



SUPPLEMENTAL

COUNCIL AGENDA: 04-11-06
ITEM: 6.2a

Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Katy Allen
William F. Sherry

SUBJECT: SEE BELOW

DATE: 04-04-06

Approved

Date

4/06/06

COUNCIL DISTRICT: Citywide

SUBJECT: NORMAN Y. MINETA SAN JOSE INTERNATIONAL AIRPORT NORTH CONCOURSE BUILDING FOUNDATION AND UTILITY TUNNEL CONCRETE (Package 2A)

REASON FOR SUPPLEMENTAL MEMO

To provide additional information after bids were opened.

RECOMMENDATION

Report on bids and award of contract for the Norman Y. Mineta San José International Airport North Concourse Building Foundation and Utility Tunnel Concrete (Package 2A) Project to the lowest responsive bidder, Gonsalves & Santucci, Inc. dba Conco, in the amount of \$15,512,812, and approval of a contingency in the amount of \$1,552,000.
CEQA: Resolutions No. 67380 and 71451, PP 06-025

OUTCOME

Award of the construction contract to Gonsalves & Santucci, Inc. dba Conco will enable the North Concourse Building Foundation and Utility Tunnel Concrete project to proceed. Approval of the ten percent contingency will provide funding for unforeseen conditions during construction of this project.

BACKGROUND

The North Concourse Building Project is the first in a series of planned terminal and concourse improvements at the Airport. Located between the existing Terminals A and C, the project will construct an approximately 380,000 square foot concourse building with passenger holdrooms, concession areas, airline operations and administrative spaces.

The construction of the North Concourse is being implemented using multiple construction contracts/packages. Package 1, Site Preparation and Excavation, which is complete, included demolition, grading, excavation, shoring, dewatering, relocation of security fence and other associated miscellaneous work to prepare the site for subsequent contracts. Package 2, Foundation Piles, is currently in progress. Package 2A will construct the concrete work from the foundation to ground level including waterproofing.

Bidders were pre-qualified according to the City of San José policy.

ANALYSIS

Bids were received on March 16, 2006 with the following results:

| <u>Contractor</u> | <u>Total Bid</u> | <u>Variance Amount</u> | <u>Over/(Under) Percent</u> |
|---|---------------------|------------------------|-----------------------------|
| William P. Young Construction, Inc. (Concord) | \$16,999,820 | \$259,820 | 2 |
| Engineer's Estimate | \$16,740,000 | --- | --- |
| Gonsalves & Santucci, Inc. DBA Conco (Concord) | \$15,512,812 | (\$1,227,188) | (7) |
| Nibbi Bros. Construction (San Francisco) | \$14,811,900 | (\$1,928,100) | (12) |

The Engineers Estimate was increased from \$12,558,000 shown in the placeholder memo due to changes in design approved by the City Council in November when the Master Plan Program was changed. This change generally involved increased quantities of concrete due to the redesign from a terminal to a concourse. In addition, approximately \$2 million of work was added from other packages thus lowering the cost of future packages. The original engineers estimate was based on 75% design drawings produced before the November change. Construction cost escalation since November also contributed to the increase.

The low bid submitted by Nibbi Bros. Construction contains several defects that render the bid non-responsive.

- Nibbi's bid did not contain the required Disadvantaged Business Enterprise (DBE) Subcontractor Listing Form. Instead, Nibbi's bid proposal included a different subcontractor listing form that was specifically superseded by Addendum No. 1.. Nibbi's bid included its acknowledgement of receipt of Addendum No. 1. Therefore, there is no question that Nibbi received Addendum No. 1, including the required DBE Subcontractor Listing Form. The DBE Subcontractor Listing Form required bidders to include the value of subcontracted work for each subcontractor, and the incorrect subcontractor listing form submitted by Nibbi with its bid did not include the value of the subcontracted work.

- Nibbi failed to complete a bid form that required each bidder to identify the waterproofing sheet manufacturer that the bidder proposed to use on the project.
- Nibbi's bid did not include the first page of the Bid Proposal Form, which includes representations required to be made by all bidders that the bidder has read and understands the plans and specifications and that the bidder agrees to perform all of the work for the total price bid.

The second low bid submitted by Gonsalves & Santucci, Inc. DBA Conco is responsive. This bid is 7.3 percent below the Engineer's Estimate and is a reasonable price for the work to be performed.

In accordance with Federal Regulations, 49 CFR Part 26, no DBE goal was established for this project. Gonsalves & Santucci, Inc. DBA Conco attained 0% DBE participation in their bid.

Council policy provides for a standard contingency of ten percent on building projects. The standard contingency is appropriate for this project.

PUBLIC OUTREACH

To solicit contractors, this project was listed on the City's Internet Bid Line and advertised in the *San José Post Record*. Bid packages for all Department of Public Works construction projects are provided to various contractor organizations and builder's exchanges.

AIRPORT MASTER PLAN CONSISTENCY

The San José Municipal Code requires that capital projects at the Airport be consistent with the adopted Airport Master Plan. The North Concourse building foundation and utility tunnel concrete construction was a component of the Central Terminal project expressly identified in the Airport Master Plan as Project "T-5," and remains a component of the revised terminal development program providing for a new Terminal B, as conceptually approved by Council on November 15, 2005, and is therefore consistent with the Airport Master Plan pursuant to Municipal Code Section 25.04.210(B)(2).

COORDINATION

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

COST IMPLICATIONS

1. AMOUNT OF RECOMMENDATION: \$15,512,812
2. COST OF PROJECT:

| | |
|----------------------------|---------------------|
| Project Delivery* | \$ 5,810,000 |
| Construction** | \$15,918,037 |
| Contingency | <u>\$ 1,552,000</u> |
| TOTAL PROJECT COSTS | \$23,280,037 |

Prior Year Expenditures \$ 2,156,578

REMAINING PROJECT COSTS **\$21,123,459**

3. SOURCE OF FUNDING: 520 – Airport Capital Improvement Fund
526 – Airport Revenue Bond Improvement Fund
4. FISCAL IMPACT: This project is consistent with the Council-approved Budget Strategy Economic Recovery section in that it will spur construction spending in our local economy. The project has been reviewed and was determined that it will have no significant adverse impact on the General Fund operating budget.

* Project delivery costs include consultant expenses to manage and execute the design and re-design resulting from changes to the building use (temporary terminal to concourse only), re-evaluate the structural requirements of the foundation concrete, prepare a separate bid package for concrete work, and manage construction of a separate concrete prime contractor.

** Includes the following estimated costs: OCIP - \$405,225 and construction - \$15,512,812.

BUDGET REFERENCE

| Fund # | Appn. # | Appn. Name | Total Appn. | Amt. For Contract | 2005-2006 Adopted Budget (Page) | Last Budget Action (Date, Ord. No.) |
|--|---------|--------------------------|----------------------|---------------------|---------------------------------|-------------------------------------|
| Remaining Project Costs | | | \$21,123,459 | | | |
| Current Funding Available | | | | | | |
| 520 | 4657 | North Concourse Building | \$19,373,000 | \$1,290,666 | V-75 | 10/18/05, Ord. No. 27580 |
| 526 (548) | 4657 | North Concourse Building | \$215,032,000 | \$14,222,146 | V-75 | 10/18/05, Ord. No. 27580 |
| Total Current Funding Available | | | \$243,405,000 | \$15,512,812 | | |

HONORABLE MAYOR AND CITY COUNCIL

04-04-06

Subject: SJC North Concourse Building Foundation and Utility Tunnel Concrete (Package 2A)

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CEQA

Resolutions No. 67380 and 71451, PP 06-025

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APR 11 2006 10:15 AM
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OFFICE OF THE CITY CLERK