

## AGENDA REPORT

**Resolution:** Approval of Removal of Radio Frequency Device Reader Project from Department of Homeland Security Federal Emergency Management Agency Grant and Related Actions for the Freight Intelligent Transportation System Project (GoPort Program). **(Maritime)**

**MEETING DATE:** 9/26/2019

**AMOUNT:** \$0

**PARTIES INVOLVED:** Alameda County Transportation Commission

**SUBMITTED BY:** John C. Driscoll, Director of Maritime

**APPROVED BY:** Danny Wan, Acting Executive Director  
Rob Andrews, Acting Director of Engineering

**ACTION TYPE:** Resolution

### **EXECUTIVE SUMMARY**

Port staff is requesting authorization from the Board of Commissioners to remove one of two projects from the U.S. Department of Homeland Security grant award, which the Port accepted in January 2018. The project to be removed is the installation of radio frequency identification devices. The proposed action would re-allocate up to \$1 million of the grant award to the other project funded by the same grant (the Emergency Operations Center/Traffic Management Center). The proposed action would also transfer the obligation of installing the radio identification device reader to Alameda County Transportation Commission, who is partnering with the Port on a suite of transportation projects that are part of the GoPort Program.

### **BACKGROUND**

The GoPort Program is a partnership between the Port of Oakland ("Port") and Alameda County Transportation Commission ("Alameda CTC") associated with two capital improvements programs in the Seaport area: (1) the Freight Intelligent Transportation System Program ("FITS Program") and (2) the 7th Street Grade Separation Project ("7th Street GSP"). This Agenda Report focuses exclusively on the FITS Program.

The FITS Program is comprised of 15 demonstration projects intended to improve traffic flow, vehicle/pedestrian safety, and the overall movement of goods in the Port's Maritime area ("Seaport"). Over the last several years, Alameda CTC and the Port collectively secured \$24 million to fund construction work, which includes \$1.824 million from the U.S.

Department of Homeland Security (“DHS”) under the Fiscal Year 2017 Port Security Grant Program (“PSG17”). The Board accepted the PSG17 grant in January 2018 (Resolution No. 18-02).

Alameda CTC is currently responsible for administering/delivering 13 of the FITS projects, while the Port is responsible to deliver the remaining two (2) projects that are security-related and funded by the Port’s PSG17 grant. The two security projects are a buildout of an emergency operations center/traffic management center (“EOC/TMC”) and the installation of radio frequency identification devices (“RFID”) to monitor vehicle counts and traffic in the Port area

The Port received bids on the EOC/TMC and RFID projects in mid-July. Bids came in much higher than estimated, as shown in the table below. Port staff believes the bids are a relatively accurate reflection of current construction costs, which have more than doubled in recent years due to significant increases in materials, labor, and overall construction demand. The table below summarizes the original cost estimate versus the revised cost estimate based on bids received.

<b>Project</b>	<b>Initial Construction Estimate (at time of PSG17 award)</b>	<b>Construction Bids Received</b>	<b>Variance</b>	<b>PSG17 Funding</b>
EOC/TMC	\$1.1 million	\$2.8 million	\$1.8 million	\$1.0 million
RFID	\$1.4 million	\$3.3 million	\$1.9 million	\$0.8 million
<b>Total</b>	<b>\$2.5 million</b>	<b>\$6.1 million</b>	<b>\$3.6 million</b>	<b>\$1.8 million</b>

Note: Numbers are rounded. Costs exclude Port staff labor, consultant support, and construction contingency.

## **ANALYSIS**

Alameda CTC staff indicated to Port staff it was unable to fund the additional cost of both projects based on the bids received. So, Alameda CTC staff and Port staff began exploring ways to reduce costs, to remain within or near the \$24 million secured in grant funding for total FITS construction. Port and Alameda CTC staff initially determined that transferring the RFID project to Alameda CTC could likely achieve moderate cost savings through economies of scale (i.e., bundling with other FITS projects).

Port staff attempted to extend the bids it received while this transfer concept was being fully vetted; however, staff was unsuccessful because not all the bidders agreed to extend their bids. Therefore, Port staff rejected all bids. Concurrently, Alameda CTC staff further evaluated its options for the RFID project, and now intends to bid the RFID project as a stand-alone project. Port staff believes the transfer of the RFID project to Alameda CTC remains the best course of action because it (a) may still result in lower bids, and (b) the Port may no longer be able to meet its grant deadline for the RFID project given the delays incurred because of the bidding environment and Alameda CTC’s funding constraints.

To this end, Staff has obtained approval from DHS to re-allocate the grant funds for the RFID project (\$1 million) to the EOC/TMC project and to remove the RFID project from the PSG17 grant. This amendment will help offset the higher costs of the EOC/TMC; Alameda CTC has agreed to fund the balance of the cost increase. Separately, the Port and Alameda CTC will need to amend a cooperative agreement (executed in February 2019) by the parties to re-assign responsibility of the RFID project to Alameda CTC.

## **BUDGET & STAFFING**

The proposed action does not change the amount of PSG17 grant funding awarded to the Port; the Port's out-of-pocket construction contract costs for the EOC/TMC project; or the Port's out of pocket construction contract costs for the RFID project. Port staff labor and consultant support costs for the construction of the projects will be moderately higher, at a total of \$700,000; however, this is not expected to result in an increase to the overall project budgets, since expenditures to-date for preliminary engineering and design are lower than anticipated.

	<b>Port Construction Cost Estimate: Initial Estimate</b>		<b>Port Cost Construction Estimate: RFID Removal from PSG17</b>	
<b>Project</b>	<b>Construction Cost</b>	<b>Port Staff Labor &amp; Consultant</b>	<b>Construction Cost</b>	<b>Port Staff Labor &amp; Consultant</b>
EOC/TMC	\$1.1 million	\$300,000	\$3.3 million	\$500,000
RFID	\$1.4 million	\$200,000		\$200,000
<b>Total Cost</b>	<b>\$2.5 million</b>	<b>\$500,000</b>	<b>\$3.3 million</b>	<b>\$700,000</b>
<b>Grant Funding*</b>	<b>\$2.5 million</b>	<b>\$0</b>	<b>\$3.3 million</b>	<b>\$0</b>

\*Grant Funding includes Port and Alameda CTC grant funds.

This action does not have an impact on Port staffing.

## **MARITIME AVIATION PROJECT LABOR AGREEMENT (MAPLA)**

The matters included in this Agenda Report do not fall within the scope of the Port of Oakland Maritime and Aviation Project Labor Agreement (MAPLA) and the provisions of the MAPLA do not apply.

## **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**

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 requested action is not an agreement, contract, lease or request to provide financial assistance within the meaning of the Living Wage Regulations.

## **SUSTAINABILITY**

Port staff have reviewed the Port's 2000 Sustainability Policy and did not complete the Sustainability Opportunities Assessment Form. There are no sustainability opportunities related to this proposed action because it does not involve a development project, purchasing of equipment (other than hardware/software and related IT equipment), or operations that presents sustainability opportunities.

## **ENVIRONMENTAL**

CEQA Determination: Removing the RFID project from PSG17 obligations, was reviewed in accordance with the requirements of the California Environmental Quality Act ("CEQA") and applicable existing CEQA documentation. The 2002 Oakland Army Base Area ("OAB") Redevelopment Plan Environmental Impact Report (2002 Redevelopment EIR) evaluated the potential impacts of redevelopment of the 1,800-acre redevelopment area, which included the Port locations for the FITS Program components. The EIR was certified by the lead agency, the City of Oakland, in June 2002. On September 17, 2002, the Board of Port Commissioners, acting on behalf of the Port of Oakland as a responsible agency under CEQA, adopted findings and the mitigation program in the City's EIR (Resolution No. 02317). In 2012, the City of Oakland, in consultation with the Port, issued an Initial Study/Addendum to the Redevelopment EIR to evaluate proposed changes to the redevelopment plan. The Board of Port Commissioners approved the revised redevelopment plan and adopted the revised mitigation program on June 21, 2012 (Resolution No. 12-76). The proposed action does not trigger any of the conditions set forth in Section 15162 of the CEQA Guidelines, and no further CEQA review is thus required.

## **GENERAL PLAN**

This action does not change the use of any existing facility, make alterations to an existing facility, or create a new facility; therefore, a General Plan conformity determination pursuant to Section 727 of the City of Oakland Charter is not required.

## **OWNER-CONTROLLED INSURANCE PROGRAM (OCIP)**

This action is not subject to the Port's Owner Controlled Insurance Program ("OCIP") as it is not a capital improvement construction project.

## **OPTIONS**

Port staff has identified the following options for the Board's consideration:

1. Authorize the removal of the RFID project from the Port's PSG17 grant agreement as well as other associated actions, as described in this Agenda Report. This is the recommended option.
2. Do not authorize the removal of the RFID project from the Port's PSG17 grant agreement or associated actions, as described in this Agenda Report. Under this option, the Port would have to perform the RFID project as planned, which will likely require the Board's approval of additional budget authority. It may also require an extension to the term of the PSG17 grant, which extension may not be granted.

## **RECOMMENDATION**

Port staff recommends that the Board of Commissioners adopt a resolution that (a) authorizes the removal of the installation of radio frequency device (RFID) readers in the Seaport from the Port's 2017 U.S. Department of Homeland Security Federal Emergency Management Agency Grant (PSGP17) grant agreement, and re-programming of RFID project grant funds towards the Emergency Operations Center/Traffic Management Center (EOC/TMC) project; and (b) authorizes related actions such as amending the cooperative agreements between the Port and Alameda CTC.