

AGENDA REPORT

Resolution Budget Authorization and other Approvals Required to Construct the Air Cargo Way Repair Project at the South Field, Oakland International Airport (Aviation)

MEETING DATE: 5/14/2015

AMOUNT: \$2,032,479
Capital Expenditure

PARTIES INVOLVED: TBD

SUBMITTED BY: Deborah Ale-Flint, Director of Aviation
Chris Chan, Director of Engineering

APPROVED BY: J. Christopher Lytle, Executive Director

ACTION TYPE: Resolution

EXECUTIVE SUMMARY

The purpose of this Agenda Report is to seek budget authorization and other approvals required to construct the Air Cargo Way Repair Project, the requested actions include:

1. Authorize the total project budget in the amount of \$2,032,479.
2. Delegate authority to the Director of Engineering to approve the Project Plans and Project Manual.
3. Authorize the Executive Director to award a contract for an amount not to exceed \$1,200,000 to the Lowest Responsive and Responsible Bidder, and take all related actions.

BACKGROUND

Air Cargo Way is the primary vehicular access for the Federal Express (FedEx) Oakland Hub air cargo facility, the Federal Aviation Administration's (FAA) Air Traffic Control Tower, and the Oakland Fire Department's Aircraft Rescue and Fire Fighting (ARFF) Station. Air Cargo Way also provides Port access to the South Field. Air Cargo Way is approximately one-half mile long and 40 feet wide, and was constructed in 1987. See Exhibit A for an aerial map. Because Oakland International Airport (OAK) serves as the west-coast hub for FedEx, (one of the largest tenants at OAK and a major employer), the majority of traffic on Air Cargo Way is generated by FedEx, including significant truck traffic. The busiest season for FedEx is during November and December.

Air Cargo Way is at the end of its useful life and has extensive block cracking and longitudinal cracking. See Exhibit B for photographs of the existing condition. In 2014, the OAK Facilities Maintenance Department performed a crack sealing project that temporarily extended its useful life, however, the preservation of the roadway requires a capital repair project. To avoid construction impacts to FedEx operations during the peak busy season, it is critical to complete the road repair by the end of October 2015.

ANALYSIS

The proposed Air Cargo Way Repair Project would be constructed within the existing roadway boundary. Using traffic count information and geotechnical analysis, Port staff developed a cost effective design, based on the Caltrans minimum pavement design life of 20 years for reconstruction projects. The construction work will be phased to minimize impacts to the tenants, provide on-going access to functions served off Air Cargo Way, and maintain Air Cargo Way traffic flows. The current schedule is to begin the construction in the summer and complete in October before FedEx's busy peak season.

BUDGET & STAFFING

The Air Cargo Way Repair Project has been included in the 5-Year Capital Needs Assessment (CNA) for FY 2014-15 as a Pipeline project totaling \$3,000,000. The budget includes \$1,000,000 for FY 14-15 and \$2,000,000 for FY 15-16, and consequently, has been included in the Port's financial planning and cash flow.

The \$3,000,000 in the CNA was based on a preliminary estimate prior to project design. The budget authorization request of \$2,032,479 is based on recent detailed project design documents. The breakdown of consultant, construction, and Port Labor and Other costs for the total project budget of \$2,032,479 is below.

Consultant	Construction	Port Labor/Other	Total
\$100,000	\$1,200,000	\$732,479	\$2,032,479

The source of funds for this project as identified in the CNA is anticipated to be Port cash or to the extent not available, the issuance of debt. If funded with debt financing, the Port would utilize its commercial paper program to access these debt proceeds.

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 Plan (<http://www.portofoakland.com/pdf/about/strategicPlan2011-2015.pdf>)

- Goal A: Objective 1: Maximize the use of existing assets.
- Goal B: Objective 1: Retain existing customers and tenants.

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 state prevailing wage rules and the prevailing rate of wage is higher than the wage required by the Living Wage Regulations.

ENVIRONMENTAL

CEQA: This 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.

Compliance: The contractor will need to comply with the State's General Permit for Discharges of Storm Water Associated with Construction Activity.

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)/ PROFESSIONAL LIABILITY INSURANCE PROGRAM (PLIP)

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

- Authorize the total project budget in the amount of \$2,032,479, including change order authority for the Air Cargo Way Repair Project; delegate authority to the Director of Engineering to approve the Project Plans and Project Manual; authorize the Executive Director to award a contract for an amount not to exceed \$1,200,000 for the Air Cargo Way Repair Project to the Lowest Responsive and Responsible

Bidder; and authorize the Executive Director to resolve any Bid Protests according to the Purchasing Ordinance. This is the recommended option.

- Do not proceed with the action as requested in this Agenda Report. This is not recommended because action is necessary to preserve and maintain the useful life of Air Cargo Way. Not proceeding will result in increased annual Port maintenance costs and potential negative impacts on tenants, including FedEx and the FAA.
- Delay project and direct Port staff to seek outside funding sources to finance the project. This option would require higher Port maintenance costs. Spending additional time on seeking outside funding would jeopardize the Port's ability to complete this project prior to FedEx's busy peak holiday season. Not proceeding will result in increased annual Port maintenance costs and potential negative impacts on tenants, including FedEx and the FAA.

RECOMMENDATION

It is recommended that the Board:

- Adopt a Resolution (i) authorizing the total project budget in the amount of \$2,032,479, including change order authority for the Air Cargo Way Repair Project; (ii) delegating authority to the Director of Engineering to approve the Project Plans and Project Manual; (iii) authorizing the Executive Director to award a contract for an amount not to exceed \$1,200,000 for the Air Cargo Way Repair Project to the Lowest Responsive and Responsible Bidder; and (iv) authorizing the Executive Director to resolve any Bid Protests according to the Purchasing Ordinance.

ATTACHMENT

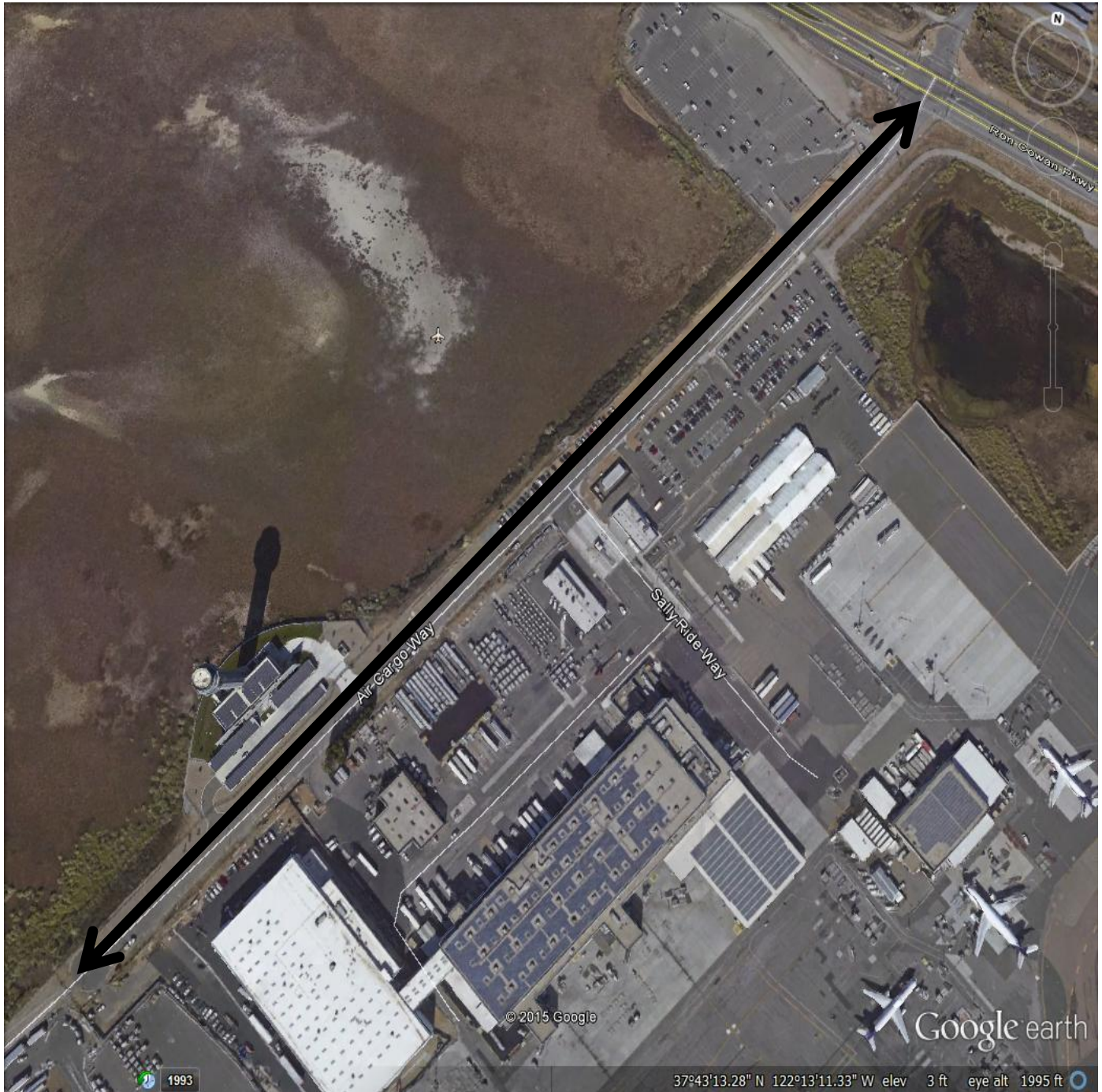


Exhibit A-

Location of Air Cargo Way Project



Exhibit B-

Photographs of Existing Conditions