

AGENDA REPORT

Resolution: Authorize a Construction Budget of \$499,000 and Award Construction Contract to Bay Construction, Inc., for the amount of \$310,000 for Construction of a Service Animal Relief Area, Terminal 2, South Field, at the Oakland International Airport. (Aviation)

MEETING DATE: 10/12/2017

AMOUNT: \$499,000 Capital Expenditure

PARTIES INVOLVED: Contractor: Bay Construction, Inc., Oakland, 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

On September 1, 2017, bids were received and opened for the Construction of a Service Animal Relief Area, Terminal 2, South Field, at Oakland International Airport (OAK). This Agenda Report seeks approval from the Board to:

- 1) Authorize a construction budget of \$499,000 for construction of a Service Animal Relief Area in Terminal 2, including change order authority; and
- 2) Award the construction contract to the lowest responsive, responsible bidder, Bay Construction, Inc., for the amount of \$310,000 for Construction of a Service Animal Relief Area, Terminal 2, South Field, at OAK.

BACKGROUND

Recognizing that travel can be especially difficult for passengers who cannot easily accommodate their service animals during layovers or connecting flights, the Department of Transportation (DOT) regulation 49 Code of Federal Regulations Section 27.71 requires most airports to establish a service animal relief area inside the sterile area (past the security checkpoint) of the passenger terminal area.

On December 15, 2016, the Board authorized a \$166,000 budget for the design of a service animal relief area in the OAK terminal building.

On June 6, 2017, the Board authorized the Director of Engineering to approve the Plans and Project Manual, and the Executive Director to waive standard bidding procedures and to solicit bids from Port-certified Small Business Enterprise (SBE) contractors in the local impact area (LIA), or if the Port does not receive any responsible bids from Port-certified LIA SBE contractors, negotiate either a Change Order or Technical Service Order with a qualified contractor currently under contract with the Port. Port staff stated in the agenda report that we would return to the Board seeking budget approval and authorization to enter into a contract to construct the service animal relief area after bids from responsive, responsible bidders were received.

On September 1, 2017, the Port received two bids from Port-certified LIA SBE bidders. Based on the bids received the total project cost is estimated to be \$665,000. The increase in the total project cost from what was estimated in December 2016 is attributed to higher overhead costs for a small prime contractor to manage multiple subcontractors and to meet OAK's terminal security and safety requirements for a relatively small project.

Staff is requesting authorization of a \$499,000 construction budget for a total project budget of \$665,000 for the Service Animal Relief Area, Terminal 2, project including change order authority, and approval to award the construction contract to Bay Construction, Inc., for the amount of \$310,000.

ANALYSIS

Three bids were received and opened for the Construction of a Service Animal Relief Area, Terminal 2, project on September 1, 2017. One bid was not from a Port-certified SBE and is therefore an ineligible bid. The bids from Port-certified LIA SBEs are listed in Table 1 below.

Table 1. Construction of a Service Animal Relief Area, Terminal 2, Project Bid Summary.

Bidder	Location	Total Bid Price¹
Bay Construction, Inc.	Oakland, CA	\$ 310,000.00
Mar Con Builders, Inc. ²	Oakland, CA	\$ 345,438.00

1) A copy of the bid canvass is on file.

2) Mar Con Builders submitted an incomplete bid package and the bid was deemed non-responsive.

Port staff determined that Bay Construction, Inc., is the lowest responsive, responsible bidder.

BUDGET & STAFFING

This project has been included in the Port's financial planning for FY 2018 Capital Improvement Plan (CIP). The current authorized budget for the design is \$166,000. The requested budget for construction is \$499,000, for a total project budget of \$665,000. The project will be funded with Port cash and will be partially reimbursed through the airlines' rates and charges upon completion over the useful life of the service animal relief area. Table 2 summarizes the current budget request and the total estimated project budget.

Table 2. Construction of a Service Animal Relief Area, Terminal 2, Project Budget

Description	Design Budget Approved on 12/15/2016	Current Construction Budget Request	Total Budget
Consultant Cost ¹	\$109,000	\$0	\$109,000
Port Labor Cost	\$57,000	\$96,000	\$153,000
Construction Cost ²	\$0	\$403,000	\$403,000
Total Project Budget	\$166,000	\$499,000	\$665,000

1. Consultant cost includes unused design contingency applied to consultant construction support.

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

The proposed action does not have any staffing impact.

MARITIME AVIATION PROJECT LABOR AGREEMENT (MAPLA)

The Port of Oakland Maritime and Aviation Project Labor Agreement (MAPLA) covers this work. However, the contractor performing this work, Bay Construction, Inc., is certified and exempt under the MAPLA Small Business Enterprise Program, which exempts small local businesses meeting certain thresholds.

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: Create Sustainable Economic Growth for the Port and Beyond

- Objective 4: Pursue strategic partnerships at all levels: local, regional, national and international.

Goal B: Maintain and aggressively grow core businesses.

- Objective 1: Retain existing customers and tenants.
- Objective 5. Enhance customer services (i.e., market intelligence, technical knowledge, strategic advice and problem solving).

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

- Objective 1: Comply with all federal, State, local and Port workforce mandates.

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: This service animal relief area construction 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 beyond a minor alteration within Terminal 2 to add a service animal relief area.

Sustainable Opportunities: This project will make use of an unused room in Terminal 2 for the service animal relief area.

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 as outlined in this agenda report. This is the recommended option.
- (2) Do not approve the actions as outlined in the agenda report and direct staff on how to proceed to provide the Service Animal Relief Area.

RECOMMENDATION

Staff recommends that the Board approve the following actions:

- 1) Authorize a construction budget of \$499,000 for the Service Animal Relief Area in Terminal 2, including change order authority; and
- 2) Award the construction contract to the lowest responsive, responsible bidder, Bay Construction, Inc., for the amount of \$310,000 for Construction of a Service Animal Relief Area, Terminal 2, South Field, at Oakland International Airport.