

AGENDA REPORT

Resolution: Approval of the *Professional Services Agreement* with Enovity, Inc. at the Oakland Maintenance Center. **(Aviation)**

MEETING DATE: 6/11/2015

AMOUNT: \$1,825,000 (for a three-year contract with two possible one-year extensions)
Operating Expense

PARTIES INVOLVED: Enovity, Inc., San Francisco, California
Jonathan Soper, Principal

SUBMITTED BY: Deborah Ale-Flint, Director of Aviation

APPROVED BY: J. Christopher Lytle, Executive Director

ACTION TYPE: Resolution

EXECUTIVE SUMMARY

This action would delegate the authority to the Executive Director to execute a *Professional Services Agreement*, and to exercise two options to extend as provided for therein (“PSA”), with Enovity, Inc. (“Enovity”) for its management of the Oakland Maintenance Center (“OMC”) at Oakland International Airport (“OAK”). The cost of the three year PSA with two possible one-year extensions shall not exceed \$1,820,000. This action would also authorize up to \$5,000 to close out the contract with the existing OMC management company.

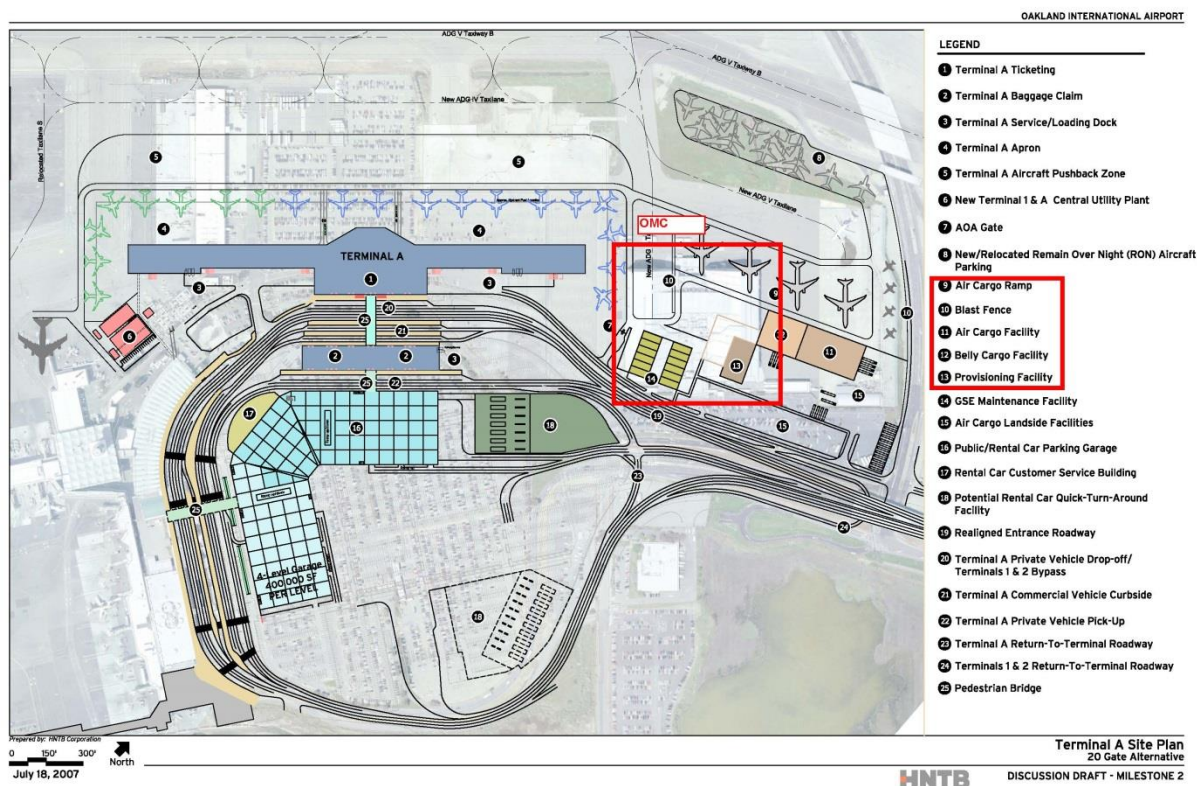
BACKGROUND

United Airlines, Inc. (“United”) occupied the OMC pursuant to a triple-net *Lease* (i.e., United was responsible for all maintenance of the facility) dated September 5, 1989. United filed for bankruptcy on December 9, 2002, rejected the *Lease* on May 2, 2003, and vacated on May 31, 2003. A *Professional Services Agreement* was negotiated with Ensminger Consulting (“*Agreement*”) to provide facilities maintenance services because of the special building systems and staffing needs on at least an interim basis. The estimated total contract costs were approximately \$122,000 per month which included keeping all building systems operational.

Years later it was determined that the OMC would eventually be demolished and the land put to an alternate use to accommodate the future proposed Terminal A project, many of these services were drastically reduced or eliminated, resulting in a reduction from approximately \$122,000 per month to approximately \$42,000 per month.

Marketing of the OMC for long-term occupancy has been limited by lack of interest in use as a maintenance facility as airlines are off-sourcing maintenance services outside the United States. The property has been widely marketed and exposed to users world-wide through brokers, direct staff contact, and multiple economic development agencies. The OMC was developed as a special-purpose building with significant under-wing foam and deluge fire control systems which limit the building use to aircraft maintenance. The current estimated cost to recommission the OMC as an aircraft maintenance facility is \$6,900,000. The cost to demolish the OMC is estimated to be over \$4,000,000 and has been postponed for other capital program priorities. The sight is also an important enabler to the future terminal expansion proposed Terminal A and thus interest in partial site development is also limited by short term nature of availability.

OMC in relation to the Future Terminal A project



Approximately 100 Port staff, contractors and consultants use the office, break room and locker room space at the OMC. Absent the availability of that space, the Port would need to find substitute space elsewhere on the Airport, lease space off Airport, or construct new

space. Without on-site management presence, the Port could not utilize the OMC's office space.



Staff conducted a Request for Proposal (“RFP”) and selection process for local businesses and other qualified respondents to provide building and facility management services and to ensure that OMC maintenance services are competitively priced. The services to be provided include, but are not limited to, diagnose, operate, repair, monitor and maintain in good working order and condition the mechanical, plumbing, electrical systems and other equipment related to building and facility systems, and provide janitorial services for the office area. Enovity, Inc. was the successful respondent and staff recommends that they be awarded the contract for the provision of OMC maintenance services.

ANALYSIS

Consistent with Port policy to promote contracting opportunities, on February 6, Port staff issued a RFP for on-site maintenance services which was widely distributed to local and regional facility maintenance service providers. A Mandatory Pre-Proposal Meeting was held at the OMC on February 20, 2015 which was attended by forty interested parties. Attendees were provided information on the required duties, history and current condition of the OMC, given a tour of the facility, and allowed to ask questions.

Staff received a total of six proposals by the March 20, 2015 due date. Five were considered responsive and one was determined to be non-responsive as it only offered janitorial services and not comprehensive facility maintenance services. A five-member evaluation panel comprised of Port staff from Airport Properties, Commercial Real Estate, Engineering, Aviation Facilities, and Harbor Facilities was convened to evaluate the proposals. Port Social Responsibility Division evaluated each proposer's adherence to the Port Non-Discrimination Small Local Business Utilization Policy

Proposals were evaluated based on the following criteria and weights:

Item	Criteria	Weights
	<u>Adherence to Port Policy Requirements and Debarment Statement</u>	Pass/Fail
1	<u>Company Information, Client References, Litigation Information, and Required Forms</u>	20%
2	<u>Knowledge and Experience</u>	20%
3	<u>Plan and Approach</u>	20%
4	<u>Proposed Costs</u>	25%
5	<u>Non-Discrimination Small Local Business Utilization Policy</u>	15%
	Total	100%

Additionally, on April 15, 2015, the evaluation panel interviewed the top three highest ranked firms and determined Enovity to be the highest ranked firm for this service. The ranking for the top three firms is as follows:

Firm	Rank
Enovity, Inc., San Francisco, CA	1
Bjork Construction, Oakland, CA	2
Ensminger Consulting, Carson City, NV	3

The annual cost for Enovity to provide OMC maintenance services, including undefined reimbursable repairs, is anticipated to be:

Year 1:	\$358,000
Year 2:	\$361,000
Year 3:	\$364,000
Year 4:	\$367,000
Year 5:	\$370,000
TOTAL	\$1,820,000

Over five years the average monthly cost will be \$30,333.33. This compares very favorably to current monthly cost of approximately \$42,000.

Staff is also requesting up to \$5,000 to cover any reimbursable repair costs necessary to close out the contract with the existing OMC management company.

BUDGET & STAFFING

Management costs for the OMC are included in the proposed FY 2015-16 Aviation operating budget. There is no staffing impact.

MARITIME AVIATION PROJECT LABOR AGREEMENT (MAPLA)

This contract is for professional services that do not include construction testing and inspection. Therefore, the provisions of the Port of Oakland Maritime and Aviation Project Labor Agreement (MAPLA) do not 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 C: Objective 2: Conduct comprehensive communication and outreach to stakeholders and strategic partners to improve workforce and small business opportunities.

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 to this agreement as the service provider does not employ 21 or more employees working on Port-related work. However, the service provider will be required to certify that should living wage obligations become applicable, the service provider shall comply with the Living Wage Regulations.

ENVIRONMENTAL

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. Entering into the *PSA* does not change the current scope of work at the OMC (building maintenance services) and is therefore categorically exempt under CEQA.

GENERAL PLAN

This project is for professional services and will not directly include any alteration of property. Development projects that result from these professional services will be subject to separate findings of conformity with the City of Oakland General Plan in accordance with Section 727 of the Charter.

OWNER-CONTROLLED INSURANCE PROGRAM (OCIP) **PROFESSIONAL LIABILITY INSURANCE PROGRAM (PLIP)**

This action is not subject to the Port's Owner Controlled Insurance Program (OCIP) or Professional Liability Insurance Program (PLIP) as it is not a capital improvement construction project or design project supporting such construction.

OPTIONS

1. Adopt a Resolution approving the terms, and authorizing execution by the Executive Director, of the proposed *Professional Services Agreement*, and delegating to the Executive Director the authority to exercise the two options as provided for therein, with Enovity, Inc., commencing July 1, 2015 having a term of three years with two possible one-year options at a cost not to exceed \$1,820,000 and authorize up to \$5,000 to close out the contract with the existing OMC management company. This is the recommended action;
2. Do not adopt a Resolution approving the terms, and authorizing execution by the Executive Director, of the proposed *Professional Services Agreement*, and its options as provided for therein, with Enovity, Inc., commencing July 1, 2015 having a term of three years with two possible one-year options at a cost not to exceed \$1,820,000 and authorize up to \$5,000 to close out the contract with the existing OMC management company, which would leave the OMC with no facilities maintenance contractor upon expiration of the existing management company contract on June 30, 2015; or,
3. Do not approve the *Professional Services Agreement* as outlined above, but recommend different terms and conditions.

RECOMMENDATION

Adopt a Resolution approving the terms, and authorizing execution by the Executive Director, of the proposed *Professional Services Agreement*, and delegating to the Executive Director the authority to exercise the two options as provided for therein, with Enovity, Inc., commencing July 1, 2015 having a term of three years with two possible one-year options at a cost not to exceed \$1,820,000 and authorize up to \$5,000 to close out the contract with the existing OMC management company, subject to review and approval as to form and legality by the Port Attorney.