



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Katy Allen
William F. Sherry
Larry D. Lisenbee

SUBJECT: SEE BELOW

DATE: 09-13-05

Approved

Date

9/16/05

Council District: Citywide

SUBJECT: REPORT ON BIDS AND AWARD OF CONTRACT, AND ADOPTION OF APPROPRIATION ORDINANCE AMENDMENTS IN THE AIRPORT CAPITAL IMPROVEMENT FUND AND AIRPORT RENEWAL AND REPLACEMENT FUND.

RECOMMENDATION

- a. Report on bids and award of contract for the Norman Y. Mineta San José International Airport Airfield Sign Replacement Project to the lowest responsive bidder, Vellutini Corporation dba Royal Electric Company in the amount of \$351,470 and approval of a contingency in the amount of \$35,150.
- b. Adoption of the following Appropriation Ordinance Amendments in the Airport Capital Improvement Fund:
 1. Establish the Airfield Sign Replacement appropriation in the amount of \$438,000.
 2. Decrease the Ending Fund Balance by \$438,000.
- c. Adoption of the following Appropriation Ordinance Amendments in the Airport Renewal and Replacement Fund:
 1. Establish the Airfield Sign Replacement appropriation in the amount of \$44,000.
 2. Decrease the Ending Fund Balance by \$44,000.

CEQA: Resolutions 67380 and 71451, PP05-123

BACKGROUND

The Federal Aviation Administration's (FAA) certification inspector has identified certain airfield guidance signs as being deficient and not in compliance with the requirements of Federal Aviation Regulations Part 139 (FAR 139). Replacement of these signs will correct the

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Subject: Airfield Sign Replacement

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deficiencies identified by the FAA certification inspector and will provide a uniform airfield lighting system. Additionally, replacement parts for these old existing signs have become difficult to acquire. This project will replace 26 airfield guidance signs in the vicinity of Runway 11-29 on the western side of the airfield complete with concrete sign bases and related electrical work. The replacement signs will be energy efficient and will meet all requirements of FAR 139.

This project is currently programmed in the 2006-10 Adopted Capital Improvement Program in fiscal years 2007-08 and 2008-09. However, staff was able to secure a discretionary FAA grant in the amount of \$438,000 for this project by accelerating implementation of the project. The receipt of a grant from the Federal Aviation Administration (FAA) in July 2005 provided the resources to proceed with the project this fiscal year.

ANALYSIS

Bids were received on July 21, 2005 with the following results:

<u>Contractor</u>	<u>Bid Amount</u>	<u>Variance Amount</u>	<u>Over/ (Under) Percent</u>
Cupertino Electric (San José)	\$459,775	\$53,950	13
Engineer's Estimate	\$405,825	---	---
Rosendin Electric (San Jose)	\$396,082	(\$9,743)	(2)
Vellutini Corp. (dba Royal Electric) (Sacramento)	\$351,470	(\$54,355)	(13)
St.Francis Electric (San Leandro)	\$298,500	(\$107,325)	(26)

In accordance with Federal Regulations, 49 CFR Part 26 and Resolution No. 69095, a DBE goal of 2 % was established for this project. St. Francis Electric was the low bidder. However, they did not meet the DBE goal and obtained 0 % DBE participation. St. Francis Electric failed to provide documentation of good faith efforts. Vellutini Corporation dba Royal Electric Company was the second low bidder. They also did not meet the DBE goal and obtained 0 % DBE participation. However, Vellutini Corporation dba Royal Electric Company submitted documentation that demonstrates that good faith effort was made to solicit DBE participation.

OUTCOME

Award of the construction contract to Vellutini Corporation dba Royal Electric will enable the airfield signs to be replaced. Approval of the 10 percent contingency will allow funding for unforeseen conditions encountered during construction of the project.

PUBLIC OUTREACH

To solicit contractors, this project was listed on the City's Internet Bid Line and advertised in the *San Jose Post Record*.

AIRPORT MASTER PLAN CONSISTENCY

The San Jose Municipal Code requires that capital projects at the Airport be consistent with the adopted Airport Master Plan. The airfield sign replacement project is necessary for the ongoing operation on the Airport, and if therefore consistent with the Airport Master Plan pursuant to Municipal Code Section 25.04.210 (B)(4).

COORDINATION

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

COST IMPLICATIONS

1. AMOUNT OF RECOMMENDATION: \$351,470

2. COST OF PROJECT:

Project Delivery	\$156,124
Construction	\$351,470
Contingency	<u>\$35,150</u>
TOTAL PROJECT COSTS	\$542,744

Prior Year Expenditures \$61,431

REMAINING PROJECT COSTS \$481,313

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. The project has been reviewed and was determined that it will have no significant adverse impact on the General Fund operating budget.

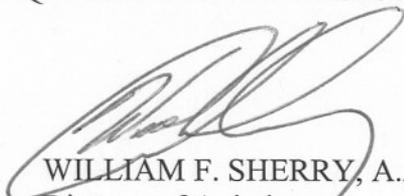
BUDGET REFERENCE

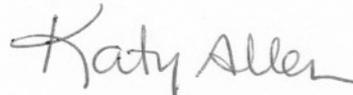
Fund #	Appn #	Appn. Name	Total Appn.	Amt. For Contract	2005-2006 Proposed Budget (Page)	Last Budget Action (Date, Ord. No.)
Remaining Project Costs				\$481,313		
New Funding Recommended						
520	7999	Ending Fund Balance	\$32,182,410	\$438,000	V-41	6/21/05, MBA #60*
527	7999	Ending Fund Balance	\$2,402,519	\$44,000	V-41	
Total New Funding Recommended				\$482,000		
Total Remaining Project Funding				\$482,000		

* The 2005-2006 Adopted Capital Budget includes an adjustment that was approved by City Council on June 21, 2005

CEQA

CEQA: Resolutions No. 67380 and 71451, PP05-123.


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