



SUPPLEMENTAL

COUNCIL AGENDA: 11-02-04
ITEM: 8.1

Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Katy Allen
Ralph G. Tonseth
Larry D. Lisenbee

SUBJECT: SEE BELOW

DATE: 10-26-04

Approved

Date

10.27.04

Council District: Citywide

**SUBJECT: NORMAN Y. MINETA SAN JOSE INTERNATIONAL AIRPORT:
TERMINAL C APRON LIGHTING SYSTEM**

REASON FOR SUPPLEMENTAL MEMO

To provide additional information after bids were opened.

RECOMMENDATION

- a. Report on bids and award of contract for the Norman Y. Mineta San José International Airport, Terminal C Apron Lighting System Project to the low bidder, Royal Electric Company, for the base bid and Add Alternate Nos. 1, 2, 3 and 4, in the amount of \$846,400, and approval of a contingency in the amount of \$126,960.
- b. Adoption of the following Appropriation Ordinance Amendments in the Airport Renewal and Replacement Fund:
 1. Increase the Terminal C Apron Lighting appropriation by \$472,000.
 2. Decrease the Ending Fund Balance by \$472,000.

CEQA: Resolution Nos. 67380 and 71451, PP 04-07-216.

BACKGROUND

In response to recommendations from the Federal Aviation Administration (FAA), Runway Safety Activation Team (RSAT), the Airport Department initiated corrective action to reduce glare from the apron lighting system at the Airport in the vicinity of Terminal C. The FAA agreed in concept with the Airport's proposal and agreed to provide Airport Improvement

Program (AIP) grant funds necessary in the amount of \$500,000 to accomplish this work. A FAA grant application for this project was approved by Council on February 24, 2004.

Construction is scheduled to begin in November 2004 with completion in May 2005.

ANALYSIS

The project bid components consisted of a base bid and four bid Alternates. The base bid scope of work includes power distribution and installation of Pole # 95 through Pole # 120. The scope of work for the four Add Alternate bid items is as follows:

Add Alternate No. 1: Electric Power Distribution from Pole #55 through Pole #85 and Pole #90 to Pole #95

Add Alternate No. 2: Installation of Pole #70 and Pole #80

Add Alternate No. 3: Installation of Pole #75, Pole #85 and Pole #90

Add Alternate No. 4: Installation of Pole #55, Pole #60 and Pole #65

Bids were opened on October 7, 2004 with the following results:

<u>Contractor</u>	<u>Base Bid</u>	<u>Total Alternates</u>	<u>Total Bid</u>	<u>Variance Amount</u>	<u>Over/(Under) Percent</u>
Cupertino Electric Inc. (San José)	598,500	759,850	1,358,350	569,350	72
St. Francis Electric (San Leandro)	665,400	659,100	1,324,500	535,500	68
Rosendin Electric Inc (San José)	600,520	687,630	1,288,150	499,150	63
Royal Electric Company (Sacramento)	410,000	436,400	846,400	57,400	7
Engineer's Estimate	324,000	465,000	789,000	0	0

<u>Contractor</u>	<u>Alternate 1</u>	<u>Alternate 2</u>	<u>Alternate 3</u>	<u>Alternate 4</u>	<u>Total Alternates</u>
Cupertino Electric Inc.	176,900	129,950	203,000	250,000	759,850
St. Francis Electric	125,000	149,800	166,800	217,500	659,100
Rosendin Electric Inc	94,640	161,810	197,100	234,080	687,630
Royal Electric Company	80,000	112,400	122,000	122,000	436,400
Engineer's Estimate	153,000	83,000	105,000	124,000	465,000

Royal Electric Company's bid for the base bid and all four Alternates in the amount of \$846,400 is the lowest total bid and is 7 percent above the Engineer's Estimate. The bid is considered

acceptable for the work involved in this project. Add Alternate's 1, 2, 3 and 4 are recommended for award to fully correct the glare problem. An appropriation adjustment is recommended to provide additional funding necessary to complete this project.

Council Policy provides for a standard contingency of 10 percent for building and utility projects. Due to logistical challenges and operating restrictions of constructing high mast apron lighting adjacent to operating aircraft an increase in the standard contingency to 15% is requested for this project. With the adoption of associated appropriation ordinance the project budget is sufficient to provide for the recommended contingency.

DBE

In accordance with Federal Regulations, 49 CFR Part 26 and Resolution No. 69095, a DBE goal of 3% was established for this project. Vellutini Corporation DBA Royal Electric Co. did not meet the DBE goal and attained 0% DBE participation. However, Vellutini Corporation DBA Royal Electric Co. submitted documentation that demonstrates that good faith effort was made to solicit DBE participation.

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 proposed aircraft apron lighting project is a minor alteration to an existing facility, and is therefore consistent with the Master Plan under Municipal Code Section 25.04.210 (B)(4).

COORDINATION

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

COST IMPLICATIONS

1. AMOUNT OF RECOMMENDATION: \$846,400

2. COST OF PROJECT:

Project Delivery*	\$313,287
Construction**	\$846,400
Contingency	<u>\$126,960</u>
TOTAL	\$1,286,647

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.

* \$14,924 of the Project Delivery Costs were expended or encumbered in prior fiscal years.

** A portion of this funding was approved by Council as part of the 2003-2004 Annual Report on October 12, 2004, Item 3.4 (b), and will be reflected in the 2004-2005 Capital Budget.

BUDGET REFERENCE

Fund #	Appn. #	Appn. Name	RC #	Total Appn.	Amount for Contract	2004-05 Adopted Budget	Last Budget Action (Date, Ord. No.)
527	5710	Terminal C Apron Lighting	13349X	\$300,000	\$346,400	V-87	6/22/04 Ord. No. 27196
520	5710	Terminal C Apron Lighting		\$500,000	\$500,000	N/A	10/12/04 Ord. No. 27267
527	N/A	Ending Funding Balance		\$472,000			
		Total		\$1,272,000	\$846,400		

Note: An appropriation adjustment in the amount of \$472,000 is recommended as part of this memorandum to provide additional funding necessary to complete the project.

CEQA

Resolution Nos. 67380 and 71451, PP 04-07-216.

Katy Allen

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Larry D. Lisenbee

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Budget Director

TF: sdn

Frank Kirkbride

for

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Airport Department