

## AGENDA REPORT

**Resolution:** (1) Approve a Budget of \$1,100,000 for the Terminal 1 (M102) Outbound Baggage Screening Device (CT-80) Interim Placement Project. (2) Authorize a Contract Change Order to Turner Construction Company's Construction Manager at Risk Services to add the M102 CT-80 Interim Placement Project for an Amount Not to Exceed \$688,000. (3) Find that it is in the Best Interest of the Port to Waive Competitive Bidding and Authorize the Executive Director to Execute a Single Source Professional Services Agreement with MWA Architects to Provide Design Services for an Amount Not to Exceed \$200,000. (4) Authority for the Executive Director to Execute a Memorandum of Agreement (MOA) with the Transportation Security Administration (TSA). **(Aviation) (Engineering)**

**MEETING DATE:** 4/12/2018

**AMOUNT:** \$1,100,000 (FYs 2017/18 and 2018/19)  
Capital Expenditure

**PARTIES INVOLVED:** Turner Construction Company, Inc., Oakland, CA  
Lisa Ballantyne, General Manager  
MWA Architects, Inc., Oakland, CA  
Bill Olechnowicz, Director of Special Projects  
Hadley Adams, Transportation Security Administration

**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**

In order to accommodate increasing passenger demand, the Transportation Security Administration (TSA) has designated a second CT-80 baggage-screening device to be delivered as early as June 2018 to serve the M102 ticket counters in Terminal 1, Oakland International Airport. The installation of this new device is critical to accommodating the increased passenger levels. Utilizing the existing Turner Construction Company Construction Manager At-Risk contract and entering into a single source professional services contract with MWA Architects is the fastest way to deliver this project and best aligns with the TSA's schedule. Specifically, the recommended actions are: (1) Approve a Budget of \$1,100,000 for the Terminal 1 (M102) Outbound Baggage Screening Device (CT-80) Interim Placement Project. (2) Authorize a Contract Change Order to Turner Construction Company's Construction Manager at Risk Services Contract to Add the M102 CT-80 Interim Placement Project for an Amount Not to Exceed \$688,000. (3) Find that it is in the Best Interest of the Port

to Waive Competitive Bidding and Authorize the Executive Director to Execute a Single Source Professional Services Agreement with MWA Architects to Provide Design Services for an Amount Not to Exceed \$200,000. (4) Authority for the Executive Director to Execute a Memorandum of Agreement with the TSA.

## **BACKGROUND**

A single CT-80 baggage-screening device serves the baggage-screening operation for the M102 ticket counters, and is located in the ticketing lobby. This device is used to screen all outgoing bags for flights serviced at these counters, including flights operated by Norwegian Air Shuttle, and it shares the limited space with passenger queuing for M102 ticketing, the security checkpoint, known-crew-member access and concessions screening functions.





Due to significant increases in scheduled passenger activity, the M102 ticket counters will support additional flights and potentially additional airlines. Based on this demand, the TSA designated another CT-80 for OAK to use in this area, notified the Port in February of their intention, and anticipate delivery no later than June 2018.

## **ANALYSIS**

### **Design Solutions**

The Port has been engaged in a planning and concept study to assess the best location for the baggage screening operations for the M102 ticket counter, with special emphasis on removing the baggage screening from the congested ticketing lobby. However, these solutions cannot be implemented in time to meet the June 2018 schedule. Therefore, Staff worked to identify an interim design and implementation solution that would meet the TSA's operating requirements and align with the TSA schedule. The interim solution must be one that can be implemented immediately and that can function for approximately twelve to eighteen months while the permanent solution is designed and constructed.

The preferred interim design solution is an interior placement that includes removing two un-used ticket counters, shifting the existing CT-80 and coordinating TSA's placement of the new CT-80 in the same area. This solution can be quickly implemented, and would provide adequate environmental working conditions for TSA staff and equipment, essentially temperature and humidity control, for the duration of its use. The TSA will be responsible for the delivery and installation of the new CT-80, however, the Port would be responsible for the relocation of the existing CT-80, which is owned by the TSA. The Port would pay for and coordinate the relocation, and assume liability for the CT-80 during the relocation. The parties' rights and responsibilities for delivery, installation, payment and relocation will be detailed in a Memorandum of Agreement with the TSA.

An exterior interim solution was studied that included relocating the existing CT-80 screening device from the lobby to the ramp level outside of the building, coordinating TSA's placement of the new CT-80 in the same area, and installing rain covers over the TSA operational areas. Although serving to remove the CT-80 from the lobby

floor, this option does not provide appropriate environmental working conditions for TSA staff or equipment. Increasing the durability of the enclosure also increases the construction time, which pushes the completion and activation of the screening area out beyond early summer.

The planning team, consisting of Port Staff, TSA staff and consultants, will continue to develop a permanent solution for the M102 baggage screening operational area that removes the baggage screening devices and TSA operations out of the lobby. A permanent solution is anticipated to be activated within twelve to eighteen months.

### **Contracting Solutions**

A typical project implementation process consists of initial concept planning that is used to provide a conceptual design, followed by selection of a design consultant who prepares construction documents that are used to advertise for bidding and selection of a contractor to build the project. This process can take well over 9 months for even very simple projects. This process will not meet the schedule objective for the interim CT-80 relocation.

Alternative delivery methods can significantly reduce the schedule, including the use of on-call design and on-call construction contracts as well as the use of a Construction Manager At-Risk (CM@R). In particular, the use of a CM@R contract concurrent with an architectural design contract has been very successful at implementing terminal improvement projects with very short time-frames. The current on-call design and on-call construction contracts do not have sufficient budget capacity to deliver this project.

Because the upgrades to the International Arrivals Building (IAB) Project will be completed under the budget approved by the Board on November 10, 2016, the Turner Construction, CM@R for IAB Upgrades Project has contract authority available. Issuing a contract change order under the IAB Upgrades contract to Turner Construction would be a timely solution to readily delivery construction improvements for the interim solution. As noted recently, Turner Construction has proven to be effective at delivering projects at OAK, specifically projects with challenging operational conditions and/or with accelerated project schedules.

MWA Architects, Architect of Record for the recently completed renovation of Building M-102, has significant experience and expertise on the architectural systems, building code constraints, and ancillary systems within Terminal 1. In addition, MWA has worked with many of the Port's stakeholders and has developed many of the design standards implemented on numerous projects under the Terminal 1 Renovation Program.

In order to expedite delivery of an interim solution for the CT-80 relocation, staff recommends use of MWA Architects for design services and Turner Construction for construction delivery.



## **BUDGET & STAFFING**

The Agenda Report requests approval of the project budget of \$1.1 million, which will be spent in FY2018 and 2019. While this project was not included in FY2018 5-year Capital Improvement Plan (CIP), Staff does not request an increase in FY2018 Capital Budget, as the IAB Upgrades Project was completed under budget by approximately \$4 million.

The estimated project budget is based on the following breakdown:

Construction Manager at Risk – Turner Construction	\$ 688,000
Professional Services – MWA Architects	\$ 200,000
Port Labor/Overhead/Contingency/OCIP/MAPLA	<u>\$ 212,000</u>
<b>Total Estimated Project Budget</b>	<b><u>\$1,100,000</u></b>

The project budget is anticipated to be funded with Port cash. A portion of the expenditure will be reimbursed through the airline rates and charges.

It is anticipated that the recommended option would be accomplished within the current Port staffing levels.

Staff will return to the Board in the future to request budget and contracting authorizations for detailed design, procurement of long lead items and construction of a permanent solution for the M102 baggage screening operational area, which will be included in FY2019 5-Year CIP, which is currently under development.

## **MARITIME AVIATION PROJECT LABOR AGREEMENT (MAPLA)**

MAPLA will apply to this contract for all on-site construction work, the inspection and testing of the work as specifically included in MAPLA, and all other work covered by MAPLA. MAPLA does not apply to work performed by non-manual employees and all other work specifically exempted by MAPLA.

## **STRATEGIC PLAN**

The action described herein would help the Port achieve the following goals and objectives in the Port's Strategic Business Plan (2018-2022).

- Goal: Grow Net Revenues
- Goal: Improve Customer Service
- Goal: Strengthen Safety and Security

## **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"), may apply to the professional services of this contract, if the contract is more than \$50,000 and the service provider employs 21 or more employees. In addition, construction prevailing wage requirements will apply as the project moves to the construction phase.

## **SUSTAINABILITY**

Port staff have reviewed the Port's 2000 Sustainability Policy and did not complete the Sustainability Opportunities Assessment Form. There are no major sustainability opportunities related to the interim work of the proposed action because it does not involve significant construction or operations that present sustainability opportunities.

The primary sustainability benefit of the recommended option is the re-use of existing floorplate, building systems and baggage handling equipment for the interim placement. During the concept and design development of the long-term solution, the team will consider sustainable measures, materials and/or procedures that are appropriate for this type of facility improvement.

## **ENVIRONMENTAL**

CEQA: The proposal to authorize budget and contracts for the design and construction of a New Operational Area for M102 baggage screening at Oakland International Airport was reviewed in accordance with the requirements of the California Environmental Quality Act (CEQA). Executing 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. The agreement and services provided by the New Operational Area involve a negligible expansion of use, will not have a significant effect on the environment, and therefore will not require further environmental review.

## **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 Management at Risk project is a capital improvement project, the applicable Owner Controlled Insurance Program (OCIP) coverages and provisions apply to the construction phase.

## **OPTIONS**

The following are options for the Board's consideration:

- 1) (1) Approve a Budget of \$1,100,000 for the Terminal 1 (M102) Outbound Baggage Screening Device (CT-80) Interim Placement Project. (2) Authorize a Contract Change Order to Turner Construction Company's Construction Manager at Risk Services to add the M102 CT-80 Interim Placement Project for an Amount Not to Exceed \$688,000. (3) Find that it is in the Best Interest of the Port to Waive Competitive Bidding and Authorize the Executive Director to Execute a Single Source Professional Services Agreement with MWA Architects to Provide Design Services for an Amount Not to Exceed \$200,000. (4) Authority for the Executive Director to Execute a Memorandum of Agreement with the TSA.
- 2) Proceed with standard bidding and contracting procedures for an interim solution. This would result in delayed contracting with designers and contractors, which would delay the project by months. The TSA would not be able to efficiently screen the increased volume of bags, which may result in delayed flights or delayed bags at OAK's Terminal 1.

## **RECOMMENDATION**

Staff recommends that the Board:

- 1) Adopt a Resolution that Approves a Budget of \$1,100,000 for the Terminal 1 (M102) Outbound Baggage Screening Device (CT-80) Interim Placement Project, Oakland International Airport.
- 2) Adopt a Resolution that Authorizes a Contract Change Order to Turner Construction Company's Construction Manager at Risk Services to add the M102 CT-80 Interim Placement Project for an Amount Not to Exceed \$688,000.
- 3) Adopt a Resolution that Finds That It Is In The Best Interest of The Port to Waive Competitive Bidding and Authorizes The Executive Director to Execute a Single Source Professional Services Agreement with MWA Architects to Provide Design for an Amount Not to Exceed \$200,000.
- 4) Authority for the Executive Director to Execute a Memorandum of Agreement with the TSA.