



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Katy Allen
Ralph G. Tonseth

SUBJECT: SEE BELOW

DATE: 04-07-04

Approved

Date

Council District: Citywide

**SUBJECT: NORMAN Y. MINETA SAN JOSE INTERNATIONAL AIRPORT-
GENERAL ENGINEERING CONTRACT 03-04**

RECOMMENDATION

Report on bids and award of contract for the Norman Y. Mineta San José International Airport – General Engineering Contract 03-04 to the low bidder, O’Grady Paving, in the amount of \$1,300,000.

CEQA: Resolution Nos. 67380, and 71454, PP 04-01-010.

BACKGROUND

The scope of work for this contract will include miscellaneous pavement and minor facility projects to maintain, repair or improve facilities at Norman Y. Mineta San José International Airport. Work will be performed on an as-needed basis and compensation will be based on time and materials. The term of the contract shall be three years from the date of approval of award of the contract by Council or until the total billings equals \$1,300,000, whichever comes first. The contractor will be required to be available for emergency and rapid response to meet the facility needs of the traveling public.

ANALYSIS

Bids were opened on March 11, 2004 with the following results:

<u>Contractor</u>	<u>Bid Amount*</u>	<u>Variance Amount</u>	<u>Over/ (Under) Percent</u>
RGW Construction Inc. (Livermore)	35.00%	25.00%	166%

Granite Construction Company (Watsonville)	24.10%	9.10%	60.00%
Granite Rock Company DBA, Pavex Construction Division (Redwood City)	15.80%	.80%	5.35%
Engineers Estimate	15.00%	-	-
George Bianchi Construction, Inc. (San Jose)	11.48%	(3.52%)	(23.48%)
O'Grady Paving Inc. (Mt View)	9.89%	(5.11%)	(34.06%)

* The bid is a percent of Overhead and Profit to two decimal places.

The low bid submitted by O'Grady Paving Inc. is 5.11 percentage points less than the Engineer's Estimate. Staff has reviewed all bids and considers the low bid reasonable for the work involved. No contingency is requested due to this being a time and materials contract. The work will be authorized on an as-needed basis, and the contract will not exceed the construction budget amount shown.

AIRPORT MASTER PLAN CONSISTENCY

The San José Municipal Code requires that capital projects at the Airport be consistent with the adopted Airport Master Plan. This project is for the maintenance, repair and improvement of existing structures at the Airport and is therefore consistent with the Master Plan under Municipal Code Section 25.04.210(B)(2).

PUBLIC OUTREACH

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

COORDINATION

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

COST IMPLICATIONS

1. AMOUNT OF RECOMMENDATION: \$1,300,000
2. COST OF PROJECT:

Project Delivery	\$5,000*
Construction	<u>\$1,300,000</u>
TOTAL	\$1,305,000
3. SOURCE OF FUNDING: 527 – Airport Renewal and Replacement 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.

* Only Capital Fund Expenditures are shown. Work will be managed using Airport Operating Funds.

BUDGET REFERENCE

Fund #	Appn. #	Appn. Name	RC#	Total Appn.	Amt. for Contract	2003-04 Adopted Budget Page	Last Budget Action (Date, Ord. No.)
527	4006	Pavement Maintenance	104913	\$1,575,000	\$1,300,000	Page 68	2/17/04, Ord No. 27074
		Total		\$1,575,000	\$1,300,000		

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CEQA

Resolution Nos. 67380, and 71451, PP 04-01-010.

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Director of Aviation

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Director, Public Works Department

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