

## AGENDA REPORT

**Resolution:** Approve a Construction Budget of \$2,038,000 for a Total Project Budget of \$2,578,000; Authorize the Director of Engineering to Approve the Plans and Project Manual; Authorize the Executive Director to Enter into a Contract with Valentine Corporation for an Amount of \$1,263,369; and Authorize the Executive Director to Execute Contract Change Orders to the Extent Necessary in an Amount Not-to-Exceed \$253,631 for Construction of Lift Station No. 2 Improvements, Oakland International Airport. **(Engineering/ Aviation)** Choose an item.

**MEETING DATE:** 12/12/2019

**AMOUNT:** \$2,038,000 (FY 2020)  
Capital Expenditure

**PARTIES INVOLVED:** Valentine Corporation  
San Rafael, CA

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

**APPROVED BY:** Danny Wan, Executive Director

**ACTION TYPE:** Resolution

### **EXECUTIVE SUMMARY**

This Agenda Report seeks budget approval and authorizations to construct the Lift Station No. 2 Improvements. The recommended actions include:

- 1) Approve a construction budget in the amount of \$2,038,000, for a total project budget of \$2,578,000;
- 2) Authorize the Director of Engineering to approve the Plans and Project Manual;
- 3) Authorize the Executive Director to enter into a contract with Valentine Corporation for an amount of \$1,263,369; and
- 4) Authorize the Executive Director to execute contract change orders to the extent necessary in an amount not to exceed \$253,631 (approximately 20%).

### **BACKGROUND**

Lift Station No. 2 is located in the Oakland International Airport (OAK) daily parking lot and is a critical sanitary sewer lift station that serves Terminal 2. The project location is shown in Figure 1. Previous assessments performed in 2011, 2012 and 2015 identified a number of lift station deficiencies that needed to be addressed for reliability and to meet regulatory

compliance requirements, including Environmental Protection Agency (EPA) Administrative Order's Pump Station Reliability requirements for adequate capacity for peak wet weather flows; supervisory control and data acquisition (SCADA) communications; and backup or redundant equipment (pumps and power supply).

On December 1, 2016, the Board, through Resolution 16-137, approved a \$410,000 design budget for the Lift Station No. 2 improvements project to address the deficiencies. On May 24, 2018, the Board, through Resolution 18-42, approved an additional \$130,000 in project budget to complete the design. WRECO, a design consultant working through an On-call Water and Wastewater Engineering Services contract with the Port, was selected to prepare the construction bid documents, which were completed in late September 2019.

**Figure 1. Lift Station No. 2 Location Map**



## **ANALYSIS**

On November 1, 2019, two (2) bids were received and opened for construction of the Lift Station No. 2 Improvements. The bids are listed in Table 1 below.

**Table 1. Lift Station No. 2 Improvements Bid Summary**

Bidder	Location	Total Bid Price
Valentine Corporation	San Rafael, CA	\$1,263,369
McGuire and Hester	Oakland, CA	\$1,532,600

Valentine Corporation 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 Valentine Corporation is the lowest, responsive, and responsible bidder and recommends awarding construction of the Lift Station No. 2 Improvements to Valentine Corporation in the amount of \$1,263,369.

Design support services during construction will be provided by WRECO through its On-call Water and Wastewater Engineering Services contract with the Port. Construction administration support services will be provided by one of the Port's On-call Construction Management consultants.

### **BUDGET & STAFFING**

The Lift Station No. 2 Improvements project is included in the Port's 5-year Capital Improvement Plan (CIP) budget and will be funded with Port cash, which will be reimbursed through airline rates and charges over the useful life of the constructed asset.

A summary of the project budget distribution is presented in Table 2 below:

**Table 2. Lift Station No. 2 Improvements Project Budget by Category**

	<b>Design<sup>1</sup></b>	<b>Construction</b>	<b>Total</b>
Port Labor	\$210,000	\$300,000	\$510,000 <sup>4</sup>
Consultants <sup>3</sup>	330,000	161,000 <sup>3</sup>	491,000 <sup>4</sup>
Construction	N/A	1,263,369	1,263,369
Construction Change Order Contingency	N/A	253,631 (approx. 20%)	253,631
Other <sup>2</sup>	0	60,000	60,000 <sup>4</sup>
<b>Total</b>	<b>\$540,000</b>	<b>\$2,038,000</b>	<b>\$2,578,000</b>

<sup>1</sup> The Design Budget of \$540,000 was approved by the Board on December 1, 2016 and May 24, 2018.

<sup>2</sup> Other includes MAPLA, permitting and OCIP costs.

<sup>3</sup> Consultant construction budget request includes design construction support, construction management support, and materials inspection and testing.

<sup>4</sup> 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.

There is no anticipated staffing impact.

## **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 Design 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 unions 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: Improve Customer Service
- Goal: Modernize and Maintain Infrastructure

## **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 Design 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 completed the Sustainability Opportunities Assessment Form for this project pursuant to the 2000 Sustainability Policy and updated procedures. The design of the Lift

Station No. 2 Improvements project will include replacement of the existing pumps with new energy efficient pumps to reduce power usage.

## **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**

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 Design 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 options are for the Board's consideration:

1. Approve the actions as outlined in this agenda report. Doing so will enable the Lift Station No. 2 Improvements to be constructed to address deficiencies for reliability and to meet regulatory compliance requirements. This is the recommended action.
2. Do not authorize the additional budget to construct the Lift Station No. 2 Improvements. The Port would not be able to construct the improvements and will incur increasing costs to maintain the lift station. Lift station deficiencies and regulatory compliance issues discussed above would not be addressed.

## **RECOMMENDATION**

Staff recommends the following actions to construct the Lift Station No. 2 Improvements:

- 1) Approve a construction budget in the amount of \$2,038,000, for a total project budget of \$2,578,000;
- 2) Authorize the Director of Engineering to approve the Plans and Project Manual;
- 3) Authorize the Executive Director to enter into a contract with Valentine Corporation for an amount of \$1,263,369; and
- 4) Authorize the Executive Director to execute contract change orders to the extent necessary in an amount not to exceed \$253,631 (approximately 20%).