



AGENDA REPORT

PROPOSED ACTION: Resolution: Approve and Authorize the Executive Director to Increase the Contract Amount with DeSilva Gates Construction, LLC for Additional Construction Work for the Runway 10R-28L Pavement Rehabilitation Project by \$8,149,037 for a Total Contract Amount Not to Exceed \$25,926,814; Execute Additional Contract Change Orders in an Amount Not to Exceed \$408,000; and Find that the Proposed Action is Exempt Under the California Environmental Quality Act.

Approve and Authorize the Executive Director to Increase the Professional Services Agreement for On-Call Construction Management Support Services for Federally Funded Projects with Hill International, Inc. by an Additional \$400,000 for the Runway 10R-28L Pavement Rehabilitation Project; and Find that the Proposed Action is Exempt Under the California Environmental Quality Act.

(Engineering / Aviation)

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

Parties Involved: DeSilva Gates Construction, LLC – Dublin, CA
Hill International, Inc.
San Francisco, CA

Amount: Capital Expense \$8,957,037
(Part of an additional \$9,734,037 Budget and Total Project Budget of \$34,653,117)

EXECUTIVE SUMMARY: Portions of Runway 10R-28L require corrective work following the recent construction due to an error in the design. To minimize impacts on scheduled operations and ensure the warranty of integrated components from previously accepted work remains valid, Port of Oakland (Port) Staff recommends that the corrective work be performed by the same contractor who completed the original installation. The work is expected to take approximately 15 weeks to complete. For the same reasons, Port Staff is also requesting to utilize the same construction management consultant to support completion of the corrective work.

BACKGROUND & ANALYSIS

On March 27, 2025, the Board of Port Commissioners (Board) awarded a contract to DeSilva Gates Construction, LLC (DeSilva) via Resolution No. 25-32 to rehabilitate Runway 10R-28L and portions of Taxiway Bravo. The contract value was \$17,777,777 and was part of a \$22,339,082 Construction Budget and Total Project Budget of \$24,919,080. DeSilva completed all work in accordance with the plans the Design Consultant HNTB provided. Subsequently, design errors were identified. To remedy the design error while ensuring the Port receives the originally intended pavement life and maintenance requirements, additional work needs to be completed.

DeSilva installed the asphalt and markings as part of the contract work and is familiar with the site and scope. To preserve the validity of the warranty for the underlying work and,

mitigate impacts of time and cost, related to formal bidding and contract execution, Port Staff requests dispensing with standard bidding requirements and awarding the corrective work to DeSilva. The work is expected to take approximately 15 weeks to complete from start to finish.

For similar reasoning, Port Staff requests utilizing Hill International, Inc. (Hill) to provide construction management support for the corrective work. To proceed, an additional \$400,000 in contracting authority is needed. Including the additional request, the total contract value of the on-call construction management professional services agreement would be \$2,400,000; of which, approximately \$984,000 is related to this project.

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:

BUDGET

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

Analysis: The following contracting authority is being requested. This work will be initially paid with Port Cash, but is expected to be reimbursed through the design errors and omissions claim. Budget for the corrective work is included in the proposed FY 2027 capital budget.

	Previous Total Budget	Additional Request Amount	Revised Total Project Budget
Port Labor	\$1,416,377	\$449,000	\$1,865,377
Consultants ¹	\$3,173,642	\$425,000	\$3,598,642
Construction Bid Award	\$17,777,777	\$8,149,037	\$25,926,814
Construction Change Order Contingency	\$1,777,778	\$408,000	\$2,185,778
Other ²	\$666,506	\$303,000	\$969,506
Procurement Airfield Electrical Equipment	\$107,000	\$0	\$107,000
Total	\$24,919,080	\$9,734,037	\$34,653,117

Note 1 – Includes construction management, and materials testing services.

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

Staffing

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

