

AGENDA REPORT

Resolution: Approve and Authorize a Capital Budget of \$321,000 for the Design Phase of the North Driveway for 800 Series Warehouses Project and Authorize the Executive Director to Utilize Mott MacDonald, LLC for the Design Effort. **(Engineering/Maritime)**

MEETING DATE: 1/24/2019

AMOUNT: \$321,000
Capital Expenditure

PARTIES INVOLVED: Mott MacDonald, LLC, Pleasanton, California
Chris Metzger, Vice President

SUBMITTED BY: Chris Chan, Director of Engineering
John C. Driscoll, Director of Maritime

APPROVED BY: Danny Wan, Acting Executive Director

ACTION TYPE: Resolution

EXECUTIVE SUMMARY

Staff is requesting approval of a capital budget of \$321,000 for the design phase for the North Driveway for 800 Series Warehouses Project. In addition, Staff is also requesting authorization for the Executive Director to utilize Mott MacDonald, LLC. for the design effort. The Port needs to perform this design work (and the related construction) to maintain access to the 800 Series Warehouses.

BACKGROUND

On April 25, 2013 the Board of Port Commissioners ("Board") authorized two leases, one from the Port to the City ("Port-City Lease") for a portion of Berth 9, and one from the City of Oakland ("City") to the Port ("City-Port Lease") for a portion of Building 804 and a parcel adjacent to Buildings 88 and 99 on the former Oakland Army Base ("OAB"). The City-Port Lease included two parcels (depicted as Parcels A1 and A2 in the attached Exhibit A) from the City, for a total of 1.4 acres. This lease allows the Port, and its tenants, to access the North 800 Series Warehouses through Parcel A1 via 17th Street.

In January 2015, the Board approved the First Amendment to the Port-City lease. This included extending the lease term for parcel A1 through December 31, 2019. The Port has approached both the City and the City's developer about guaranteeing permanent access or swapping land so that parcel A1 is within the Port's jurisdiction. Neither party has shown willingness to pursue these requests; therefore, Staff is working under the assumption that the

Port and its tenants will likely lose access to the North 800 Series Warehouses via 17th Street after December 31, 2019. Currently, there is no alternate access to the warehouses.

On November 30, 2017, the Board authorized an extension of the space assignment with Impact Transportation (Ordinance No. 4449) for warehouses 805, 806, and 807 ("Impact Agreement"). The initial term of the Impact Agreement ends on December 31, 2019, and includes three (3), one (1)-year options to extend, at the Port's sole discretion. Staff plans to exercise these options; in fact, Staff would like to exercise all three options because the tenant has expressed a need for certainty for business planning. Although long-term development of the former OAB contemplates demolition of these warehouses, there is no imminent alternative development plan. Therefore, in the interim, Staff intends to continue leasing these warehouses to support maritime activity and generate revenue. The warehouses that are part of the Impact Agreement would be inaccessible as of December 31, 2019.

Based on field investigations and input from both the Maritime Division and Impact Transportation, Staff concluded that constructing a new driveway from Admiral Robert Toney Way to the northern portion of the North 800 Series Warehouses (depicted in Exhibit B) would be appropriate. The location shown on Exhibit B is an approximate representation of the driveway layout and location. The final location will be determined during the design/permitting process. The proposed new driveway is considered essential for the Port and its tenants to maintain access.

On September 11, 2014, by Resolution 14-90, the Board authorized entering into an agreement with one or more consultants to provide on-call engineering design services for improvement projects at the Maritime areas (and other areas). Subsequently, following a formal selection process, two "on-call" contracts for consulting were awarded to Mott MacDonald LLC and WSP USA, Inc. to provide design services for non-federal projects in the Maritime area.

In November 2018, Staff solicited proposals from the two on-call engineering design services through an informal Request for Proposals (RFP). The proposals were evaluated and Mott MacDonald, LLC was determined to be the most qualified consultant to perform this work.

ANALYSIS

The Impact Transportation lease currently generates \$1.3 million annually in revenue for the Port. Beyond the revenue generation, Impact Transportation also provides "near-dock" transloading services and is one of few in the Maritime Area that can handle import/export specialized, overweight, and breakbulk cargoes. Without continued access, operations at this facility cannot continue. In addition to serving the current Impact Transportation facility, the driveway will have value to any future development associated with the larger Seaport Logistics Complex.

The design work is estimated to cost \$321,000 (See Budget & Staffing Section) and the construction cost, on a very preliminary basis, is estimated to be approximately \$2.5

million. Upon completion of the design work and receipt of construction bids, Staff intends to seek subsequent Board approval for construction of the driveway work. The design effort is estimated to take approximately 4 to 6 months (from issuance of a notice to proceed for design).

Due to limited resources and other priorities, Staff will require the use of a consultant to prepare the necessary design documents. Staff is requesting Board authorization to use Mott MacDonald, LLC ("Mott MacDonald") to prepare the design documents. Mott MacDonald is the most qualified consultant to perform the work, among the "On-Call Engineering Design Consultants (Non-Federally Funded Projects)". They were procured as described in the Background Section above. Utilizing an on-call designer would save the Port approximately \$50,000 in procurement cost¹ and 4 to 6 months of time. It would also reduce the time extension needed, if any, from the City after December 31, 2019.

Staff estimates that it will take approximately 12 to 15 months overall (from issuance of a notice to proceed for design, including review and approval of a Health and Safety Plan from the Department of Toxic Substances Control) to complete the design and construction. Note that this schedule is dependent on any bid protests, weather at the start of and during construction, permitting from the City of Oakland, and recording of easements.

BUDGET & STAFFING

The Fiscal Year 2018-2019 Five-Year Capital Improvement Plan includes the North Driveway for 800 Series Warehouses Project as a pipeline capital project. The design phase is budgeted to cost \$321,000 (as outlined in Table 1) and anticipated to be funded with Port cash.

Table 1. Project Budget by Phase

Phase	Consultant	Port Labor	Contractor	Other Costs*	Total Budget**
Design	\$146,000	\$150,000	\$0	\$25,000	\$321,000
Construction	TBD, but preliminary estimated to be \$2.5 million. Upon completion of the pavement design work and receipt of construction bids, Staff intends to seek subsequent Board approval for construction of the driveway work.				

*Other costs include items such as permitting, legal costs, other consultants, and design contingency.

**Staff may exceed the individual category cost in Table 1 if (i) the effort is needed; and (ii) if other cost categories require less effort than estimated. The aggregate of all category costs shall not exceed \$321,000 without Board approval.

¹ Estimated staff costs to prepare a new Request for Proposal, advertise, evaluate bids, hold interviews, negotiate and execute a contract, prepare Board agenda report and seek Board approval, award contract and set-up CPA, and perform Oracle functions.

The proposed action does not have any staffing impact.

MARITIME AVIATION PROJECT LABOR AGREEMENT (“MAPLA”)

The requested action is related to engineering design professional services. 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.

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

- Goal: Improve Customer Service
- Goal: Modernize and Maintain Infrastructure

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”), will apply to the design effort if the service provider employs 21 or more employees working on Port-related work. In addition, the prevailing wage requirement will apply for related future construction work.

SUSTAINABILITY

Port staff reviewed the Port’s 2000 Sustainability Policy and did not complete the Sustainability Opportunities Assessment Form. Port staff concluded that there are no sustainability opportunities associated with the Design of Capital Improvements for the North Driveway for 800 Series Warehouses project.

ENVIRONMENTAL

CEQA Determination: This action was reviewed in accordance with the requirements of the California Environmental Quality Act (CEQA). In 2002, the City of Oakland approved a reuse plan for the entire Oakland Army Base, and as lead agency certified an Environmental Impact Report. Also, in 2002, the Board, acting on behalf of the Port as a responsible agency, adopted findings, a mitigation program, and a Statement of Overriding Considerations. In 2012, City staff, in consultation with Port staff, prepared an addendum to the EIR and Standard Conditions of Approval to mitigate environmental impacts. The Port filed a Notice of Determination in June 2012.

The OAB redevelopment project, as described in the 2002 EIR and 2012 Addendum, includes required infrastructure improvements such as roadways and access to individual sites. Impacts from construction of the access to the 800 series buildings would be the same as those described in the 2002 EIR, as added, for construction of infrastructure improvements. Project construction will comply with the OAB Standard Conditions of Approval/Mitigation Monitoring and Reporting Program. No new impacts would occur, and no additional environmental review per Section 15162 of the CEQA Guidelines would be required.

GENERAL PLAN

This project involves maintenance of existing facilities being used in conformance with the Oakland General Plan, pursuant to Section 727 of the City of Oakland Charter, and will not change the use of any facility(ies).

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

Staff has identified the following options for the Board's consideration:

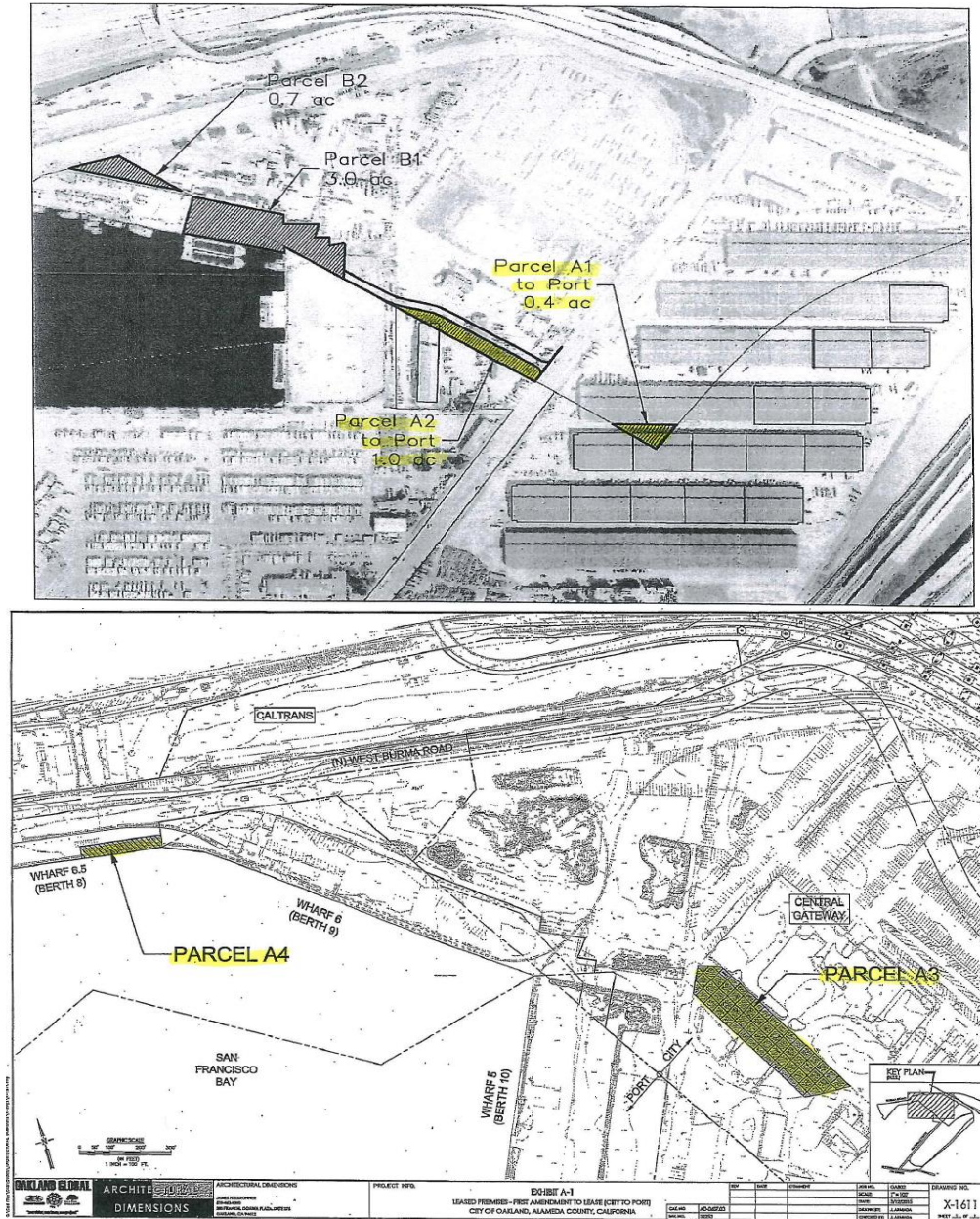
1. Approve the actions as outlined in this agenda report. This is the recommended action.
2. Direct Staff to formally advertise the project and do not use the On-Call Engineering Design Services contract with Mott McDonald to deliver the plans and specifications. This will increase the design budget by approximately \$50,000 for staff to formally advertise the project. This action would also add project delays resulting in the loss of access to Port-owned lands described herein, which may result in lost revenue.

RECOMMENDATION

Staff recommends that the Board adopt a resolution to:

Approve and authorize a budget of \$321,000 for the design phase of the North Driveway for 800 Series Warehouses Project and authorize the Executive Director to utilize Mott MacDonald, LLC, for the design effort.

Exhibit A – City Leased Lands (Port Leases from City)



Parcel A1: 0.4 Acres; Leased from City through December 31, 2019

Parcel A2: 1.0 Acres; Leased from City through December 31, 2019 (revised leased premises and term proposed through December 31, 2022)

Parcel A3: 1.6 Acres; Leased from City through December 31, 2019 (relinquishment of Port lease rights proposed)

Parcel A4: 0.2 Acres; Leased from City through December 31, 2019

Exhibit B - Proposed North 800 Series Warehouse Driveway (Preliminary Layout)

