

## AGENDA REPORT

**Resolution:** Authorize Construction Budget of \$3,965,000, Authorize the Director of Engineering to Approve Plans and Project Manual, and Award Contract to Vellutini Corporation dba Royal Electric Company for \$2,634,242.00 for Airfield Signage Replacement Project, Oakland International Airport. **(Engineering/Aviation)**

**MEETING DATE:** 7/12/2018

**AMOUNT:** \$3,965,000 (FY 2018)  
Capital Expenditure

**PARTIES INVOLVED:** Contractor: Vellutini Corporation dba Royal Electric Company, Sacramento, CA

**SUBMITTED BY:** Chris Chan, Director of Engineering  
Bryant L Francis C.M., Director of Aviation

**APPROVED BY:** J. Christopher Lytle, Executive Director

**ACTION TYPE:** Resolution

### **EXECUTIVE SUMMARY**

This Agenda Report seeks budget approval and authorizations to enter into a contract to construct the Airfield Signage Replacement Project. The recommended actions included:

- 1) Approve a construction budget for the Airfield Signage Replacement Project in the amount of \$3,965,000, for a total project budget of \$4,260,000, including change order authority;
- 2) Authorize the Director of Engineering to approve the Airfield Signage Replacement Project Plans and Project Manual;
- 3) Award the construction contract to the lowest responsive, responsible bidder, Vellutini Corporation dba Royal Electric Company for \$2,634,242.00 for the Airfield Signage Replacement Project contingent on grant approval.

### **BACKGROUND**

Airfield signage provides situational awareness for pilots and airfield personnel. Signage elements on the airfield are in need of replacement to keep a uniform, high-visibility directional signage system that meets the Federal Aviation Administration (FAA) standards.



The Airfield Signage Replacement Project will install new and provide upgrades to over 200 airfield signs including installing new airfield sign foundations with new base cans; new and replacement signage; new conduit and conductors and other electrical infrastructure as well as bird deterrent spikes onto all new airfield signs and existing airfield signs.

On December 14, 2017, the Board approved a \$295,000 design budget for the Airfield Signage Replacement Project, and authorized staff to apply for and accept grant awards from the FAA for the Airfield Signage Replacement Project.

## **ANALYSIS**

On May 15, 2018, four bids were received and opened for the Airfield Signage Replacement project. The bids are listed in Table 1 below.

Table 1. Airfield Signage Replacement Bid Summary

Bidder	Location	Total Bid Price
Royal Electric Company	Sacramento, CA	\$2,634,242.00
SilMan Construction	San Leandro, CA	\$3,560,476.13
Studebaker Brown Electric, Inc.	North Highlands, CA	\$3,736,556.00
KOBO Utility Construction Corp.	Sandwich , MA	\$4,078,140.00

On May 18, 2018, the second lowest bidder, SilMan Construction submitted a bid protest letter against the lowest bidder Vellutini Corporation dba Royal Electric Company. On May 24, 2018, Vellutini Corporation dba Royal Electric Company's attorney submitted letter

stating that SilMan’s protest is without merit. The Executive Director appointed a Hearing Officer to review and make a determination on the protest. The Hearing Officer reviewed all materials submitted and determined that the protest should be rejected. The Hearing Officer issued a determination on June 28, 2018, which is final.

Staff recommends awarding Airfield Signage Replacement Project to Vellutini Corporation dba Royal Electric Company for \$2,634,242.00, contingent on grant approval. Staff determined that Vellutini Corporation dba Royal Electric Company is responsive and responsible because they are appropriately licensed and are in good standing with the Contractors State License Board, their bid demonstrates that they can perform the work as specified in the contract documents, they have submitted all required documentation, and they have submitted an unconditional offer to provide the work as specified in the contract documents.

**BUDGET & STAFFING**

This project was included in the Port’s financial planning for the FY2018-2019 Capital Budget in the amount of \$4.26 million for construction and construction administration.

The current authorized budget for the design is \$295,000. The requested budget for construction is \$3,965,000, for a total project budget of \$4,260,000. Table 2 summarizes staff budget requests and the total estimated project budget.

Table 2. Airfield Signage Replacement Project Budget

Description	Port Labor	Consultants	Construction <sup>1</sup>	Total Budget
Previously Approved Design Budget	\$145,000	\$150,000	\$0	\$295,000
Current Construction Budget Request	\$202,000	\$572,000	\$3,191,000	\$3,965,000
Total Project Budget	\$347,000	\$722,000	\$3,191,000	\$4,260,000

<sup>1</sup> The current construction budget request includes construction contract amount of \$2,634,242.00, change order-authority (15%), permitting, MAPLA, and OCIP costs.

Eligible components of this project are anticipated to be funded at approximately 80% using AIP grants and will be included in the FFY 2018 application requests previously approved by the Board. Cash-funded portion of the project would be reimbursed through airlines’ rates and charges. Port Staff is currently seeking FAA approval and

authorization of the AIP grant for this project. Award of the construction contract is contingent on FAA grant approval.

There is no anticipated staffing impact.

### **MARITIME AVIATION PROJECT LABOR AGREEMENT (MAPLA)**

The provisions of the Port of Oakland Maritime and Aviation Project Labor Agreement (MAPLA) apply to this work.

### **STRATEGIC PLAN**

The action described herein would help the Port achieve the following goals and objectives in the Port's Strategic Business Plan (2018-2022).

<https://www.portofoakland.com/wp-content/uploads/Port-of-Oakland-Strategic-Plan.pdf>

- Goal: Maximize the use of existing assets.
- Goal: Implement formal grants/external funding task force.

### **LIVING WAGE**

Living wage requirements, in accordance with the Port's Rules and Regulations for the Implementation and Enforcement of the Port of Oakland Living Wage Requirements (the "Living Wage Regulations"), do not apply because the contract is a construction contract covered by prevailing wage rules and the prevailing rate of wage is higher than the wage required by the Living Wage Regulations.

### **SUSTAINABILITY**

Port staff completed the Sustainability Opportunities Assessment Form for this project pursuant to the 2000 Sustainability Policy and updated procedures. This project incorporates modernization of the existing airfield signage that will result in lower energy usage. Many of the signs slated for replacement use incandescent bulbs and will be replaced with LED units that use substantially less energy and last significantly longer.

### **ENVIRONMENTAL**

The project has been determined to be categorically exempt from the California Environmental Quality Act (CEQA) Guidelines pursuant to Section 15301, Existing Facilities, which exempts the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment or topographical features, involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination. No changes to the premises or use are proposed with the potential improvements and signage replacement.

## **GENERAL PLAN**

Pursuant to Section 727 of the City of Oakland Charter, this project has been determined to conform to the policies for the transportation designation of the Oakland General Plan.

## **OWNER-CONTROLLED INSURANCE PROGRAM (OCIP)**

As the construction project is a capital improvement project, the applicable Owner Controlled Insurance Program (OCIP) coverages and provisions apply to the construction phase.

## **OPTIONS**

The following options are for the Board's consideration:

- (1) Approve the actions as outlined in this agenda report. Doing so will enable the Airfield Signage Replacement project to be constructed (subject to receipt of AIP grant offer), and allow for completion of the Airfield Signage Replacement Project as early as possible. This is the recommended action.
  
- (2) Do not approve the actions requested in this Agenda Report.

## **RECOMMENDATION**

Staff recommends that the Board approve the following actions for the Airfield Signage Replacement project:

- 1) Approve a construction budget for the Airfield Signage Replacement project in the amount of \$3,965,000, for a total project budget of \$4,260,000, including change order authority;
- 2) Authorize the Director of Engineering to approve the Airfield Signage Replacement Project Plans and Project Manual; and
- 3) Award the construction contract to the lowest responsive, responsible bidder, Vellutini Corporation dba Royal Electric Company for \$2,634,242.00 for the Airfield Signage Replacement project contingent on grant approval.