



SUPPLEMENTAL Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Katy Allen
William F. Sherry, A.A.E.
Larry D. Lisenbee

SUBJECT: SEE BELOW

DATE: 06-15-06

Approved

Date

6/16/06

COUNCIL DISTRICT: Citywide

SUBJECT: NORMAN Y. MINETA SAN JOSE INTERNATIONAL AIRPORT
AOA FENCE REPLACEMENT

REASON FOR SUPPLEMENTAL MEMO

To provide additional information after bids were opened.

RECOMMENDATION

- a. Report on bids and award of contract for the Airport Operations Area (AOA) Fence Replacement Project at Norman Y. Mineta San José International Airport to the sole bidder, R & L Brosamer, with a bid of 21 percent Overhead and Profit, in an amount not to exceed \$600,000.
- b. Adoption of the following appropriation Ordinance Amendments in the Airport Capital Improvement Fund:
 1. Establish the Airport Operations Area Fence Replacement appropriation in the amount of \$493,000.
 2. Decrease the Ending Fund Balance by \$493,000.
- c. Adoption of the following Appropriation Ordinance Amendments in the Airport Renewal and Replacement Fund:
 1. Establish the Airport Operations Area Fence Replacement appropriation in the amount of \$108,000.
 2. Decrease the Sign Production Vendor appropriation by \$100,000.
 3. Decrease the Terminal Building Modifications appropriation by \$8,000.

CEQA: Resolutions No. 67380 and 71451, PP 06-104.

OUTCOME

Approval of this construction contract to R & L Brosamer will enable the Norman Y. Mineta San José International Airport AOA Fence Replacement Project to go forward. This is a Time and Materials contract. All material and time (labor) is tracked, and the contractor is paid on those items therefore no contingency is required for this project.

BACKGROUND

The Federal Aviation Administration (FAA) provided a grant to San José International Airport for generic security improvements. That grant is set to expire September 26, 2006. Any funds not expended by August 31, 2006 will be unavailable. This project will use those funds to provide needed security upgrades to the Airport perimeter.

Construction is scheduled to begin in July with completion in August 2006.

ANALYSIS

Bids were opened on May 30, 2006 with the following results:

<u>Contractor</u>	<u>Total Bid</u>	<u>Variance Amount</u>	<u>Over/(Under) Percent</u>
R & L Brosamer (Alamo, CA)	21%	1%	5%
Engineer's Estimate	20%	---	---

The sole bid submitted by R & L Brosamer is 5% percent above the Engineer's Estimate. The bid is considered acceptable for the work involved in the project.

ALTERNATIVES

Not applicable.

OFFICE OF EQUALITY ASSURANCE

In accordance with Federal Regulations, 49 CFR Part 26, no Disadvantaged Business Enterprise (DBE) goal was established for this project. At the time of bid opening, R & L Brosamer, Inc. did not identify any subcontractors. However, during the course of construction, the Office of Equality Assurance will track DBE participation.

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 of an existing structure and is therefore consistent with the Master Plan under Municipal Code Section 25.04.210(B)(4).

PUBLIC OUTREACH

To solicit contractors, this project was listed on the City’s Internet Bid Line and advertised in the *San José Post Record*. Airport staff also contacted contractors directly.

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, Federal Aviation Administration (FAA) and Transportation Security Administration (TSA).

COST IMPLICATIONS

1.	AMOUNT OF RECOMMENDATION:	\$600,000	
2.	COST OF PROJECT:		
	Project Delivery	\$1,000	
	Construction	600,000	
	Contingency	<u>0</u>	*
	TOTAL PROJECT COSTS	\$601,000	
	Prior Year Expenditures	(0)	
	REMAINING PROJECT COSTS	\$601,000	

* This is a Time and Materials contract. All material and time (labor) is tracked and the contractor is paid on those terms.

3. SOURCE OF FUNDING 520 – Airport Capital Improvement Fund
 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.

BUDGET REFERENCE

Fund #	Appn #	Appn. Name	2005-2006 Total Appn	Amount for Project	Amount for Contract	2006-2007 Proposed Capital Budget	Last Budget Action (Date, Ord. No.)
Total Project Costs				\$601,000			
527	4710	Sign Production Vendor	\$155,000	\$100,000	\$100,000	V-830	
527	4035	Terminal Building Modifications	\$330,000	\$8,000	\$7,000	V-874	
520	7999	Ending Fund Balance	\$35,103,522	\$493,000	\$493,000	V-839	5/23/2006 Ord. No. 27762
Total Funding for Remaining Project Costs			\$35,588,522	\$601,000	\$600,000		

CEQA

CEQA: Resolutions No. 67380 and 71451, PP 06-104



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