

## AGENDA REPORT

**Resolution:** (1) Approve Budget of \$1,100,000 for Design, Preconstruction Services, and Port Labor for the Terminal 1 Restroom Renovation Project (2) Approve Budget of \$700,000 for Design, Preconstruction Services, and Port Labor for the Moving Walkways Removal and Restoration Project. **(Aviation)/(Engineering).**

**MEETING DATE:** 5/24/2018

**AMOUNT:** \$1,800,000 (FY 2019 - 2021)  
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  
AE3 Partners, Inc., Oakland, California  
Mr. Doug Davis, Principal

**SUBMITTED BY:** 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 budget for the renovation of various restrooms at Terminal 1 and the removal of moving walkways at the Oakland International Airport (OAK). The requested actions include:

(1) Approve Budget of \$1,100,000 for Design, Preconstruction Services, and Port Labor for the Terminal 1 Restroom Renovation Project

(2) Approve Budget of \$700,000 for Design, Preconstruction Services, and Port Labor for the Moving Walkways Removal and Restoration Project.

### **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 to 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 near-term Terminal Improvement Program projects:

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

## **ANALYSIS**

While staff is in the process of planning, programming and prioritizing the entirety of the near-term Terminal Improvement Program, two projects are in a position to commence design and pre-construction – (1) the Terminal 1 Restroom Improvements and (2) the Moving Walkway Removal and Restoration.

Terminal 1 Restroom Improvements are being initiated by the Airport to remodel the terminal building restrooms. Restrooms in the Terminal 1 concourse have been in service for more than 15 years, and restrooms in Terminal 2 for more than 10 years. The growing passenger demand has put additional stress on these aging facilities, requiring increased staff time and resources to clean and maintain to acceptable standards. Improvements will include the modernization of finishes and the installation of low water use fixtures that meet current standards, extend life cycle and ease maintenance requirements into the future.

As passenger traffic grows, space is at a premium and there is more demand for customer amenities and services. The Port has been assessing the viability and cost benefit of maintaining the existing moving walkways in the terminals. These areas can be better served by removing the moving walkways (which require extensive maintenance to keep in service) in order to repurpose this area for concessions and customer amenity use. The repurposed space allows relocation of existing retail kiosks from congested hold rooms and supplement the deficiencies of food/beverage concessions. It is estimated that the expanded concessions could bring approximately \$500,000 in new revenue annually.

Moving walkways were not required as part of terminal design to achieve acceptable walking distances. Removal of the walkways will improve the overall experience by creating additional opportunities for passenger amenities, increase much-needed operational holdroom spaces for our airline partners, and encourage a healthy airport environment today's traveler expects. Orlando (MCO) and Chicago (ORD) are among recent airports who have removed moving walkways to add amenities. Just like OAK, both airports have added signage depicting estimated walk times throughout the concourse, as well as encourage travelers to explore concessions, art exhibits, and advertising partner exhibits. By adding more passenger amenities and creating "comfort decision-points" within the terminal, the traveler's perception of walking time and distance will be less than it is today as there are more opportunities to engage existing and future amenities.

The project delivery method proposed by Port staff is to utilize an approved on-call consultant to design the Terminal 1 Restroom Improvements and Moving Walkway Removal and Restoration. Port staff will return to the Board for approval of construction budget.

### **BUDGET & STAFFING**

The Agenda Report requests approval of \$1.1 million for Terminal 1 Restroom Improvements and \$700,000 for Moving Walkway Removal and Restoration, which will be spent in FY2019 through FY2021. See Table 1 for project cost breakdown. Both projects are included in the Port's Five-Year Capital Improvement Plan, anticipated to be funded with port cash. A portion of the expenditure will be repaid by the airlines over time through the terminal rental rate.

Table 1. Project Cost Breakdown.

	T1 Restroom Improvements	Moving Walkway Removal & Restoration
Construction Manager At-Risk Services	\$250,000	\$200,000
Design Services	\$650,000	\$300,000
Port Labor	\$200,000	\$200,000
TOTAL	\$1,100,000	\$700,000

There is no anticipated staffing impact.

### **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 the action proposed in this Agenda Report 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 Terminal 1 Restroom Improvements and Moving Walkway Removal and Restoration are a capital improvement projects, 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 budget. This would result in the inability to provide the critical customer service and renovation projects needed to address the growing passenger activity, as well as loss of revenue generating opportunities and an increased maintenance and staff time.

## **RECOMMENDATION**

Staff recommends that the Board:

- 1) Approve Budget of \$1,100,000 for Design, Preconstruction Services, and Port Labor for Terminal 1 Restroom Improvements.
- 2) Approve Budget of \$700,000 for Design, Preconstruction Services, and Port Labor for Moving Walkway Removal and Restoration.