

AGENDA REPORT

Resolution: Authorize the Executive Director to Enter into a Contract with Valentine Corporation in the Amount of \$1,529,369 for the Lift Stations AP12E and AP15E Rehabilitation Project; Authorize the Executive Director to Execute Contract Change Orders to the Extent Necessary in an Amount Not-to-Exceed \$306,000; and Authorize the Executive Director to Execute a Supplemental Agreement with Schaaf & Wheeler to Extend the Contract Term for Design Support Services During Construction.

(Engineering/Aviation)

MEETING DATE: 9/24/2020

AMOUNT: \$1,835,369 Contract Authority, Capital Expense
(Part of a \$2,342,000 Construction Budget and Total Project Budget of \$2,614,000)

PARTIES INVOLVED: Contractor
Valentine Corporation, San Rafael, CA
Robert Valentine, President

Design Consultant
Schaaf & Wheeler, Santa Clara, CA,
Peder C. Jorgensen PE, Executive Vice President

SUBMITTED BY: Kristi McKenney, Chief Operating Officer
Bryant L. Francis C.M., Director of Aviation

APPROVED BY: Danny Wan, Executive Director

ACTION TYPE: Resolution

EXECUTIVE SUMMARY

This Agenda Report seeks Board approval and authorization for the following:

- 1) Authorize the Executive Director to enter into a contract with Valentine Corporation in the amount of \$1,529,369 for the Lift Stations AP12E and AP15E Rehabilitation Project;
- 2) Authorize the Executive Director to execute contract change orders to the extent necessary in an amount not to exceed \$306,000 (20%);
- 3) Authorize the Executive Director to execute a supplemental agreement with Schaaf & Wheeler to extend the contract term to December 31, 2021 to provide design support

services during construction of the Lift Stations AP12E and AP15E Rehabilitation project.

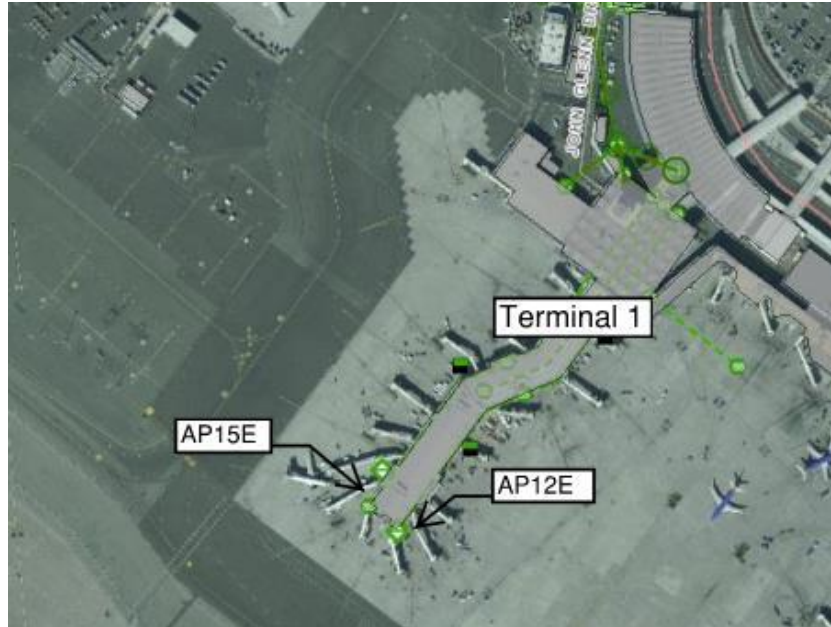
BACKGROUND

The Port of Oakland (Port) owns, operates, and maintains a sanitary sewer collection system at the Oakland International Airport (OAK), which consists of lateral pipes, trunk lines, manholes, lift and ejector stations, and other sewer appurtenances that collect and convey sewage directly to East Bay Municipal Utility District (EBMUD) Pump Station G located at Swan Way and Doolittle Drive. Portions of this infrastructure are beyond their useful life and in need of repair.

Airport 12 ejector station (AP12E) and Airport 15 ejector station (AP15E) are located on the apron near Gate 12 and Gate 15 at Terminal 1, as shown on Figure 1. AP12E and AP15E serve the men's and women's restroom as well as Vino Volo and Peet's Coffee. Both ejector stations were originally constructed in the 1960s. Due to age and wear, these two ejector stations have required increased maintenance to remain operational and replacement parts for the ejectors are increasingly hard to find. When the ejector stations need to be taken off-line for maintenance or repair the restrooms and concessions need to be closed.

On July 14, 2016, by Resolution 16-85, the Board authorized execution of a professional services agreement with Schaaf & Wheeler for On-Call Water and Wastewater Engineering Services. On April 26, 2018, by Resolution 18-33, the Board authorized budget for both design and design support during construction of the Lift Stations AP12E and AP15E Rehabilitation project (Project).

Figure 1: Lift Stations AP12E and AP15E Rehabilitation Project Location



ANALYSIS

In preparation for bidding the Project, Port Engineering worked closely with the Port Social Responsibility Division to ensure there was appropriate outreach to the local business community. Outreach measures included required advertising of the bid opportunity in the Oakland Tribune on May 8, 2020, posting the bid documents on the Port's website on May 11, 2020, and email notifications to 115 recipients on May 12, 2020 of the project advertisement to the local business community including the Port's database of certified businesses for specific work categories and community-based organizations, in addition to the detailed actions below:

- Outreach to utility construction contractors that reside in the Port's local business area (Alameda and Contra Costa Counties);
- Outreach to firms in the Port's certified database (representing local/small businesses) and in Caltrans' certified database of Disadvantaged Business Enterprises ("DBEs") doing business within the identified categories;
- Email notifications to chambers and community-based organizations in the Local Impact Area/Local Business Enterprise area (LIA/LBE);
- Email notifications to businesses located in the LIA/LBA area from the California Department of General Services certified database of Small and Micro Businesses;
- Notification of the upcoming contract opportunity was forwarded to the Association of General Contractor (AGC) to build local contractor awareness of the forthcoming project.

A pre-bid meeting was held via Skype on May 27, 2020, to provide potential bidders with information about the project including the Port's Non-Discrimination and Small/Local Business Utilization Policy, insurance requirements, bond requirements, the provisions of the

Maritime and Aviation Project Labor Agreement and any other special working conditions for this contract. Seven interested contractors and subcontractors attended the pre-bid meeting.

On June 17, 2020, one bid was received and opened for the Lift Stations AP12E and AP15E Rehabilitation project. The bid is listed in Table 1 below

Table 1: Lift Stations AP12E and AP15E Rehabilitation Bid Summary

Bidder	Location	Bid Price
Valentine Corporation	San Rafael, CA	\$1,529,369

Valentine Corporation (Valentine) 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.

Port staff reviewed Valentine's bid and reached out to Valentine to understand the basis of their bid prices. Staff also contacted lift station pump suppliers to verify that the pump equipment pricing included in Valentine's bid was reasonable. In addition, staff consulted with other contractors with similar lift station construction experience (who had not bid on the project) to verify that Valentine's overall bid was reasonable given the project requirements and the current construction market.

Staff, therefore, determined that Valentine Corporation is the lowest responsive and responsible bidder and recommends awarding the Lift Stations AP12E and AP15E Rehabilitation project to Valentine Corporation in the amount of \$1,529,369. Staff is also recommending a 20% contingency due to the location and nature of this work, including phasing required for aviation operational changes over the duration of construction and adjacency and connection to aged terminal and plumbing infrastructure which could present significant unforeseen conditions during construction.

Staff is requesting authorization to execute a supplemental agreement with Schaaf & Wheeler to extend the contract term (no budget increase) of the Professional Services Agreement to provide on-call Water and Wastewater Engineering Services to December 31, 2021 for design support services during construction of the project. Schaaf & Wheeler is the Engineer of Record for the Lift Stations AP12E and AP15E Rehabilitation design, and their contract scope and authority include providing design support through construction, however the term ends prior to the current expected completion of construction. The maximum compensation under the on-call agreement for the Lift Station AP12E and AP15E Rehabilitation for both design and support during construction is \$154,000 and is within the existing contract authority.

Port staff plans to utilize the existing on-call construction management and material testing contracts to provide inspection services and perform necessary material testing for the project.

BUDGET & STAFFING

Construction of this project is expected to span multiple fiscal years (FY 2021 and FY 2022). As part of the five-year capital improvement plan (FY 2021-2025), staff budgeted a total of \$1,900,000 (\$1,500,000 in FY 2021 and \$400,000 in FY 2022). The FY 2021 amount was included in the overall capital budget approved by the Board.

Based on the low bid received, the total construction budget is now estimated at \$2,342,000. It is anticipated that the current CIP budget of \$1,500,000 in FY2021 will not be exceeded. However, to fully fund the estimated construction budget, the Board will need to approve \$842,000 as part of the capital budget approval process for FY 2022. Table 2 summarizes the total project budget.

Table 2: Lift Stations AP12E and AP15E Rehabilitation Project Budget

	Design Budget Spent¹	Construction Budget	Total
Port Labor	160,000	252,000	412,000 ⁴
Consultants ³	112,000	162,000	274,000 ⁴
Construction – Bid Award	N/A	\$1,529,369	\$1,529,369
Construction Change Order Contingency	N/A	306,000	306,000
Other ²	N/A	92,631	92,631 ⁴
Total	\$272,000	\$2,342,000	\$2,614,000

¹Design budget was approved by the Board on April 26, 2018.

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

³Consultant construction budget request includes design support during construction, construction inspection services, and materials inspection and testing.

⁴Staff may exceed the individual category costs if (i) the effort is needed and (ii) the actual sum of these category costs does not exceed the sum of the total design budget authorization.

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.

Design Support Services During Construction and Construction Inspection 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: 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.

Design Support Services During Construction and Construction Inspection 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. Replacement of the existing ejectors with new energy efficient pumps will 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

Construction Contract

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.

Design Support Services During Construction and Construction Inspection Services

This project is for professional services and will not directly include any alteration of property. Development projects that result from these professional services will be subject to separate findings of conformity with the City of Oakland General Plan in accordance with Section 727 of the Charter.

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.

Design Support Services During Construction and Construction Inspection 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:

- Approve the actions as outlined in this agenda report. Doing so will enable staff to construct the Lift Stations AP12E and AP15E Rehabilitation project. This is the recommended action.
- Do not approve the actions as outlined in this agenda report. This is not recommended because ejector replacement parts are increasingly hard to find and could result in prolonged shutdowns of the restrooms served by these lift stations while airport staff locate replacement parts.

RECOMMENDATION

Staff recommends that the Board approve and authorize the following actions for the Lift Stations AP12E and AP15E Rehabilitation project at the Oakland International Airport:

- 1) Authorize the Executive Director to enter into a contract with Valentine Corporation in the amount of \$1,529,369;
- 2) Authorize the Executive Director to execute contract change orders to the extent necessary in an amount not to exceed \$306,000;
- 3) Authorize the Executive Director to execute a supplemental agreement with Schaaf & Wheeler to extend the contract term to December 31, 2021 to provide design support services during construction of the Lift Stations AP12E and AP15E Rehabilitation.