

AGENDA REPORT

Resolution: Authorize a Construction Budget of \$1,881,000, Authorize the Director of Engineering to Approve Plans and Project Manual, and Award the Construction Contract to McGuire and Hester for the amount of \$1,295,465 for Construction of Southfield Pavement Improvements, Oakland International Airport.
(Engineering/Aviation) [Choose an item.](#)

MEETING DATE: 9/27/2018

AMOUNT: \$1,881,000 (FY 2019)
Capital Expenditure

PARTIES INVOLVED: Mike Hester, President
McGuire and Hester, Oakland, California,

SUBMITTED BY: Chris Chan, Director of Engineering
Bryant L Francis Director of Aviation

APPROVED BY: J. Christopher Lytle, Executive Director

ACTION TYPE: Resolution

EXECUTIVE SUMMARY

This Agenda Report seeks budget approval and authorizations to enter into a contract to construct the Southfield Pavement Improvement project. The recommended actions included:

- 1) Approve a construction budget for the Construction of Southfield Pavement Improvements in the amount of \$1,881,000, for a total project budget of \$2,200,000, including change order authority;
- 2) Authorize the Director of Engineering to approve the Construction of Southfield Pavement Improvements Plans and Project Manual;
- 3) Award the construction contract to the lowest responsive, responsible bidder, McGuire and Hester for the amount of \$1,295,465 for the Construction of Southfield Pavement Improvements.

BACKGROUND

During the 2017 Airport Pavement Management System (APMS) update, the following airport paved areas were identified for rehabilitation in Federal Fiscal Year (FFY) 2018:

- Taxiway Tango between Taxiways Bravo and Sierra

- A portion of the tug road adjacent to Terminal 1
- Portions of the East Apron between Terminals 1 and 2
- The vehicle service road (VSR) parallel to Taxiway Bravo

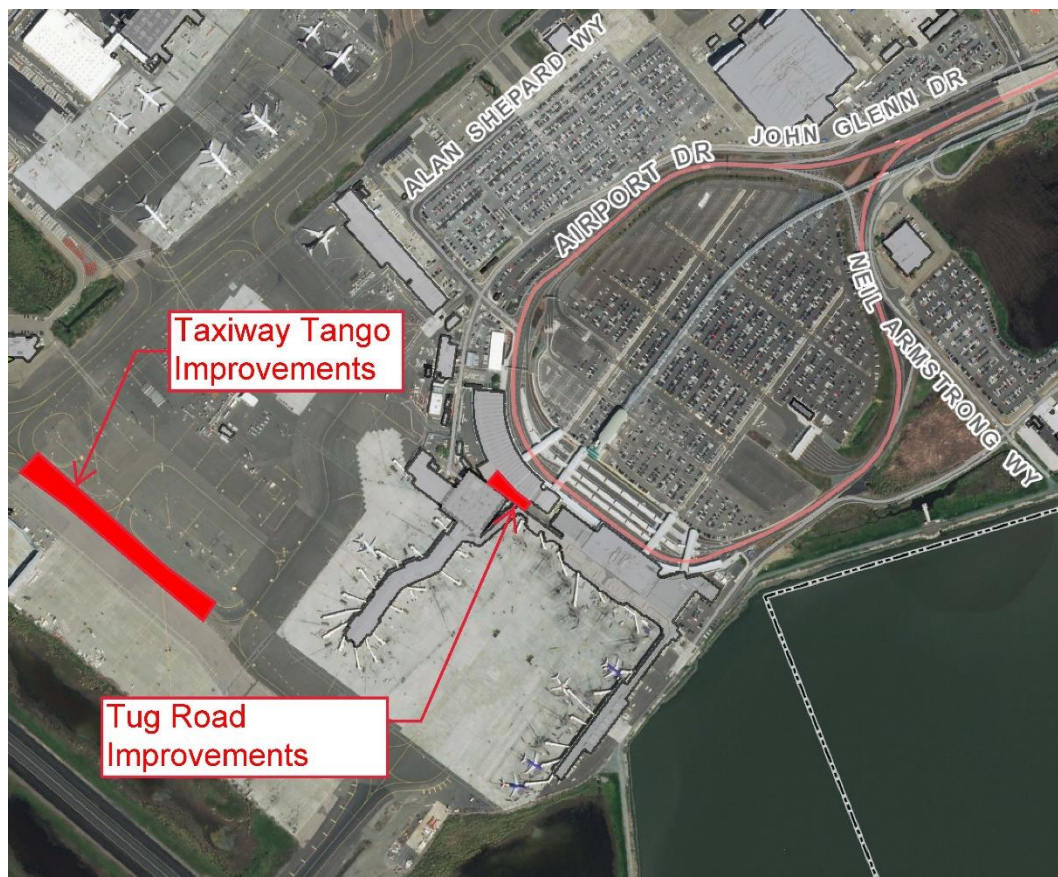
On December 14, 2017, the Board approved a \$650,000 design budget, and authorized the Executive Director to apply for and accept Grant Award from the Federal Aviation Administration (FAA) for Southfield Pavement Improvements, Oakland International Airport.

The design was completed for the above projects, but the estimated cost to construct all projects exceeded the funds that the FAA had programmed for OAK through the Airport Improvement Program (AIP) grant program for FFY 2018. The project scope was therefore scaled back to include only the following rehabilitation projects presented in Figure 1:

- Taxiway Tango between Taxiways Bravo and Sierra
- A portion of the tug road adjacent to Terminal 1

The scope of this pavement rehabilitation work includes pavement overlays and installation of pavement markings.

Figure 1. Locations of Pavement Rehabilitation for FFY 2018



The remaining pavement rehabilitation work will be deferred to the next FFY for inclusion in the next cycle of AIP grant funding.

ANALYSIS

On August 21, 2018, two (2) bids were received and opened for the Construction of Southfield Pavement Improvements project. The bids are listed in Table 1 below.

Table 1. Construction of Southfield Pavement Improvements Bid Summary

Bidder	Location	Total Bid Price
McGuire and Hester	Oakland, CA	\$1,295,465
DeSilva Gates Construction	Dublin, CA	\$1,566,325

Staff recommends awarding Construction of Southfield Pavement Improvements project to McGuire and Hester for the amount of \$1,295,465, contingent on grant approval. Staff also determined that McGuire and Hester is responsive and responsible because they are appropriately licensed and are in good standing with the Contractors State License Board, their bid demonstrates that they can perform the work as specified in the contract documents, they have submitted all required documentation, and they have submitted an unconditional offer to provide the work as specified in the contract documents.

BUDGET & STAFFING

This project was included in the Port's financial planning for the FY2018-2019 Capital Budget in the amount of \$2.75 million for construction and construction administration.

The current authorized budget for the design is \$650,000. Table 2 summarizes the design budget allocation per project and fiscal year.

Table 2. Southfield Pavement Improvements Design Budget Allocation
Per Project and Fiscal Year

Description	Port Labor	Consultants	Total Design Budget
Taxiway Tango and Tug Road (FFY 2017-2018)	\$123,000	\$196,000	\$319,000
VSR and East Apron (FFY2018-2019)	\$127,000	\$204,000	\$331,000
Total Design Budget	\$250,000	\$400,000	\$650,000

The requested budget for construction is \$1.881 million, for a total project budget of \$2.2 million. Table 3 summarizes staff budget requests and the total estimated project budget.

Table 3. Construction of Southfield Pavement Improvements (Taxiway Tango and Tug Road) Project Budget

Description	Port Labor	Consultants	Bid Award	Construction Change Order Contingency	Additional Construction ¹ Costs	Total Budget
Taxiway Tango and Tug Road Design Budget	\$123,000	\$196,000	\$0	\$0	\$0	\$319,000
Current Construction Budget	\$147,000	\$94,000	\$1,295,465	\$259,000	\$85,535	\$1,881,000
Total Project Budget	\$270,000	\$290,000	\$1,295,465	\$259,000	\$85,535	\$2,200,000

¹ The estimated additional construction costs includes MAPLA, security escorts, and OCIP costs.

The FFY 18 AIP grant (received on September 5, 2018) will fund up to approximately 78% of grant eligible project costs, and 66% of the total project costs. The cash-funded portion of the project will be reimbursed through airlines' rates and charges.

There is no anticipated staffing impact.

MARITIME AVIATION PROJECT LABOR AGREEMENT (MAPLA)

The provisions of the Port of Oakland Maritime and Aviation Project Labor Agreement (MAPLA) apply to this 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).

<https://www.portofoakland.com/wp-content/uploads/Port-of-Oakland-Strategic-Plan.pdf>

- Goal: Maximize the use of existing assets.
- Goal: Implement formal grants/external funding task force.

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 prevailing wage rules and the prevailing rate of wage is higher than the wage required by the Living Wage Regulations.

SUSTAINABILITY

Port staff completed the Sustainability Opportunities Assessment Form for this project pursuant to the 2000 Sustainability Policy and updated procedures. The project will generate approximately 1,200 cubic yards of asphalt millings that will be transported and stockpiled at the Port Materials Management Site (MMS) located on the Airport. The millings will subsequently be reused/recycled for future Airport construction projects. This eliminates the need to off-haul and dispose of the asphalt millings. Keeping these materials onsite at the MMS will reduce trucking costs and associated air and traffic impacts.

ENVIRONMENTAL

This project has been determined to be 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 with the potential improvements and signage replacement.

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

The following options are for the Board's consideration:

- (1) Approve the actions as outlined in this agenda report. Doing so will enable the Southfield Pavement Improvements project to be constructed, and allow for completion of the pavement improvements as early as possible. This is the recommended action.
- (2) Do not approve the actions requested in this Agenda Report. This is not recommended because postponing the Southfield pavement improvements will require increased interim maintenance to keep these pavements operational.

RECOMMENDATION

Staff recommends that the Board approve the following actions for the Construction of Southfield Pavement Improvements project:

- 1) Approve a construction budget for the Construction of Southfield Pavement Improvements in the amount of \$1,881,000, for a total project budget of \$2,200,000, including change order authority;
- 2) Authorize the Director of Engineering to approve the Construction of Southfield Pavement Improvements Plans and Project Manual; and
- 3) Award the construction contract to the lowest responsive, responsible bidder, McGuire and Hester for the amount of \$1,295,465 for the Construction of Southfield Pavement Improvements.