

AGENDA REPORT

Resolution: Authorize the Executive Director to Enter into an On-Call Demolition Design Service Contract with AE3 Partners, Inc, for an amount not to exceed \$1,500,000, at the Oakland International Airport (OAK). **(Aviation)/(Engineering)**

MEETING DATE: 5/24/2018

AMOUNT: Capital Expenditure
\$1,500,000 Contract Authority

PARTIES INVOLVED: AE3 Partners, Inc., Oakland, California
Mr. Doug Davis, Principal

SUBMITTED BY: Bryant L Francis, 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 request Board approval to enter into an on-call contract with the recommended consultant for design services associated with the demolition of various buildings and systems, at the Oakland International Airport.

The requested action is the authorization for Executive Director to enter into an on-call demolition design service contract with AE3 Partners, Inc. for design and construction support services for airport demolition projects at the Oakland International Airport, in an amount not-to-exceed \$1,500,000 for a contract period not to exceed five (5) years.

BACKGROUND

A number of buildings and systems at the Oakland International Airport (OAK) need to be removed within the next five-year (FY2019-2023) budget period. This includes buildings that are obsolete, vacated, or are otherwise unusable. This also includes building systems that are experiencing significant maintenance costs and which conflict with proposed improvements that will generate revenue. Demolition of these buildings and systems require design services to prepare construction documents to implement.

The Port utilizes a variety of contracting vehicles for project delivery, including project-specific design contracts and on-call design contracts. On-call design contracts provide the

flexibility to commence quickly with design without repeating a lengthy consultant selection process for each project delivered under the on-call contract. The existing on-call contracts do not include building demolition within their scope. Consultant design resources are therefore needed to deliver the building demolition program planned for the next five years.

ANALYSIS

A number of buildings and systems at OAK will need to be removed over the next five-year (FY2019-2023) period. Port staff rely on consultant design services for many projects at OAK and will require these services to design the demolitions planned at OAK. A single design contract could be let that will include all of the buildings and systems noted in the five-year budget. However, it is likely that the scope of these removals and demolitions will change over the five-year period as priorities evolve and opportunities arise. Therefore, Port staff is recommending the use of an on-call contract for the design of these demolition projects, with the opportunity to add specific projects to the contract on an on-call basis.

On-call contracts provide significant time and cost savings and are an important tool to meet the Port's operational needs by reducing processing time for contract solicitation, preparation and execution. It also allows the Port to leverage the limited staff resources and provide the capability to respond quickly to business needs or funding opportunities. Each on-call contract has a not-to-exceed expenditure limit approved by the Board. Each authorization to proceed would only be given when a project is approved and the proper project budget has been established.

The scope of the removals and demolitions for near-term projects is known, so the initial on-call contract will include these demolitions in the scope of work (Table 1, below), subject to Board approval of budget for these projects. Subsequent demolition projects can then be added to the contract following scope definition and project budget authority, through the issuance of individual Technical Service Orders.

Table 1: Near-Term Demolition Projects

Item	Bldg.	Bldg. Description	Building/System To Be Demolished	Year Built (Age)	Size	Location
1	M110	Oakland Maintenance Center (OMC)	OMC Building and Ancillary Buildings	1970 (48 yrs.)	304,000 SF	South Field
2	M152	T1 & T2 Passenger Corridor Connector	Moving Walkway	1995 (23 yrs.)	418 LF	South Field
3	M367	Terminal 2 Extension	Moving Walkway	2004 (14 yrs.)	400 LF	South Field
4	L921 L922 L923 L924	Abandoned Concrete Bunkers	Concrete Bunkers	Approx. 1945 (73 yrs.)	3,260 Total SF	North Field
5	L619	Abandoned Office Building	Single Story Office Building	1979 (39 yrs.)	14,000 SF	North Field

Item 1 is the Oakland Maintenance Center; which is being vacated. This building is obsolete and requires significant investment to bring to a serviceable condition. Large portions of the building have essentially been abandoned because restoring fire protection systems and maintaining electrical and mechanical systems is not cost-effective. The Port is required to provide on-going maintenance even after the building is vacated.

Items 2 and 3 are removal of moving walkways at Terminal 2 and the Terminal 1/Terminal 2 connector (Moving Walkways Removal and Restoration Project). This project is necessary to make more space available for customer amenities and revenue generating opportunities, while eliminating ongoing maintenance costs.

Items 4 and 5 are abandoned buildings that are in significant disrepair, require on-going airport security and facilities staff time and resources to monitor the premises.

Selection Process for Design Team

A competitive selection process was used to select AE3 Partners, Inc. as the preferred consultant to design these demolition projects. A Request for Qualifications (RFQ) was issued to solicit Statements of Qualifications (SOQ) from consultants. Seven (7) SOQs were received and evaluated by a selection panel consisting of Port staff from the Engineering and Social Responsibility Divisions based on criteria established in the RFQ, including:

- Responsiveness
- Overall Experience and Expertise of the Consultant and Sub consultants
- Personnel and Team Organization
- Referenced Projects
- Project Approach
- Disadvantaged Business Enterprise (DBE) Program

From the seven (7) responses, the following four highest-ranking teams were invited for interviews:

- AE3 Partners, Inc.
- GHD
- The KPA Group
- TranSystems Corporation

Interviews were conducted on March 29, 2018. The interviews were scored based on pre-established criteria, including the consultant teams' ability to meet the Port's performance and functional objectives for the project:

- The ability to lead a team of sub-consultants to achieve optimal results on time and on budget, while ensuring that the Port receives a quality finished product.
- Innovative design approach to demolish the buildings and systems in question safely, while keeping the airport operational.
- Understanding of design parameters for the possible re-purposing of the areas/spaces for future use.

Based on the results of this process, AE3 Partners, Inc., an LIA and DBE firm, was determined to be the highest ranked firm. Staff recommends entering into a contract with AE3 Partners, Inc. for a not-to-exceed amount of \$1,500,000 for a contract period not to exceed five (5) years.

BUDGET & STAFFING

There are no budget or staffing impacts associated with this request. Demolition project costs above the Executive Director's spending authority will require additional budget authorization from the Board.

MARITIME AVIATION PROJECT LABOR AGREEMENT (MAPLA)

The provisions of the Port of Oakland Maritime and Aviation Project Labor Agreement (MAPLA) apply to this professional services contract only to the extent it involves work within the craft jurisdiction of the unions signatory to the MAPLA, such as any field surveying, on-site soils and materials testing and inspection, and geotechnical and exploratory drilling work.

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"), living wage requirements may apply to the design consulting services of this contract, if the contract is more than \$50,000 and the service provider employs 21 or more employees. Prevailing wage requirements will apply for the future construction work under this contract.

SUSTAINABILITY

Port staff have reviewed the Port's 2000 Sustainability Policy and did not complete the Sustainability Opportunities Assessment Form. There are no sustainability opportunities related to this proposed action because this action is specifically for design services and does not involve a development project, purchasing of equipment, or operations that presents sustainability opportunities. With this said, during design, the consultant will look for sustainability opportunities to incorporate into the design and implement during demolition.

ENVIRONMENTAL

This action to enter into an On-Call Demolition Design Services Contract with AE3 Partners to develop contract documents and provide construction design support for the Demolition of Various Buildings at OAK was reviewed in accordance with the requirements of the California Environmental Quality Act (CEQA). The general rule in Section 15061(b)(3) of the CEQA Guidelines states that CEQA applies only to activities that have a potential for causing a significant effect on the environment. It can be seen with certainty that there is no possibility that design services will result in a physical change in the environment, and therefore is not subject to CEQA. Port staff will conduct further CEQA analysis and environmental review on the demolition of the various buildings once the planning and design services are complete.

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 service agreements are not subject to the Port's Owner Controlled Insurance Program (OCIP) as professional services are not construction activities.

OPTIONS

1. Authorize the Executive Director to enter into an On-Call Demolition Design Service Contract with AE3 Partners, Inc. for design and construction support services for the Demolition of Various Buildings, at the Oakland International Airport, in an amount not-to-exceed \$1,500,000 for a contract period not to exceed five (5) years. This is the recommended action.
2. Do not authorize the execution of an on-call design contract for various building demolitions at OAK. Port staff will return to the Board for contracting authorization on a project-by-project basis. This will delay delivery of the demolition projects; managing multiple consultant contracts simultaneously could result in significantly greater Port labor cost and risk further delivery delays due to resource limitations.

RECOMMENDATION

Staff recommends that the Board:

Authorize the Executive Director to enter into an On-Call Demolition Design Service Contract with AE3 Partners, Inc. for design and construction support services for the Demolition of Various Buildings, at the Oakland International Airport, in an amount not-to-exceed \$1,500,000 for a contract period not to exceed five (5) years.