

AGENDA REPORT

Resolution: (1) Approve a Budget for Design and Pre-construction Services of \$560,000 and (2) Authorize the Executive Director to Execute a Change Order with Turner Construction Company for Construction Manager at Risk (CM@R) Pre-construction Services at a Cost Not to Exceed \$250,000 for Terminal 2 Baggage Claim Security Exit. (Aviation/Engineering)

MEETING DATE: 2/28/2019

AMOUNT: \$560,000 Capital Expenditure (FY 2019)
\$250,000 Contracting Authority

PARTIES INVOLVED: WSP, Oakland, CA
John Fisher, Vice President
Turner Construction Company, Inc., Oakland, CA
Lisa Ballantyne, General Manager

SUBMITTED BY: Bryant L. Francis C.M., 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 for budget and change order authority for the Terminal 2 Baggage Claim Security Exit (T2 Security Exit) Improvements Project. The requested actions are as follows:

- (1) Approve a budget of \$560,000 for design and pre-construction services and
- (2) Authorize the Executive Director to execute a contract change order with Turner Construction Company (Turner) to provide Construction Manager at Risk (CM@R) pre-construction services for a cost not to exceed of \$250,000.

BACKGROUND

Design

The T2 Security Exit is used as the main portal for pedestrian traffic to exit from the sterile area of Terminal 2, into the non-secure area of the terminal, and is adjacent to the baggage claim area. Port staff have determined that with today's advancements in security and technology, there are cost-effective options to reconfigure the T2 Security Exit, increase pedestrian traffic security, and potentially reduce the need for one or both of the stationed ACSO safety aides.

On October 12, 2017, by Resolution 17-107, the Board authorized an initial design budget of \$194,000 covering consultant and Port labor design costs for reconfiguration of the T2 Security Exit. The design is being prepared by WSP, a consultant under a Professional Services Agreement for On-Call Engineering Design Services with the Port.

On September 13, 2018, by Resolution 18-99, the Board authorized a budget increase of \$123,000 covering consultant and Port labor design costs for the additional scope of work to provide new wayfinding signage and to modify the architectural layouts to meet spacing requirements for a new Employee Screening Machine.

Construction Manager at Risk (CM@R)

On May 24, 2018, by Resolution No. 18-46, the Board approved an initial contract authority in the amount of \$3,000,000 for Turner to perform CM@R services for several near-term terminal improvement projects that the Port anticipates implementing within the next 3 to 5-year timeframe. The T2 Security Exit project was not included at that time.

On December 13, 2018, by Resolution No. 18-123, the Board also approved increasing Turner's contract by \$350,000 for the Terminal 2 Boiler Replacement Project (T2 Boilers).

Over the past two months, staff identified the T2 Security Exit project as an additional project ideally suited for the CM@R contract model. The T2 Security Exit project entails a significant amount of work upgrading terminal systems while maintaining safe and secure passenger circulation areas. Using the CM@R contract allows the Port to leverage the valuable expertise Turner has developed while working collaboratively with Oakland International Airport (OAK) and its partners during the Terminal 1 Renovation Program and the International Arrivals Building (IAB) Upgrade projects. Some benefits of this approach include increased customer service and performance by creating efficiencies based on the contractor's detailed familiarity with OAK's terminal infrastructure and airline/tenant coordination.

ANALYSIS

Design and Bid Support Services

The T2 Security Exit project is currently at about 85% of final design and includes furnishing and installing glazed door fronts and walls, cameras and video technology, motion detection equipment, access control systems, and supporting infrastructure. To optimize this technology, an access control door used heavily by Southwest Airline (SWA) staff needs to be relocated. Additional design services and budget are needed to support this relocation.

Staff also requests budget for WSP to provide design support during the bidding phase of the project. This includes responding to contractor requests for information (RFI's) during bid process.

Staff has negotiated and agreed with WSP on a scope of work and associated fee of \$180,000 for the additional design and bid support services. Staff is requesting an additional \$130,000 in Port labor to support the added scope and to support Turner through the Guaranteed Maximum Price (GMP) development for this project.

Construction Manager at Risk (CM@R)

This agenda report seeks approval of \$250,000 in additional change order authority for Turner to provide pre-construction services under the existing CM@R contract for this project. Staff anticipate the pre-construction services provided by Turner will include constructability review of the design plans, construction scheduling, construction cost estimating and the development of the GMP for project construction. The \$250,000 in contracting authority requested herein, is in addition to the \$3,350,000 in contracting authority approved by the Board in May 2018 and December 2018, for a total contract authority of \$3,600,000 (for several different near-term terminal improvement projects, including the T2 Security Exit project).

After the design is complete and the GMP has been developed, staff will return to the Board requesting:

- Approval of the construction budget
- Authorization for the Director of Engineering to approve the plans and project manual
- Authorization for the Executive Director to increase Turner's CM@R contract authority for construction services.

BUDGET & STAFFING

T2 Security Exit is included in the FY 2019 Capital Improvement Plan. Staff estimates the total project cost will be approximately \$4.0 million, and will be partially funded with Passenger Facility Charges (PFCs), as approved in PFC Application #14.

This agenda report requests approval of \$560,000 for design and pre-construction budget authorization. See Table 1 for project cost breakdown.

Table 1. T2 Security Exit Project Budget

Description	Planning ¹	Previously Approved Design	Additional Request for Design, Bid-Support and Pre-Construction Services	Total Budget Authorization To Date
Port Labor	\$16,800	\$111,700	\$130,000 ²	\$258,500
Consultant	\$89,200	\$205,300	\$180,000 ³	\$474,500
CM@R	\$0	\$0	\$250,000 ⁴	\$250,000
Total	\$106,000	\$317,000	\$560,000	\$983,000

¹ Planning efforts in 2017 were funded through the Aviation Division's expense budget.

² Port Labor includes cost through GMP development only.

³ Consultant cost includes design of relocation of access control door and bid support.

⁴ CM@R Costs include pre-construction services to develop GMP.

There is no anticipated staffing impact associated with the requested authorization.

MARITIME AVIATION PROJECT LABOR AGREEMENT (MAPLA)

The Port of Oakland Maritime and Aviation Project Labor Agreement (MAPLA) does not apply because this contract is for professional services that are not within the craft jurisdiction of the unions signatory to the 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).

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

- 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. 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 and completed the Sustainability Opportunities Assessment Form. There are no sustainability opportunities related to this proposed action because this action is specifically for furnishing and installing new security equipment, wayfinding signs and glass partitions. Standard contract provisions will require maximizing recycling of construction materials and reducing the waste stream from this project. Staff will also explore the viability of reusing the existing wayfinding signs at other locations within OAK.

ENVIRONMENTAL

This action has been determined to be categorically exempt from requirements of 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. Only minor alterations to the premises and no changes to the use area are proposed as part of this security area redesign.

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 OCIP coverages and provisions do apply to on-site construction activities.

OPTIONS

The following are options for the Board’s consideration:

- 1) Approve the action as outlined in this agenda report. This is the recommended action.
- 2) Authorize the additional design budget but do not authorize use of the Turner CM@R contract. The project would be advertised for construction following Port standard bidding procedures. Bidding this project as a standard public works contract will delay the project and may result in selecting a contractor with limited knowledge of the complexities of airport terminal security requirements, airline/tenant coordination, and maintaining passenger exit flow.

RECOMMENDATION

Staff recommends the following action:

- 1) Approve a budget of \$560,000 for design and pre-construction services; and
- 2) Authorize the Executive Director to Execute a Change Order with Turner to provide CM@R pre-construction services at a cost not to exceed of \$250,000 for the Terminal 2 Baggage Claim Security Exit.