

AGENDA REPORT

Resolution: (1) Approve a Budget of \$3,477,000 for Design and Construction of the Terminal Flooring Replacement Project; (2) Authorize the Executive Director to Execute a Change Order with Turner Construction for Construction Manager at Risk (CM@R) Construction Services for a Guaranteed Maximum Price of \$2,904,000 for the Terminal Flooring Replacement Project. **(Aviation/Engineering)**

MEETING DATE: 6/13/2019

AMOUNT: \$3,477,000 (FY 2019 - 2020)
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

SUBMITTED BY: Bryant L. Francis C.M., Director of Aviation
Robert Andrews, Acting 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 of project budget and contractual authority for construction of the Terminal Flooring Replacement Project at Oakland International Airport. The requested actions include:

(1) Approve a Project Budget of \$3,477,000 for design, construction and Port labor.

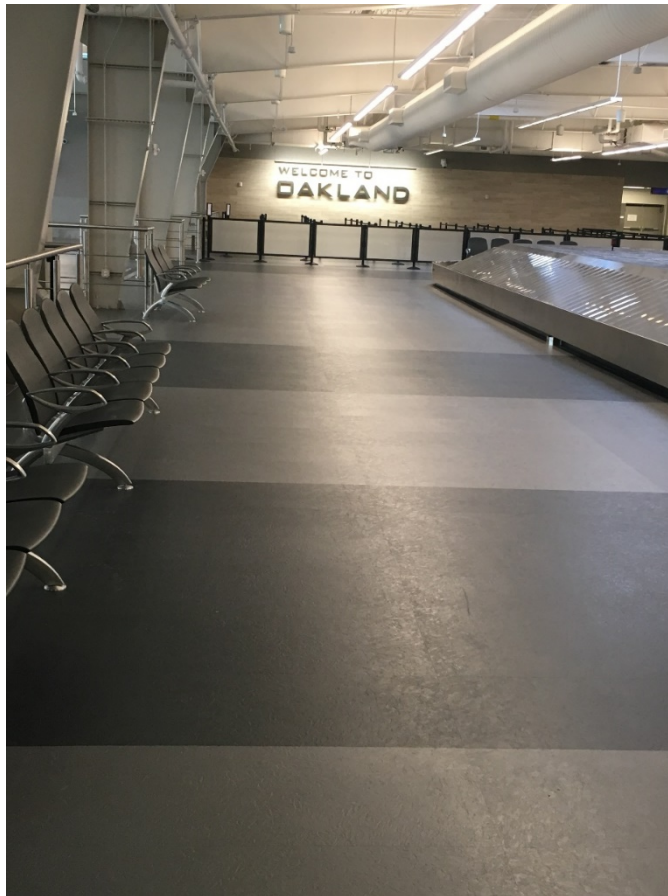
(2) Authorize the Executive Director to execute a change order with Turner Construction for Construction Manager at Risk (CM@R) construction services for a Guaranteed Maximum Price (GMP) not-to-exceed \$2,904,000.

BACKGROUND

As Oakland International Airport (OAK) has experienced steady growth during the past few years, Port staff has evaluated and identified terminal improvement projects in collaboration with its tenants and partners to enhance the passenger experience while maximizing use of terminal spaces that are becoming congested as growth at OAK continues. The Terminal Flooring Replacement Project is one of the terminal improvement projects identified.

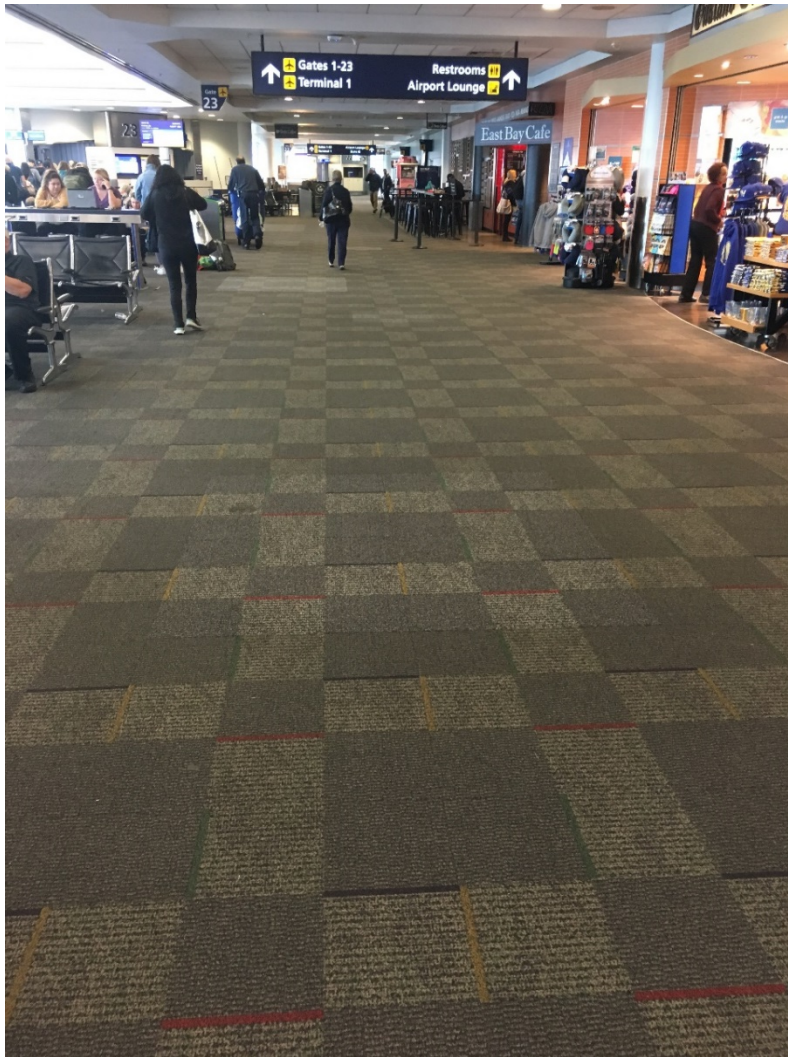
The growing passenger demand has put additional stress on OAK's aging facilities, requiring increased staff time and resources to clean and maintain the existing flooring to acceptable standards. Airport terminal areas are highly trafficked, making flooring choice an important factor in efficient facility maintenance. The most suitable flooring material would be aesthetically pleasing, durable, long lasting, and easy to clean and maintain. The flooring of choice in recent terminal renovation efforts has been either terrazzo or hard-surface flooring, such as rubber flooring as shown below in Figure 1. Both materials have held up well to facility demands.

Figure 1. New rubber flooring in OAK International Arrivals Building (IAB) M-114.



The existing flooring throughout the Terminal 2 (M-130) concourse and gate hold rooms, as well as the connector bridge between Terminal 1 and Terminal 2 (T1 Connector) and the two connector ramps in Terminal 1 consists of carpet tiles, a choice dating back to the original Terminal 2 opening in 1986 and last updated in 2007. The existing carpet tiles are worn and need to be cleaned and replaced often because they have a short life-cycle and do not hold up well to spillage. Figure 2 shows an example of carpet tiles in the concourse of Terminal 2 (M-130).

Figure 2. Existing carpet flooring in OAK Terminal 2 concourse (M-130).



ANALYSIS

Project Scope

The scope of this project includes replacing the carpet in the Terminal 2 (M-130) concourse and gate hold rooms, as well as the T1 Connector and the two connector ramps in Terminal 1. Work includes carpet removal, floor preparation and installation of new hard-surface flooring, such as rubber flooring.

Figure 3. Location map of moving walkways and flooring replacement.



Initially, terrazzo was contemplated to replace the carpet. However, based on the positive experience with the rubber flooring in the International Arrivals Building, the sample installation tested in a high-traffic corridor in Terminal 2, as well as the cost savings and relative ease of installation, rubber flooring has been identified as the preferred flooring material type. Staff has begun working with an architect on preliminary design to determine the color palate and pattern of flooring. Design services are also needed to confirm flooring dimension and detailing around fixed objects such as gate podiums and boarding elements in gate hold rooms. Given the limited design required and past experience with installation of this product at OAK, the Port has sufficient information to develop a reliable budget for this project.

Timing Considerations

The new Food & Beverage (F&B) Concession Program transition is underway and the new, updated units are scheduled to open in Terminal 2 (M-130) beginning in late 2019 or early 2020. Replacing the flooring now will contribute to the overall refresh of the area while easing the future maintenance burden. In coordination with the F&B Concession Program, it is recommended that new flooring be installed in advance of the concession buildout, to minimize access and disruption for the concessionaires. Therefore, flooring in Terminal 2 (M-130) is ideally installed before the end of 2019.

The Moving Walkway Removal and Restoration Project will remove moving walkways located in Terminal 2 and the T1 Connector. Flooring will be put back in the void left by the moving walkway removal. Terrazzo will be installed upon removal of the moving walkway in Terminal 2; this project is outside of the scope of the Terminal Flooring Replacement Project (see Figure 3). As currently scoped, a temporary carpet would be installed upon removal of the moving walkway in the T1 Connector. As recent growth and maintenance burden has increased, so has the desire to replace carpet throughout airport facilities with hard-surface flooring. To avoid the time and expense of installing a temporary carpet solution in the T1 Connector, staff is looking to create some project synergies by prioritizing the installation of rubber flooring in this area to coincide with the moving walkway removal.

Removal of the moving walkways is currently in the construction phase and anticipated to conclude in October 2019. If staff is able to obtain the needed authorizations to proceed with a minimal design phase and into construction, staff will be able to initiate flooring installation directly on the heels of the moving walkway removal in fall of 2019 going through early spring 2020. By avoiding the installation of temporary carpet in the T1 Connector, the Port stands to save almost \$100,000 in materials and labor. Gaining this efficiency will also minimize inconvenience to passengers using the T1 Connector as they will only have to be “detoured” once for the final flooring solution, not twice, once for carpet and again for the final hard surface. If staff is unable to create synergy between the moving walkway removal and terminal flooring replacement, flooring installation will not likely be initiated until early 2020, with anticipated completion extending to mid- to late-2020.

Project Delivery

On May 24, 2018, the Board of Port Commissioners (Board) approved \$3,000,000 in contracting authority with Turner Construction for pre-construction, equipment procurement and Construction Manager at Risk (CM@R) services for a number of near-term terminal improvement projects, including the Terminal Flooring Replacement Project.

Also on May 24, 2018, the Board authorized the Executive Director to execute a supplemental agreement to MWA Architects, Inc. (MWA) for professional design services in an amount not to exceed \$2,000,000 services for a number of near-term terminal improvement projects, including the Terminal Flooring Replacement Project.

Port intends to use Turner Construction and MWA for delivery of this project. Early project efforts have been initiated using existing contract authority and funded by predevelopment budget. While there is sufficient contracting authority remaining for Turner Construction Preconstruction Services and MWA Design Services (see Table 1

and Table 2 below), additional contract authority is required for Turner Construction for the construction phase. Staff request approval to issue Turner Construction a not-to-exceed change order for \$2,904,000 to construct the Terminal Flooring Replacement Project. In addition, budget authority is required for project design and construction.

Table 1. Summary of Turner Construction CM@R Pre-Construction Services Contract Authority.

	Authorized CM@R Pre-Construction Services To-Date	Remaining CM@R Pre- Construction Services Contract Authority
Board Approval* – 5/24/2018	-	\$3,000,000
Pre-Construction Services To-Date*	(\$399,531)	\$2,600,469
<i>Terminal Flooring Replacement (proposed)</i>	<i>(\$134,000)</i>	<i>\$2,466,469</i>

* For a number of near-term terminal improvement projects, including the Terminal Flooring Replacement Project.

Table 2. Summary of MWA Design Services Contract Authority.

	Authorized Design Services To-Date	Remaining Design Services Contract Authority
Board Approval* – 5/24/2018	-	\$2,000,000
Design Services To-Date*	(\$493,920)	\$1,506,080
<i>Terminal Flooring Replacement (proposed)</i>	<i>(\$150,000)</i>	<i>\$1,356,080</i>

* For a number of near-term terminal improvement projects, including the Terminal Flooring Replacement Project.

Turner Construction

The contract with Turner Construction for CM@R services is ideally suited to deliver near-term terminal projects such as the Terminal Flooring Replacement Project because of Turner Construction's experience in managing and phasing terminal upgrade projects within OAK's active tenant and passenger concourse and gate hold areas. Turner Construction also possess expertise in maintaining safe and secure passenger areas during construction. Using the CM@R services contract allows the Port to leverage the valuable expertise Turner Construction has developed while working collaboratively with OAK and its partners during the Terminal 1 Renovation Program and the International Arrivals Building Upgrade Project. Some benefits of this

approach include creating project and program efficiencies based on the contractor's detailed familiarity with airport terminal infrastructure and airline/tenant coordination.

MWA Architects, Inc. (MWA)

Port staff are proposing to use MWA as the designer for the Terminal Flooring Replacement Project. MWA has worked on many past terminal design projects, including the Terminal 1 Renovation Program and has compiled an extensive amount of background information on the construction of the existing terminals. MWA's recent experience on the Terminal 1 Renovation Program and working with Port stakeholders, gives MWA the ability to quickly develop design concepts that would provide overall visual uniformity and compatibility in flooring design, color, and texture between Terminal 1 and Terminal 2.

BUDGET & STAFFING

This Agenda Report requests approval of \$3,477,000 for the Terminal Flooring Replacement Project, which is anticipated to be completed in FY 2020. See Table 3 for project cost breakdown. This amount will be included in the proposed FY 2020 Capital Budget. The project is anticipated to be partially funded with future Passenger Facility Charges (PFCs). A portion of the expenditure will be repaid by the airlines over time through the terminal rental rate.

Table 3. Project Cost Breakdown.

Description	Total Requested Budget ¹
Design Consultant (MWA)	\$150,000
CM Consultant ²	\$90,000
<i>Pre-Construction (Turner CM@R)</i>	<i>\$134,000</i>
<i>Construction³ (Turner CM@R)</i>	<i>\$2,770,000</i>
Turner Construction CM@R Subtotal	\$2,904,000
Port Labor	\$227,000
Other Related Costs ⁴	\$106,000
TOTAL	\$3,477,000

¹ Includes pre-development budget of \$100,000 to initiate project development and pre-design services.

² Construction Management (CM) services will be through one of the Port's existing Construction Management On-call contracts and will support Port Resident Engineer oversight during construction.

³ Construction costs include the contract Guaranteed Maximum Price and contract allowance and contingency of 15%.

⁴ Other costs include permitting, MAPLA and OCIP.

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.

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: 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"), 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. The service provider will be required to certify that should living wage obligations become applicable, the provider shall comply with the Living Wage Regulations. In addition, construction prevailing wage requirements will apply to the construction phase.

SUSTAINABILITY

Port staff have reviewed the Port's 2000 Sustainability Policy. There are many sustainability considerations when choosing flooring material. In this case, the Port prefers a hard-surface flooring, specifically rubber flooring, which is made from natural rubber, a rapidly renewable material extracted from the sap of the tropical rubber plant. Rubber flooring is very durable, hard-wearing, scuff resistant and has low maintenance requirements; it does not require wax, contains no PVC (polyvinyl chloride), plasticizers (phthalates) or halogens (e.g. chlorine).

ENVIRONMENTAL

This action was reviewed in accordance with the requirements of the California Environmental Quality Act (CEQA). The Port has determined that this project is categorically exempt from the California Environmental Quality Act (CEQA) Guidelines pursuant to Section 15301, Existing Facilities. Section 15301 exempts from CEQA the repair, maintenance, and minor alteration of existing structures and facilities that involve negligible or no expansion of use beyond that existing at the time of the lead agency's determination.

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 facilities.

OWNER-CONTROLLED INSURANCE PROGRAM (OCIP)

As the construction and design project is a capital improvement project, the applicable Owner Controlled Insurance Program (OCIP) coverages and provisions apply to the construction phase.

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) Approve the design phase only and postpone authorizations for flooring installation. This would extend the schedule of completion to mid- to late-2020, instead of early 2020. This has the effect of losing synergy and efficiencies with other projects happening at the same time such as the Food & Beverage Concessions Program construction and Moving Walkway Removal and Restoration Project.
- 3) Do not approve the recommended budget or contracting authority. This would result in a lower level of customer service at a time of growing passenger activity, as well as require greater staff time to keep the existing flooring clean and maintained.

RECOMMENDATION

Staff recommends:

- (1) Approve a project budget of \$3,477,000 for design, construction and Port labor for the Terminal Flooring Replacement Project.
- (2) Authorize the Executive Director to execute a change order with Turner Construction for Construction Manager at Risk (CM@R) construction services for a Guaranteed Maximum Price (GMP) not-to-exceed \$2,904,000 for the Terminal Flooring Replacement Project.