



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Katy Allen
William F. Sherry

SUBJECT: SEE BELOW

DATE: 01-07-08

Approved

Christine J. Shippin

Date

1-11-08

COUNCIL DISTRICT: Citywide

SUBJECT: NORMAN Y. MINETA SAN JOSE INTERNATIONAL AIRPORT NORTH CONCOURSE BUILDING FOUNDATION AND UTILITY TUNNEL CONCRETE (PACKAGE 02A) CONTRACT CHANGE ORDER #11

RECOMMENDATION

Approval of Contract Change Order (CCO) # 11 with Gonsalves & Satucci, Inc. dba Conco for the Norman Y. Mineta San José International Airport North Concourse Building Foundation and Utility Tunnel Concrete, Package 02A, to convert certain allowance specifications to cover the following necessary items: 1) subdrainage system, 2) lime treatment, 3) 12,000 volt electrical conduits relocation, and 4) west side apron paving; in the total amount of \$368,707.88, at no increase in the total contract amount.

OUTCOME

Approval will provide, by way of fund reallocation, allowance item specifications to fund and implement Package 02A extra work resulting from field conditions, design changes and Request for Information responses from the Engineer of Record. The funds to accomplish the work scope to be performed under this change order are within the current appropriated contract amount. There will be no additional funds appropriated nor will there be any extension to completion time.

BACKGROUND

On April 11, 2006, the City Council approved the award of the subject construction contract to Gonsalves & Santucci, Inc., dba Conco in the amount of \$15,512,812. The project scope for Package 02A includes the construction and delivery of the Airport North Concourse Foundation and Utility Tunnel. The North Concourse is being constructed as part of the Airport Master Plan. Facilities in the North Concourse will include holdrooms and gates with jet bridges. The project totals 380,000 square feet of space with nine new commercial aircraft gates.

The North Concourse Project is being constructed utilizing separate construction packages. This method of project delivery is commonly referred to as Multi-Prime contracting. Packages 1 and 2 are completed, which are "Site Preparation and Excavation" and "Foundation Piles," respectively. The scope of Package 02A, "Foundations and Utility Tunnel Concrete" encompasses construction of the foundation and utility tunnel concrete including waterproofing and is substantially complete. Package 02C, "Structural Steel", encompasses the fabrication and erection of structural steel and metal decking and is also substantially complete. Currently underway is Package 4, "General Building," which encompasses the construction of the exterior envelope including the curtainwalls, glazed roofing, underground utilities, structural steel, mechanical, electrical and related systems.

During construction of this project, the Airport Capital Improvement Program was restructured and modified from a central terminal to a concourse building. As a result of the reprogramming effort, the project schedule was extended to allow for redesign.

ANALYSIS

In anticipation of possible changes, such as necessary design modifications and various value engineering (VE) efforts which have been undertaken, this contract was structured with allowances. The allowances were originally established to facilitate extra work for foundation and subdrainage. Staff recommends aligning the allowances with the needs of the present building design by converting allowance bid items 2, 3 and 4 to allow use of the funds for paying the contractor for extra work. The extra work items needed for completing the construction and payment for same are: 1) subdrainage system, 2) lime treatment, 3) 12,000 volt electrical conduits relocation, and 4) regrading of the west side apron paving. Under this scenario, no additional funding is required to accomplish the required scope of work and the contingency is retained to address future unanticipated needs.

The City's construction manager, Gilbane Building Company, negotiated the costs of the extra work for which funds are being reallocated with Conco, the Package 02A contractor. City staff has reviewed the cost negotiation and agrees with the pricing. This contract change order adds no days to the contract time.

EVALUATION AND FOLLOW-UP

The project is currently within budget and on schedule. No additional follow up action with the Council is expected at this time.

POLICY ALTERNATIVES

Not applicable.

PUBLIC OUTREACH/INTEREST

- Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- Criterion 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- Criterion 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

Approval of this contract change order does not meet any of the criteria identified by the Sunshine Reforms Work Plan. This memorandum will be posted to the City's website for the January 29, 2008 Council agenda.

COORDINATION

This change order and memorandum have been coordinated with the Department of Planning, Building and Code Enforcement, City Manager's Budget Office and City Attorney's Office.

FISCAL/POLICY ALIGNMENT

This project is consistent with the Council-approved Budget Strategy Economic Recovery section in that it will spur construction spending in our local economy.

COST /IMPLICATIONS

1. AMOUNT OF RECOMMENDATION/COST OF PROJECT

Project Delivery	\$ 5,810,000
Construction	15,918,037
Change Order Nos. 1-10	1,187,557
Contingency Balance	<u>364,443</u>
TOTAL	\$23,280,037

2. SOURCE OF FUNDING: 520 – Airport Revenue Bond Improvement Fund
526 – Airport Revenue Bond Improvement Fund

3. OPERATING COSTS: Review of the project determined no significant adverse impact on the General Fund Operating Budget.

BUDGET REFERENCE

Fund #	Appn #	Appn. Name	Total Appn.	Amount for Contract Change Order #11	2007-08 Adopted Budget Page	Last Budget Action (Date, Ord. No.)
520	4657	North Concourse Building	\$14,068,000	\$0	V-995	10/16/07 28143
526	4657	North Concourse Building	\$25,939,000	\$0	V-995	10/16/07 28143
		Total	\$40,0074,000	\$0		

CEQA

CEQA: Resolution Nos. 67380 and 71451, PP 07-093.

Katy Allen

KATY ALLEN
Director, Public Works Department

Frank Kirkbride

for WILLIAM F. SHERRY, A.A.E.
Director of Aviation
Airport Department

For questions please contact HARRY FREITAS, DEPUTY DIRECTOR, PUBLIC WORKS DEPARTMENT, at 408-535-8300.

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