

AGENDA REPORT

Resolution: For the Airport Perimeter Dike Improvements (Phase 1B) Project: Approve a Project Budget of \$26,521,825, Authorize the Director of Engineering to Approve Plans and Project Manual, Authorize the Executive Director to Enter into a Contract with O.C. Jones & Sons, Inc. for an Amount of \$13,472,607, Authorize the Executive Director to Execute Contract Change Orders to the Extent Necessary in an Amount Not-to-Exceed \$1,348,000, Authorize the Executive Director to Execute a Seventh Supplemental Agreement with URS Corporation/AECOM for an additional \$55,000 for Engineering Design and Construction Support Services, and Authorize the Executive Director to Enter into a Professional Services Agreement with Vali Cooper & Associates, Inc. for Construction Management Services for a cost not to exceed \$2,100,000.
(Engineering/Aviation) Choose an item.

MEETING DATE: 9/12/2019

AMOUNT: \$26,521,825 Budget Authority
\$16,975,607 Contracting Authority
Capital Expenditure

PARTIES INVOLVED: Contractor for Airport Perimeter Dike Improvements (Phase 1B):
O.C. Jones & Sons, Inc., Oakland, CA
Rob Layne, President and CEO

Engineering Construction Support for Airport Perimeter Dike Improvements (Phase 1B)
URS Corporation (Contract No. 07212)
Theodore Feldsher, Associate Vice President

Construction Manager for Airport Perimeter Dike Improvements (Phase 1B)
Vali Cooper & Associates, Inc., Oakland, CA
Rany Chek, Vice President

SUBMITTED BY: Robert Andrews, Acting Director of Engineering
Bryant L. Francis C.M., Director of Aviation

APPROVED BY: Danny Wan, Acting Executive Director

ACTION TYPE:

Resolution

EXECUTIVE SUMMARY

On July 16, 2019, bids were received and opened for the Airport Perimeter Dike (APD) Improvements (Phase 1B) project. This Agenda Report seeks Board budget approval and contract authority for the APD Improvements project. The requested actions are as follows:

- (1) Approve a total project budget of \$26,521,825 for the APD Improvements project;
- (2) Authorize the Director of Engineering to approve the APD Improvements (Phase 1B) project Plans and Project Manual;
- (3) Authorize the Executive Director to enter into a contract with O.C. Jones & Sons, Inc. for an amount of \$13,472,607 for the APD Improvements (Phase 1B) project;
- (4) Authorize the Executive Director to execute contract change orders to the APD Improvements (Phase 1B) project to the extent necessary in an amount not-to-exceed \$1,348,000 (approximately 10%);
- (5) Authorize the Executive Director to execute a seventh supplemental agreement with URS Corporation/AECOM (AECOM), amending its existing Professional Services Agreement with the Port to provide additional Engineering Design and Construction Support Services for the APD Improvements project. The maximum compensation under the Agreement will be increased by \$55,000 to \$2,386,218; and
- (6) Authorize the Executive Director to enter into a Professional Services Agreement with Vali Cooper & Associates, Inc. to provide Construction Management Services for the APD Improvements (Phase 1B) project for a cost not-to-exceed of \$2,100,000.

BACKGROUND

The Airport Perimeter Dike (APD) protects facilities at the Oakland International Airport (OAK) South Field—including the main air carrier Runway 12-30, taxiways and airfield pavement, passenger terminals, air cargo facilities (UPS and Federal Express), and other support facilities, from inundation by water from the San Francisco Bay. The APD is approximately 4-1/2 miles long, comprised primarily of sand, gravel or clay with a concrete rubble outboard face and wave crest structure. Some segments of the APD do not meet the Federal Emergency Management Administration (FEMA) flood control standards and some segments have seismic vulnerabilities. The purpose of the APD Improvements project is to improve the APD to

withstand severe storms and seismic activity, protect OAK from potential flooding, and meet FEMA certification standards. In addition, the planned improvements will help mitigate the effects of anticipated sea level rise.

Figure 1. Airport Perimeter Dike Improvements



The APD Improvements project is being implemented in two phases. Phase 1 addresses the flood protection measures to mitigate flood control deficiencies and meet standards required by FEMA to certify the dike. Phase 2 will address improvements necessary to protect the dike from catastrophic damage during a major earthquake and is not a part of this Board request. The Phase 1 project scope of work includes raising the crest elevation of the existing earthen dike, raising the elevation of portions of the rock dike crest structure, installing low permeability subsurface cut-off walls, installing steel sheet piles, placing fill to construct an inboard stabilizing dike and placing rock and piping to improve seepage control. Phase 1 has been further divided into Phase 1A and Phase 1B. Phase 1A has been completed (at a cost of approximately \$704,616) and consisted of partial construction of the inboard stability berms and was built using asphalt grindings generated during the Runway 12-30 pavement rehabilitation project in September 2017. The budget approval and authorizations requested in this agenda report is for the construction of the APD Improvements (Phase 1B) and consists of constructing the remaining flood protection improvements as described above.

Engineering Design and Construction Support Services

AECOM has provided analysis, coordination and design services for the APD project since 2007. On August 21, 2007, the Board authorized the preparation and execution of an Agreement with URS Corporations Americas/AECOM (AECOM) for a vulnerability assessment of the APD and conceptual improvement strategies. The project was initially focused on flood protection and FEMA accreditation. Seismic vulnerability was then identified, and a First Supplemental Agreement was issued to update the Vulnerability Assessment Report and prepare Plans and Project Manual, including design efforts to address the seismic vulnerability, for the construction of improvements. A Second Agreement was then issued to revise the design to protect existing jet fuel pipelines owned by Kinder Morgan Energy Partners, L.P. (KMEP) that were originally expected to be removed. The Third Supplemental Agreement issued was administrative only (no cost) which amended the insurance requirements.

A Fourth Supplemental Agreement was issued to do a phasing analysis and identify the optimal APD Phase 1 construction improvement plan from the previously prepared plans consistent with available budget. Several value engineering items were identified during the phasing analysis that provided significant cost savings for the project overall but required additional analysis and design to implement. The Fifth Supplemental Agreement was issued to perform the analysis of the value engineering items identified, and revise the existing construction plans and technical specifications for a Phase 1 bid package, based on the results of the analysis.

On September 28, 2017, the Board authorized the Sixth Supplemental Agreement for additional design and construction support services. This covered out of scope work related to breaking out the Phase 1A design during the Runway 12-30 pavement rehabilitation project and included projected construction support costs.

Construction Management Services

The APD Improvements (Phase 1B) project will involve significant earthworks and grading along the airport perimeter dike from the City of San Leandro settling ponds to the airport boundary within the City of Alameda and includes areas in and around the Runway Safety Area (RSA) at Runway 12-30. This project is anticipated to take over a year to complete and will require close observation of the work on the dike and at the Materials Management Site during mining of fill material. The magnitude of this work exceeds the normal scope of construction management at the airport that is typically managed by a Port Resident Engineer with limited consultant inspection and testing support.

ANALYSIS

Construction Contract

On July 16, 2019, eight (8) bids were received and opened for the Airport Perimeter Dike Improvements (Phase 1B) project. The bids are listed in Table 1 below.

Table 1. Airport Perimeter Dike Improvements (Phase 1B) Bid Summary

Bidder	Location	Base Bid
O.C. Jones & Sons, Inc. – LIA	Oakland, CA	\$13,472,607.00
Oliver de Silva, Inc. dba Gallagher & Burk, Inc. – LIA	Oakland, CA	\$14,791,650.00
McGuire and Hester – LIA	Oakland, CA	\$15,467,167.50
A. Teichert & Son, Inc. dba Teichert Construction – LBA	Roseville, CA	\$15,607,750.00
Granite Construction Company – LBA	Santa Clara, CA	\$16,546,760.00
Goodfellow Bros. California, LLC – LIA	Livermore, CA	\$16,866,630.00
D-Line Constructors, Inc. – LIA/SBE	Oakland, CA	\$17,051,111.00
Proven Management, Inc. – LIA	Oakland, CA	\$17,377,936.00

The Bid Form contained an Alternate Bid Item for the Contractor to furnish material in lieu of Port supplied material. Prior to bid opening, the Port announced that the Apparent Low Bidder would be determined solely on the Base Bid. Table 1 includes the Base Bid totals only. O.C. Jones & Sons, Inc. (O.C. Jones) is appropriately licensed and 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. Staff therefore determined that O.C. Jones is the lowest responsive and responsible bidder and recommends awarding the Airport Perimeter Dike Improvements (Phase 1B) project to O.C. Jones in the amount of \$13,472,607.

Engineering Design and Construction Support Services

As the design was being finalized, Port staff received comments from environmental regulatory agencies that required additional revisions to the plans. This resulted in AECOM expending additional design budget to address these comments. In addition,

Port staff assumed that construction would start in the spring of 2018 but is now estimated to start in the winter of 2019/2020 due to delays in the permitting process. Staff therefore requests increasing AECOM's budget by \$55,000 to account for escalation in consultant labor rates and provide a design construction support contingency to address any unforeseen conditions encountered for a total maximum compensation of \$2,386,218.

Construction Management Services

The Port does not have the available staff resources to properly manage the APD Improvements (Phase 1B). The Project exceeds the normal scope of construction management at the airport that is typically managed by a Port Resident Engineer with limited consultant inspection and testing support. The Port is therefore requesting additional construction management services to support Port staff. The APD Improvements (Phase 1B) project will be overseen by a Port staff Resident Engineer, but the management and staffing of inspections and other field activities will be the responsibility of the consultant, under Port staff supervision.

Consultant Selection Process: On November 2, 2018, Port staff prepared and issued a Request for Proposals (RFP) to interested firms to provide construction management support services for the APD Improvements (Phase 1B) project at OAK. The RFP was posted in digital format on the Port's website that can be accessed via the 'Current RFQ's/RFQ's: Engineering Consulting Services' link at the following URL: <http://www.portoakland.com/business/bids-RFQs/rfq-engineering/>. Once the RFP was posted on the website, Port staff sent an email to construction management firms registered in the Port's certification database along with the local Chambers of Commerce and Community Based Organizations.

The Port received proposals from four consultant teams on December 17, 2018. The proposals were determined to be responsive and were evaluated and ranked by Port staff from Engineering and Social Responsibility Divisions.

Port staff invited all four consultant teams to participate in interviews on February 4, 2019. During the interviews, the consultant teams presented their capabilities, described their understanding of the work, and answered prepared questions from the Port interview panel. The sum of the scores for each team's proposal, presentation, and interview constituted their total score. Based on this evaluation process, Vali Cooper & Associates, Inc. (VCA) was ranked the highest. Table 2 presents the ranking of the construction management consultant teams evaluated during the selection process.

Table 2. Ranking of Construction Management Firms Evaluated

Rank	Consultant Team	Location	Certified LIA/SBE/VSBE
1	Vali Cooper & Associates, Inc	Oakland, California	LIA
2	COWI, Inc.	Oakland, California	LIA
3	OAK CM Partners Joint Venture (a joint venture of AGS Inc. and CF Wright Consulting, LLC.)	Oakland, California	(AGS- LIA/SBE/VSBE)
4	Consolidated CM, Inc.	Oakland, California	LIA/SBE

Port staff therefore selected VCA as the preferred consultant team for the APD Improvements (Phase 1B) project Construction Management Services. The distinguishing factors in selecting VCA over the other firms is their understanding of the APD Improvements (Phase 1B) project, their construction management experience on flood control and large earthwork construction projects, their geotechnical engineering expertise in large earthwork projects, and their knowledge and experience working in an Airport Operations Area.

Port staff have negotiated and agreed with VCA on a scope of work and an associated fee of \$2,100,000. Port staff recommends authorizing the Executive Director to enter into a professional services agreement with VCA for an amount not-to-exceed \$2,100,000 for APD Improvements (Phase 1B) project Construction Management Services.

BUDGET & STAFFING

The remaining APD Improvements project (Phase 1B and Phase 2) is approximately \$56.6 million and is included in the current 5-year Capital Improvement Plan, of which \$11.0 million is included as FY 2020 pipeline funding. Staff estimates the total project cost to complete the remaining phases of the APD Improvements project needed to address FEMA flood control standards and seismic vulnerabilities and will be partially funded with an existing State Local Levee Assistance Program (LLAP) grant in the amount of \$5 million. The majority of the remaining costs will be recoverable through airline rates and charges.

Prior Board actions for the design, environmental studies, mitigation, and construction support costs have authorized \$8.2 million to date. This agenda report requests approval of an additional \$18,295,607 for Port labor, consultant design services, consultant construction support/management services, construction, construction change order contingency and other construction related costs, for a total budget request of \$26.5 million for Phase 1B. Table 3 summarizes the project budget authorizations and current request.

**Table 3. Airport Perimeter Dike Improvements
Project Budget, by Category**

	Previously Approved Budget ¹	Additional Request	Total
Port Labor	\$2,791,000	\$550,000	\$3,341,000 ⁴
Consultants (Design Services)	2,179,218 ⁵	0	2,179,218 ⁴
Consultants (Environmental Services)	690,000	0	690,000 ⁴
Consultants (Construction Services) ³	152,000 ⁵	2,155,000	2,307,000 ⁴
Offsite Wetland Mitigation	1,638,000	0	1,638,000 ⁴
Construction	776,000	\$13,472,607	\$14,248,607
Construction Change Order Contingency	N/A	\$1,348,000	\$1,348,000
Other ²	N/A	\$770,000	\$770,000 ⁴
Total	\$8,226,218	\$18,295,607	\$26,521,825

¹ The current budget of \$8,226,218 was approved by the Board on September 28, 2017.

² Other includes MAPLA, permitting, security escorts, species mitigation and OCIP costs.

³ Consultant construction services budget request includes engineering construction support, construction management, materials inspection and testing.

⁴ Staff may exceed the individual category costs noted in Table 3 if (i) the effort is needed and (ii) the actual sum of these category costs does not exceed the sum of these category costs as shown in Table 3.

⁵ Consultant design and construction services were combined in the previously approved budget and is now being separated for transparency.

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

MARITIME AVIATION PROJECT LABOR AGREEMENT (MAPLA)

Construction Contract

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

Engineering Construction Support & Construction Management Services

This contract is for engineering design and construction management 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 union's 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: Modernize and Maintain Infrastructure
- Goal: Strengthen Safety and Security

LIVING WAGE

Construction Contract

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

Engineering Construction Support & Construction Management Services

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 to this agreement as the service provider does not employ 21 or more employees working on Port-related work. However, the service provider will be required to certify that should living wage obligations become applicable, the service provider shall comply with the Living Wage Regulations.

SUSTAINABILITY

Port staff have reviewed the Port's 2000 Sustainability Policy and completed the Sustainability Opportunities Assessment Form. First, this Project allows for the sustainable operation of the Airport as conditions change along the shoreline due to the effects of climate change and sea level rise. There are numerous sustainability opportunities incorporated into the project including the reuse of airfield pavement grindings for stability berms and the planned use of on-site stockpile materials for general dike fill.

ENVIRONMENTAL

The Port, as lead agency for CEQA, prepared a draft IS/MND to evaluate potential impacts from the APD Project and circulated it for public review from September 16, 2015 to October 16, 2015. Comments were received from the City of San Leandro; Port staff met with City of San Leandro staff to resolve comments and included responses in the Final IS/MND. The Final IS/MND was adopted by the Board on December 17, 2015 (Ordinance No. 4359) and the Notice of Determination was filed with the Alameda County Clerk's Office on December 18, 2015. All subsequent Board actions related to the APD Project, including entering into a contract with VCA for construction management services, are included in the Final IS/MND determination and no further environmental review is required.

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)

Construction Contract

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

Engineering Construction Support & Construction Management Services

Professional service agreements are not subject to the Port's Owner Controlled Insurance Program (OCIP) as professional services are not construction activities.

OPTIONS

The following are options for the Board's consideration:

- 1) Approve the actions as outlined in this agenda report. Doing so will enable the Airport Perimeter Dike Improvements (Phase 1B) project to be constructed and provide flood protection measures that will meet standards required by FEMA to certify the dike. This is the recommended action.
- 2) Do not approve the actions as outlined in this agenda report. This is not recommended because postponing the Airport Perimeter Dike Improvements (Phase 1B) project will leave OAK vulnerable to damage during a flood event.

RECOMMENDATION

Staff recommends the following action:

- 1) Approve of a total project budget of \$26,521,825 for the APD Improvements project;
- 2) Authorize the Director of Engineering to approve the APD Improvements (Phase 1B) project Plans and Project Manual;
- 3) Authorize the Executive Director to enter into a contract with O.C. Jones & Sons, Inc. for an amount of \$13,472,607 for the APD Improvements (Phase 1B) project;
- 4) Authorize the Executive Director to execute contract change orders to the APD Improvements (Phase 1B) project to the extent necessary in an amount not-to-exceed \$1,348,000;
- 5) Authorize the Executive Director to execute a seventh supplemental agreement with URS Corporation/AECOM (AECOM), amending its existing Professional Services Agreement with the Port to provide additional Engineering Design and Construction Support Services for the APD Improvements project. The maximum compensation under the Agreement will be increased by \$55,000 to \$2,386,218; and
- 6) Authorize the Executive Director to enter into a Professional Services Agreement with Vali Cooper & Associates, Inc. to provide Construction Management Services for the APD Improvements (Phase 1B) project for a cost not-to-exceed of \$2,100,000.