

AGENDA REPORT

Resolution: Approve a Construction Budget of \$7,185,000¹ for Taxiway C Emergency Pavement Repair for a Total Project Budget of \$7,851,000¹; Authorize the Executive Director to Modify the Expenditure Limit of the Selected On-Call Paving and Grading Contractor in the Estimated Amount of \$6,700,000¹ and Extend the Contract Term to June 30, 2020 for the Sole Purpose of Performing the Taxiway C Emergency Pavement Repair. **(Engineering/Aviation)** Choose an item.

MEETING DATE: 10/24/2019

AMOUNT: \$7,185,000 (One-Time) Capital Expenditure
\$6,700,000 Total Estimated Amount for Contract Authority

PARTIES INVOLVED: Existing On-Call Paving and Grading Contractors
Oliver DeSilva Gates, Inc. dba Gallagher & Burk, Inc.,
O.C. Jones & Sons, Inc., A. Teichert & Son, Inc. dba
Teichert Construction

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

APPROVED BY: Danny Wan, Interim Executive Director

ACTION TYPE: Resolution

EXECUTIVE SUMMARY

Staff is requesting the following approvals and authorizations to address the Taxiway C emergency pavement repair at the Oakland International Airport:

1) Approve a construction budget of \$7,185,000¹ for a total project budget of \$7,851,000¹; and

2) Authorize the Executive Director to modify the expenditure limit of the selected on-call paving and grading contractor in the estimated amount of \$6,700,000¹ and extend the contract term to June 30, 2020 for the sole purpose of performing the Taxiway C Emergency Pavement Repair.

¹ Port staff anticipates receiving bids prior to the Board meeting and will disclose the bid amount and apparent, lowest responsive and responsible bidder verbally in open session at the Board meeting.

BACKGROUND

Taxiway C runs parallel to Runway 10L/28R in the North Field and is the main taxiway for aircraft departing from and arriving to the North Field apron. In mid-July, an area of pavement at Taxiway C near the intersection of Taxiway B (Figure 1) was found to be unraveling and rutting. This area was originally scheduled for major repair in Spring 2020. However, the accelerated pavement deterioration resulted in partial closure of the taxiway and limitations on Runway 10L/28R operations as aircraft occasionally used the runway as a bypass to taxi around the failing pavement section. This led to reduced airfield capacity and complications for taxiing and FAA ground control operations at this busy intersection which serves as the primary access to North Field business jet, charter jet and general aviation operations.

Figure 1. Location of Taxiway C Pavement Repair



On August 6, 2019, the Executive Director declared this to be an emergency situation and directed staff to immediately address the problem. Orion Engineers and Associates (Orion) and Oliver DeSilva Gates, Inc. doing business as Gallagher & Burk, Inc. (Gallagher & Burk) were mobilized and coordinated with Port staff to assess the pavement failure, develop repair options and perform necessary repairs on an emergency basis.

Based on the initial field assessment and given the urgency of keeping the taxiway operational, a phased approach was developed to address the repairs. The initial phase milled and replaced the deteriorated pavement with a 4-inch asphalt pavement overlay. This allowed Taxiway C to temporarily remain open to aircraft operations while the permanent repair solution was developed. The initial emergency repair was completed on August 10, 2019, by on-call contractor Gallagher & Burk, at a cost of \$90,000.

On September 12, 2019, by Resolution 19-93, the Board approved a total project budget of \$666,000 for the initial field investigations and emergency repair work already completed, and the design of the permanent repair for Taxiway C. Orion has completed their design of the permanent repair and Port staff anticipates receiving bids by October 23, 2019.

At the September 12th Board meeting, staff informed the Board of a second emergency situation at the Airport, specifically the void discovered under the pavement at the intersection of Taxiway B and Taxilane S. By Resolution No. 19-93, the Board approved project budget of \$2,200,000 and authorized the repair of the Taxiway B void. Phase 1 of the repair to address the void and reopen Taxiway B was completed on September 28, 2019. Phase 2 of the repair to seal the storm drain line is anticipated to be completed by the end of 2019. Staff is not seeking any further action relating to Taxiway B at this time.

ANALYSIS

Field observations of the initial pavement repair of Taxiway C in August and subsequent field investigations determined that the underlying pavement material was worse than originally thought. The initial repair has already shown some signs of distress and continual pavement deterioration could result in unraveling and rutting, and ultimately another closure of Taxiway C. Port staff and Orion have accelerated the design effort and are expediting the permanent repairs to avoid another imminent shutdown.

The design package is anticipated to be ready for bid by October 16, 2019. Port staff anticipates receiving bids by October 23, 2019. Due to the expedited nature of this project, Port staff is presenting the estimated budget numbers in this Agenda Report and will provide the final numbers verbally in open session.

The total construction cost for the emergency repair of Taxiway C is estimated to be \$7,185,000 for a total project cost of \$7,851,000. The estimated bid amount is \$5,800,000 with an \$900,000 (approximately 15%) construction change order contingency. Port staff will solicit bids from the following existing on-call paving and grading contractors:

- Oliver DeSilva Gates, Inc. dba Gallagher & Burk, Inc.
- O.C. Jones & Sons, Inc.
- Teichert & Son, Inc. dba Teichert Construction

The anticipated bid amount is expected to exceed the available contract amount for all the on-call contractors and the project duration is expected to extend past the current term expiring on December 31, 2019. Staff is therefore, requesting budget approval and authorization to modify the expenditure limit of the selected on-call paving and grading contractor and extend the contract term for a period of six (6) months to June 30, 2020 for the sole purpose of performing the Taxiway C Emergency Pavement Repair. Table 1 below, summarizes the existing contract limits and remaining contract authority available.

Table 1. On-Call Contractor Contract Limit Amounts

On-Call Contractor	Current Maximum NTE Amount	Amount Remaining as of 9/25/2019
Oliver DeSilva Gates, Inc. dba Gallagher & Burk, Inc.	\$1,500,000	\$456,930.29
O.C. Jones & Sons, Inc.	\$1,000,000	\$250,758.86
Teichert & Son, Inc. dba Teichert Construction	\$2,800,000	\$149,833.41

Once these actions are completed, Port staff will issue a Work Authorization for the repair. Construction of the repair is anticipated to start on or around October 30, 2019 and be completed by spring 2020. Port staff will update the Board on the progress of the Taxiway C repair at subsequent Board meetings.

BUDGET & STAFFING

The total project cost for the emergency repair of Taxiway C is estimated to be \$7,851,000. Approximately \$666,000 of the project budget, approved by the Board on September 12, 2019, is estimated to be spent through October 24, 2019, for field investigations, contractor, consultant and Port labor to implement initial emergency repair, and additional field investigations and design for permanent repair of Taxiway C. Table 2 summarizes the project budget.

Table 2. Taxiway C Emergency Pavement Repair Project Budget

	Previously Approved Budget	Additional Project Costs	Total Project Budget
Port Labor	\$100,000	\$170,000	\$270,000 ³
Consultants¹	476,000	75,000	551,000 ³
Construction Costs	90,000	5,800,000	5,890,000
Construction Change Order Contingency	---	900,000	900,000
Other²	---	240,000	240,000 ³
Total	\$666,000	\$7,185,000	\$7,851,000

¹ Consultant construction budget request includes design and construction support, construction management support, and materials inspection and testing.

² Other includes MAPLA, security escorts, and OCIP costs.

³ Staff may exceed the individual category costs noted in Table 2 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 2.

While the FY 2020 Capital Improvement Plan (CIP) included repair of Taxiway C, the project was anticipated to be significantly smaller in scope and only \$900,000 of costs was anticipated. As a result, the FY 2020 CIP spending is anticipated to be \$6,900,000 higher

than originally contemplated. Given the additional staffing resources necessary to complete a larger project, the following projects that were anticipated to occur in FY 2020 will be delayed to later in FY 2020 (i.e., FY 2020 budget will not be fully spent) or may be deferred to FY 2021. Projects expected to be delayed include the Airport Drive Overlay, Multiple Air Handler Replacements, Terminal Restroom Renovations and Security Enhancements for T2 Exit. The FY 2020 costs budgeted for these projects but anticipated to be deferred to FY 2021 are estimated to be about \$7,700,000, offsetting the unanticipated Taxiway C repair costs. Ultimately, the cost of the emergency repair of Taxiway C will be recovered from the airlines through subsequent adjustments to airline rates and charges over the life of the improvements.

There is no anticipated staffing impact.

MARITIME AVIATION PROJECT LABOR AGREEMENT (MAPLA)

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

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.

SUSTAINABILITY

Port staff completed the Sustainability Opportunities Assessment Form for this project pursuant to the 2000 Sustainability Policy and updated procedures. The Taxiway C repair project will generate up to approximately 400 cubic yards of asphalt millings that will be transported and stockpiled at the Port Materials Management Site (MMS) located on the airport. The millings will subsequently be reused/recycled for future airport construction projects. This eliminates the need to off-haul and dispose of the asphalt millings. Keeping these materials onsite at the MMS will reduce trucking costs and associated air and traffic impacts.

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 15302, Replacement or Reconstruction. Section 15302 exempts from CEQA the replacement or reconstruction of existing structures and facilities where the new structure will be located on the same site as the structure replaced and will have substantially the same purpose and capacity as the structure replaced, including replacement of existing utility facilities involving negligible or no expansion of capacity.

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

The following options are for the Board's consideration:

1. Approve the actions as outlined in this agenda report. Doing so will enable staff to fund Taxiway C repair project through the Port's Capital Improvement Plan. This is the recommended action.
2. Do not approve the actions as outlined in this agenda report. This is not recommended because this will have a prolonged, negative impact on Airport Operations.

RECOMMENDATION

Staff recommends that the Board approve and authorize the following actions to address the Taxiway C Emergency Pavement Repair at the Oakland International Airport:

1. Approve a construction budget of \$7,185,000 for a total project budget of \$7,851,000; and
2. Authorize the Executive Director to modify the expenditure limit of the selected on-call paving and grading contractor in the estimated amount of \$6,700,000 and extend the contract term to June 30, 2020 for the sole purpose of performing the Taxiway C Emergency Pavement Repair.