

AGENDA REPORT

Resolution: (1) Authorization to the Executive Director to Exercise the Option, Negotiate and Execute a Change Order to the Agreement with Turner Construction Company for Pre-Construction, Equipment Procurement, and Construction Manager at Risk (CM@R) Service Associated with Terminal Improvement Projects at OAK for an Amount Not to Exceed \$3,000,000 and (2) Authorization for the Executive Director to Execute a Supplemental Agreement with MWA Architects to Provide Design Professional Services for an Amount Not to Exceed \$2,000,000. **(Aviation)/(Engineering)**

MEETING DATE: 5/24/2018

AMOUNT: \$5,000,000 Contract Authority

PARTIES INVOLVED: Turner Construction Company, Inc., Oakland, CA
Lisa Ballantyne, General Manager
MWA Architects, Inc., Oakland, CA
Bill Olechnowicz, Director of Special Projects

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

The purpose of this Agenda Report is to request Board approval of contracting authority for Design and for Construction Manager At-Risk services for various terminal renovation projects. The requested actions include:

(1) Authorization to the Executive Director to Exercise the Option, Negotiate and Execute a Change Order to the Agreement with Turner Construction Company for Pre-Construction, Equipment Procurement, and Construction Manager at Risk (CM@R) service associated with Terminal Improvement Projects at OAK for an Amount Not to Exceed \$3,000,000

(2) Authorization for the Executive Director to Execute a Supplemental Agreement with MWA Architects to Provide Design Professional Services for an Amount Not to Exceed \$2,000,000.

BACKGROUND

As OAK has experienced steady passenger growth during the past few years, Port staff have evaluated and identified terminal improvement projects, in collaboration with its tenants and partners, that will improve the passenger experience while maximizing use of terminal spaces that are becoming congested as growth at OAK continues. As a result, Port staff have identified the following projects:

- Terminal 1 Checked Bag Optimization
- Terminal 1 and Terminal 2 Restroom Improvement Projects
- M-101 Window Wall Relocation
- Moving Walkway Removal and Restoration
- Security Checkpoint Upgrades
- Terminal 2 Flooring Improvement

These terminal improvement projects are well suited for delivery utilizing the Construction Manager At-Risk (CM@R) method, because they entail extensive work upgrading operational terminal spaces while maintaining safe and secure flight operations. Turner Construction has developed valuable expertise and worked collaboratively with OAK and its partners during the Terminal 1 Renovation Program and the International Arrivals Building (IAB) Upgrade Project utilizing the CM@R delivery method.

MWA Architects is the Architect of Record for the Terminal 1 Renovation Program, including renovation of Building M-102, Terminal 1 Central Utility Plant Expansion and Renovation, M-102 Substation, and the Terminal 1 Meet and Greet Project. As such, they have significant experience and expertise with OAK's terminal building architectural systems, building code constraints, and ancillary systems. MWA has developed field verified base-map AutoCAD drawings of the Terminal 1 campus; design standards and details developed by MWA have been incorporated into various OAK project design documents. In addition, MWA Architects was the Architect of Record for multiple restrooms renovations at OAK. This experience and expertise will prove valuable for the efficient development of design documentation that will be required for the current Terminal Improvement Projects.

IAB CM@R Contract

On October 22, 2015, the Board authorized staff to dispense with standard bidding procedures and issue a Request for Qualifications (RFQ) for Construction Manager at Risk (CM@R) for IAB Upgrade Project construction services. On February 11, 2016, the Board approved selection of and authority for the Executive Director to enter into contract with Turner Construction as the CM@R for the IAB Upgrade Project. CM@R services associated with the IAB Upgrade Project commenced in May of 2016 and will be complete summer of 2018, including the recent Board Authorization on April 12, 2018 to use the IAB CM@R contract for the Terminal 1 (M102) Outbound Baggage Screening Device (CT-80) Interim Placement Project.

CM@R Option

The CM@R for IAB Upgrades Project Contract includes an option that the Port can exercise at its sole discretion allowing Turner to serve as designer, manager, and/or contractor for other terminal-related projects as identified by the Port. The Port successfully utilized this option approach on the Terminal Expansion Program CM@R contract with Turner in 2007. Some benefits of this approach include incentivizing the contractor to provide superior customer service and performance by offering the potential for future option work and creating project and program efficiencies based on the contractor's detailed familiarity with airport terminal infrastructure and airline/tenant coordination. The near term terminal improvement projects identified above are well suited for option work as all of the projects involve extensive work upgrading existing terminal infrastructure while maintaining continuous terminal operations – all work that Turner has and is performing as part of its work on the International Arrivals Building.

MWA Contract

In December 2009, the Port executed a Design Services contract with MWA Architects to provide design services for the Terminal 1 Renovation Program. MWA Architects led a team of design consultants providing design services for numerous improvements to the Terminal 1 Campus including the Terminal 1 Central Utility Plant and the recently completed Renovation of Building M-102. On April 12, 2018, the Board authorized staff to execute a Single Source Professional Services Agreement with MWA Architects to Provide Design Services for the Terminal 1 (M102) Outbound Baggage Screening Device (CT-80) Interim Placement Project ("2018 MWA Agreement").

ANALYSIS

Exercising the options clause within Construction Manager at Risk (CM@R) for IAB Upgrade Project contract and executing a supplement to the 2018 MWA Agreement will provide the Port with the ability to efficiently contract with proven partners to design and deliver planned terminal improvement projects. The contract authority requested for MWA Architects and Turner Construction will be authorized after budget authority for a terminal improvement project has been approved.

These contracts would 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. The requested not-to-exceed expenditure limits approved by the Board would only establish the contract authorities. Each authorization to proceed would only be given when a project is approved and the proper project budget has been established.

BUDGET & STAFFING

There is no anticipated budget or staffing impact associated with this Board action. This Agenda Report requests contract authority to be able to implement various terminal renovation projects, which will be included in the Port's Five-Year Capital Improvement Plan currently under development. Staff will return to the Board for project budget authorizations.

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 on Port-related work. In addition, construction prevailing wage requirements will apply if the project moves to the construction phase

SUSTAINABILITY

Port staff have reviewed the Port's 2000 Sustainability Policy. There are sustainability opportunities related to reduced power consumption associated with removal of moving walkways and reduced water use associated with renovation of the Terminal 1 Restrooms plumbing fixtures.

The primary sustainability benefit of the recommended option stated above will be considered throughout design process, in addition, the team will consider sustainable measures, materials and/or procedures that are appropriate for this type of facility improvement.

ENVIRONMENTAL

The proposed actions in this Agenda Report were 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 waiving bidding procedures and approving design and preconstruction 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 for the restroom and moving walkway improvements 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, however as the Construction Management at Risk project is a capital improvement project, the applicable Owner Controlled Insurance Program (OCIP) coverages and provisions do apply to on-site construction activities.

OPTIONS

The following are options for the Board's consideration:

- 1) Approve the actions as outlined in this agenda report. This is the recommended action.
- 2) Do not approve the recommended contracting authority and proceed with standard bidding and contracting procedures associated with design and pre-construction services. This would result in delayed implementation, by approximately 6-8 months, of the critical customer service and renovation projects needed to address the growing passenger activity.

RECOMMENDATION

Staff recommends:

- 1) Authorization to the Executive Director to exercise the option, negotiate and execute a change order to the Agreement with Turner Construction Company for Preconstruction, Equipment Procurement, and Construction Manager at Risk (CM@R) service associated with Terminal Improvements Projects at OAK for an amount not to exceed \$3,000,000.
- 2) Authorization for the Executive Director to Execute a Supplemental Agreement with MWA Architects to Provide Professional Services for an Amount not to exceed \$2,000,000.