

AGENDA REPORT

Resolution: Authorize Construction Budgets and the Director of Engineering to Approve Plans and Project Manuals, and Award Contracts for Construction of Two Roof Replacement Projects in the South Field (M-130 Roof and M-911 Roof). **(Aviation)**

MEETING DATE: 06/22/17

AMOUNT: \$3,955,000 FY 2017-2018 Capital Budget

PARTIES INVOLVED: Contractor for Building M-130 Roof Rehabilitation: Best Contracting Services, Inc., Gardena, CA
Contractor for Reroofing Building M-911 Aircraft Rescue and Firefighting Facility: Western Roofing Service, San Leandro, CA

SUBMITTED BY: Bryant Francis, Director of Aviation
Chris Chan, Director of Engineering

APPROVED BY: J. Christopher Lytle, Executive Director

ACTION TYPE: Resolution

EXECUTIVE SUMMARY

On June 1 and June 2, 2017, bids were received and opened for the Building M-911 Aircraft Rescue and Firefighting Facility (ARFF) project and Building M-130 Roof Rehabilitation project, respectively. This Agenda Report seeks approval from the Board to:

- (1) Authorize construction budget for the Building M-130 Roof Rehabilitation project in the amount of \$2,475,000, for a total project budget of \$2,860,000 including change order authority;
- (2) Authorize the Director of Engineering to approve the Building M-130 Roof Rehabilitation Plans and Project Manual;
- (3) Award the construction contract to the lowest responsive, responsible bidder, Best Contracting Services, Inc. for \$1,828,600 for construction of the Building M-130, Terminal 2, Roof Rehabilitation project;
- (4) Authorize construction budget for the Building M-911 Aircraft Rescue and Firefighting Facility (ARFF) project in the amount of \$1,480,000, for a total project budget of \$1,700,000 including change order authority;
- (5) Authorize the Director of Engineering to approve the Reroofing of Building M-911 ARFF Plans and Project Manual; and
- (6) Award the construction contract to the lowest responsive, responsible bidder, Western Roofing Service for \$996,550 for the Building M-911 ARFF project.

BACKGROUND

The Building M-130 upper roof (30-years old) and Building M-911 roof (20-years old) are both deteriorated and beyond their useful life. Small repairs are no longer feasible and complete replacement is the Port's best option for preserving these critical Port assets. See Figure 1 for project locations.



Figure 1. Photo of Project Locations.

On June 9, 2016, staff requested and received budget approval from the Board to design the Building M-130 upper roof and Building M-911 roof replacement projects. At that time, the Board also requested staff to explore the feasibility of installing roof-mounted solar photovoltaic panels as a part of the roof replacement work.

The Plans and Project Manuals have been completed and the projects were advertised and bid separately.

ANALYSIS

Bids were received and opened for the Building M-911 Aircraft Rescue and Firefighting Facility (ARFF) project on June 1, 2017, and Building M-130 Roof Rehabilitation project on June 2, 2017. The bids are listed in Tables 1 and 2 below.

Table 1. Building M-130 Roof Rehabilitation Bid Summary

Bidder	Location	Total Bid Price
Best Contracting Services, Inc.	Gardena, CA	\$1,828,600.00
Western Roofing Service	San Leandro, CA	\$2,378,000.00
Exbon Development, Inc.	Garden Grove, CA	\$2,430,011.55
Build Group, Inc.	San Francisco, CA	\$6,491,750.00

Table 2. Reroofing of Building M-911 ARFF Bid Summary

Bidder	Location	Total Bid Price
Western Roofing Service	San Leandro, CA	\$996,550.00
Best Contracting Services, Inc.	Gardena, CA	\$1,208,281.00
Build Group, Inc.	San Francisco, CA	\$4,136,772.00

Staff recommends awarding the construction of the Building M-130 Roof Rehabilitation project to Best Contracting Services, Inc., the lowest responsive, responsible bidder for \$1,828,600, and awarding the Reroofing of Building M-911 ARFF project to Western Roofing Service, the lowest responsive, responsible bidder for \$996,550.

Staff evaluated the feasibility of installing roof-mounted solar photovoltaic (PV) panels. Based on initial reports prepared by the consultant, both buildings can structurally support rooftop solar systems in their current condition and the result of the glare analysis is that the glare created by the solar panel would have little to no impact on airport operations. However, staff does not recommend installing rooftop solar at this time because the per unit cost of energy for rooftop solar on these two buildings costs approximately 80% more

than the Port purchasing solar energy from the grid¹. Staff will continue to pursue other potential opportunities that may present a more financially favorable solution, such as a community solar initiative, and would return to the Board for approval should such options become available.

BUDGET & STAFFING

Both of these projects are included in the Port's financial planning in the proposed FY2017-2018 Capital Budget and Capital Budget – Initial.

Building M-130 Roof Rehabilitation

The current authorized budget for the design is \$385,000. The requested budget for construction is \$2.475 million, for a total project budget of \$2.86 million. Table 3 summarizes staff budget requests and the total estimated project budget.

Table 3. Building M-130 Roof Rehabilitation Project Budget

Description	Port Labor	Consultants	Construction ¹	Total Budget
Design Budget Approved 6/9/16	\$135,000	\$250,000	\$0	\$385,000
Current Construction Budget Request	\$234,000	\$60,000	\$2,181,000	\$2,475,000
Total Project Budget	\$369,000	\$310,000	\$2,181,000	\$2,860,000

¹ The estimated construction cost includes bid award, change order authority, permitting, MAPLA, and OCIP costs.

The project will be funded 100% with Passenger Facility Charges (PFCs) authorized in PFC Application #14.

¹ On March 23, 2017, the Board authorized the Executive Director to execute the third phase Power Purchase Agreement with the Northern California Power Agency to purchase approximately 11,300 megawatt hours (MWHs) per year of solar energy at the rate of \$39 per MWH (or equivalent to approximately \$60 per megawatt hours when taking into consideration the costs to transmit the energy to the Port) for 20 years.

Reroofing of Building M-911 ARFF

The current authorized budget for the design is \$220,000. The requested budget for construction is \$1.48 million, for a total project budget of \$1.70 million. Table 4 summarizes staff budget requests and the total estimated project budget.

Table 4. Reroofing of Building M911 ARFF Project Budget

Description	Port Labor	Consultants	Construction ¹	Total Budget
Design Budget Approved 6/9/16	\$110,000	\$110,000	\$0	\$220,000
Current Construction Budget Request	\$132,000	\$55,000	\$1,293,000	\$1,480,000
Total Project Budget	\$242,000	\$165,000	\$1,293,000	\$1,700,000

¹ The estimated construction cost includes bid award, change order authority, permitting, MAPLA, and OCIP costs.

The project will be funded with Port cash and will be reimbursed through the airlines' rates and charges upon completion over the useful life of the new roof.

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

Goal A: Create Sustainable Economic Growth for the Port and Beyond

- Objective 1: Maximize the use of existing assets.
- Objective 3: Increase revenue, job creation and small business growth.

Goal C: Promote Equitable Community Access to Employment and Business Opportunities

- Objective 2: Conduct comprehensive communication and outreach to stakeholders and strategic partners to improve workforce and small business opportunities.

Goal E: Improve the Processes for Evaluating and Managing Capital Expenditures and for Long-Term Management of Port Property and Infrastructure

- Objective 4: Strengthen contract expenditure controls (i.e., on-call contracts, Technical Services Orders, etc.)

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 Determination: Both of these roof replacement projects have 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.

Sustainable Opportunities: The roofing material will be composed of a single ply polyvinyl chloride (PVC) membrane with rigid foam insulation under the fire barrier cover board, which is the current standard for these types of structures. As discussed above, obtaining renewable energy from off-site resources, such as the Power Purchase Agreement (PPA) with Northern California Power Agency, would be more cost-effective than entering into a PPA with a solar panel installer for installing solar panels on the building roofs.

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

1. Approve the actions herein for the Building M-130 Roof Rehabilitation project and Reroofing of Building M-911 ARFF project. This is the recommended option.
2. Do not approve the actions. Postponing these important projects may increase costs and affect the long-term value of important airport infrastructure.

RECOMMENDATION

Staff recommends that the Board approve the following actions associated with the Building M-130 Roof Rehabilitation and Reroofing of Building M-911 ARFF projects:

- (1) Authorize construction budget for the Building M-130 Roof Rehabilitation project in the amount of \$2,475,000, for a total project budget of \$2,860,000 including change order authority;
- (2) Authorize the Director of Engineering to approve the Building M-130 Roof Rehabilitation Plans and Project Manual;
- (3) Award the construction contract to the lowest responsive, responsible bidder, Best Contracting Services, Inc. for \$1,828,600 construction of the Building M-130, Terminal 2, Roof Rehabilitation project;
- (4) Authorize construction budget for the Building M-911 Aircraft Rescue and Firefighting Facility (ARFF) project in the amount of \$1,480,000, for a total project budget of \$1,700,000 including change order authority;
- (5) Authorize the Director of Engineering to approve Reroofing of Building M-911 ARFF Plans and Project Manual; and
- (6) Award the construction contract to the lowest responsive, responsible bidder, Western Roofing Service for \$996,550 for the Building M-911 AARF project.