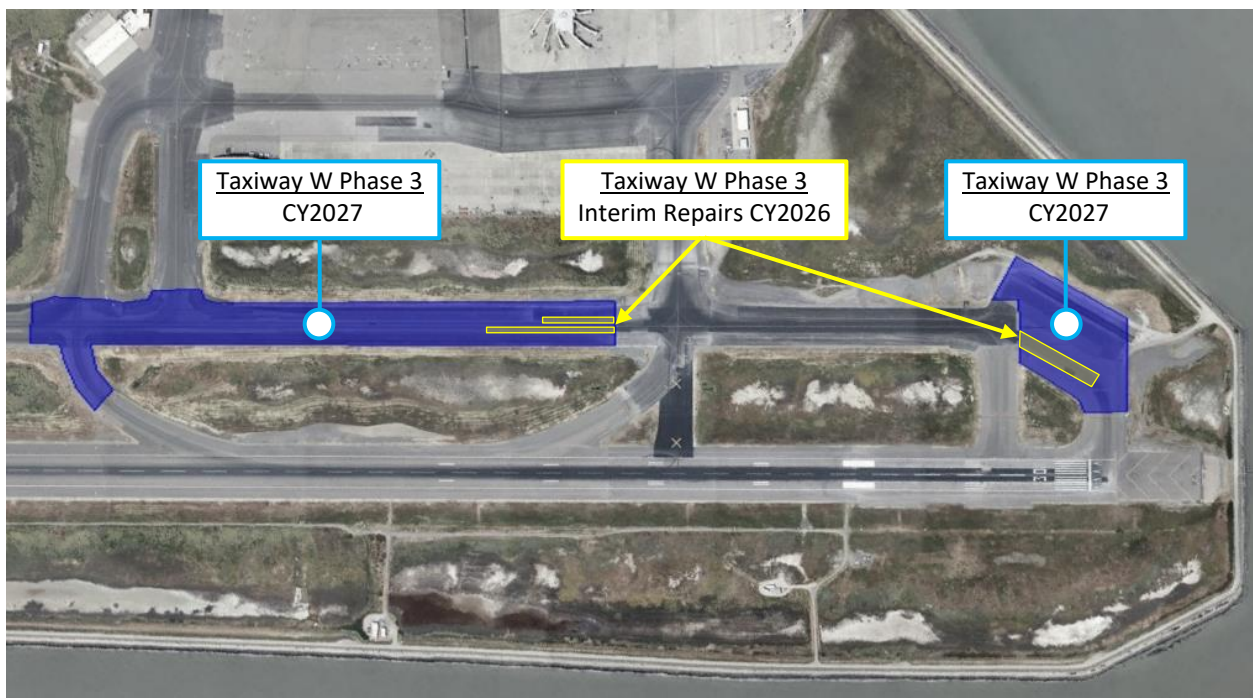


Exhibit 2 Taxiway W Pavement Rehabilitation (Phase 3) Project Area



The design of the Project was completed in February 2026 using an on-call consultant contract that meets the federal procurement process and was publicly advertised for bidding on February 17, 2026. Port Staff hosted a pre-bid meeting and site visit for the Project on March 5, 2026, with ten contractors attending. Five of those participants were Prime Contractors. On March 31, 2026, three bids were received for the Project. The bids are listed in Table 1.

Table 1: Taxiway W Pavement Rehabilitation (Phase 3) Project Bid Summary

Bidder	Location	Major Rehabilitation Work CY2027 Amount On Which Low Bid Selection Was Based	Interim Repairs CY2026 Work Outside Low Bid Selection	Not To Exceed Contract Amount
Bay Cities Paving & Grading, Inc	Concord, CA	\$34,383,666.43	\$ 922,412.64	\$35,306,079.07
DeSilva Gates Construction, LLC	Dublin, CA	\$29,907,345.00	\$1,111,000.00	\$31,018,345.00
O. C. Jones & Sons	Oakland, CA	\$30,737,715.00	\$1,315,280.00	\$32,052,995.00

Basis of Bid Award and Recommendation

The Project’s design, bid solicitation, and bid award process are governed by federal funding requirements and FAA guidelines. While the Interim Repair is a critical component of the overall Project delivery strategy to ensure resiliency and continuity of airport operations, it is not eligible for federal funding. FAA policy requirements stipulate that contract awards associated with federal grant funding must be awarded to the lowest responsive and responsible bidder on the federally eligible project costs when the bid is separated by line items or bid schedules. Accordingly, this Project was awarded to the lowest responsive and responsible bidder for the Major Rehabilitation Work, the federally eligible portion of the Project. While Port staff have determined that the same entity should perform both the Major Rehabilitation Work and Interim Repairs for business efficacy, the pricing on the Interim Repairs did not factor into the Port’s lowest responsive and responsible bidder calculation. Delivering the Interim Repairs and Major Rehabilitation Work under separate contractors in a constrained, active airfield environment would introduce additional coordination complexity, increase operational risks, and reduce schedule certainty for the Major Rehabilitation Work.

Port Staff evaluated the bids based on criteria set forth in the solicitation and determined that all bids are responsive and responsible. Based on review of the bids received, Port Staff recommends awarding the contract for the Construction of the Project to DeSilva Gates Construction, LLC in the amount of \$31,018,345, as the lowest responsive and responsible bidder for the Major Rehabilitation Work. Additionally, Port Staff is requesting \$3,101,835 in change order authority equal to 10% of the contract value to make any changes deemed appropriate for unforeseen conditions and any effort needed to reduce any delays related to potential operational and weather impacts.

DBE Participation

The Port receives federal financial assistance from the United States Department of Transportation (US DOT), FAA, and is anticipated to receive federal funding for this Project. The USDOT regulations require the Port to adhere to Title 49 Code of Federal

Regulation (CFR) Part 26 Section 26.45 in setting federal fiscal year (FFY) triennial DBE-goals for federally assisted contracts. Based on the Port's anticipated projects for FFY's 2026 to 2028 FAA-funded contracting opportunities, the Port has an overall DBE goal calculation of 1.3% over the triennial period.

On October 3, 2025, the USDOT issued an Interim Final Rule suspending certification of existing DBEs and monitoring and enforcement of existing DBE programs, including the Port's, until new certification processes are developed by the certifying agencies, including the California Unified Certification Program. Consistent with this rule and current federal guidance, the Port will continue to implement its DBE program for this Project as applicable, but no contract-specific DBE attainment could be established for this award. DBE participation will continue to be monitored and reported in accordance with federal requirements and implementation measures.

FAA Grant Application and Acceptance

Port Staff have worked closely with the FAA throughout this Project to identify grant funding opportunities. The FAA funding source anticipated to be utilized is the Airport Improvement Program (AIP) Federal Fiscal Year (FFY) 2026 grant program funding.

It is anticipated that a total FFY 2026 AIP federal grant award of approximately \$23,700,000 or more may be available for this Project. Port Staff is requesting authority to apply for and accept FAA grant funds for the Project in the amount offered by the FAA. The grant amount is expected to be at least 60% of total project costs. Additional funding sources are described in the budget section.

OTHER FINDINGS AND PROVISIONS

ENVIRONMENTAL REVIEW

The proposed action was analyzed under the California Environmental Quality Act (CEQA) and was found to be:

- Categorically exempt under the following CEQA Guidelines Section:
15302 (Replacement or Reconstruction)
- “Common Sense” exemption under CEQA Guidelines Section 15061(b)(3).
- Other/Notes: One of the requirements to receive FAA AIP grant funding is the completion of environmental clearance under the National Environmental Policy Act of 1969, as amended (NEPA). The Port received NEPA clearance via Categorical Exclusion pursuant to FAA Order 1050.1F in April 2023.

BUDGET

- Administrative (No Impact to Operating, Non-Operating, or Capital Budgets); OR
- Operating Non-Operating Capital

Analysis: The Taxiway W Pavement Rehabilitation (Phase 3) Project has been included in the Port’s proposed FY-2027-2031 Capital Improvement Plan (CIP). Phase 3 will span multiple fiscal years (FY2026, FY2027, and FY2028) and is estimated to cost approximately \$40 million. Table 2 summarizes the total Project budget for Phase 3.

Table 2: Project Budget (Phase 3)

	Design Budget	Construction Budget	Total Budget
Port Labor	\$384,854	\$1,043,970	\$1,428,824
Consultants¹	\$1,823,799	\$1,101,356	\$2,925,155
Construction – Bid Award³	\$0	\$31,018,345	\$31,018,345
Construction Change Order Contingency	\$0	\$3,101,835	\$3,101,835
Other²	\$0	\$1,195,627	\$1,195,627
Total	\$2,208,653	\$37,461,133	\$39,669,786

Note 1 – Includes design, design services during construction, and construction management services.

Note 2 – Includes gate guard and aviation security costs, MAPLA costs, and OCIP costs.

Note 3 – Includes total bid price basis of award “Major Rehabilitation Work” plus “Interim Repairs CY2026”

This project is anticipated to be partially funded using FAA AIP grant funds (expected to be at least 60% of total project costs). Additional federal funding (Airport Infrastructure Grants through the Bipartisan Infrastructure Law) maybe be used to fill AIP-eligible shortfalls. Passenger Facility Charge (PFC) funds can also be used, as eligible, or Port cash, which may be reimbursed using airline rates and charges.

STAFFING

- No Anticipated Staffing Impact.
- Anticipated Change to Budgeted Headcount.
Reason:
- Other Anticipated Staffing Impact (e.g., Temp Help).
Reason:

MARITIME AND AVIATION PROJECT LABOR AGREEMENT (MAPLA):

Applies? Yes (CIP) – proposed action entails covered work on Port’s Capital Improvement Program in Aviation or Maritime areas above the threshold cost.

Additional Notes:

LIVING WAGE (City Charter § 728):

Applies?
No (Public Works) – proposed action is a construction contract covered by state or federal prevailing wages that are higher than those under the Living Wage requirements.

Additional Notes:

SUSTAINABLE OPPORTUNITIES:

Applies? **Yes.**

Reason: Temporary solar taxiway edge lights from previous projects will be reused for the Project. Jet blast deflectors from previous projects will be reused for the Project. All taxiway lights being installed on the Project will be LED. Asphalt concrete millings are anticipated to be off hauled to an off-site concrete recycling facility.

GENERAL PLAN (City Charter § 727):

Conformity Determination:
Maritime/Aviation – proposed action conforms to policies for transportation designation of the General Plan.

STRATEGIC PLAN. The proposed action would help the Port achieve the following goal(s) in the Port's Strategic Plan:

- Capture Our Market and Grow the Economic Base
- Modernize and Upgrade Infrastructure
- Transition to Zero-Emissions and Build Climate Resilience
- Maximize Land Use Value and Revenues
- Workforce Training and Jobs Development
- Create Opportunities for Local Businesses and Community Economic Development