



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Katy Allen  
William F. Sherry, A.A.E.

**SUBJECT:** SEE BELOW

**DATE:** 02/02/09

---

Approved	<i>Debra Schue</i>	Date	<i>2/5/09</i>
----------	--------------------	------	---------------

---

**COUNCIL DISTRICT:** Citywide

**SUBJECT: CONTRACT CHANGE ORDER NO. 1 FOR THE NORMAN Y. MINETA SAN JOSE INTERNATIONAL AIRPORT - RUNWAY 12R/30L CENTERLINE LIGHTS PROJECT**

**RECOMMENDATION**

- a) Approve Contract Change Order No. 1 for the Runway 12R/30L Centerline Lights Project at the Norman Y. Mineta San José International Airport in the amount of \$101,527 and a four day time extension to complete additional work related to the construction of the Project.
- b) Approve additional funding in the amount of \$81,527 for additional work related to the installation of Runway 12R/30L Centerline Lights Project.

**OUTCOME**

Approval of the proposed change order and additional funding will authorize and provide monies to pay the contractor, St. Francis Electric, for additional work performed under a Force Account on a Time and Material basis.

**BACKGROUND**

This project was required by the Federal Aviation Administration (FAA) to bring Runway 12R/30L into compliance with new FAA regulations regarding runway lighting. The new regulations require pavement embedded "uplights" along the centerline of the runway which change color depending on whether the runway is being used for arrivals or departures.

The original contract was approved by the Director of Public Works on July 5, 2007 in the amount of \$256,376 with a \$20,000 contingency. The work was divided into three phases in order to proceed with the project efficiently. Phases 1 and 2 proceeded as planned and were completed on time. The start of construction for Phase 3 was delayed because of scheduling issues related to closing the runway during the rainy season. The City and contractor agreed to delay Phase 3 until spring of 2008.

## ANALYSIS

During the course of the construction for Phase 3, the contractor discovered that the existing control interface for the landing and take-off circuits was configured differently than that shown in the contract documents. To resolve this issue, City staff recommended that additional power circuits be added to provide the appropriate and independent control of the arrival and departure circuits. This additional work required extension of the trench at both ends of the runway and installation of additional conduit and circuit wiring, as well as additional closure of the affected runway.

Although the cost of this work exceeded the original contract contingency, the time and costs to complete the current project, bid and dig up much of the same area for the additional work would have been considerable. After careful consideration, staff recommended that the on-site contractor proceed with the additional work. Key to this determination was the issue of runway closure. Closure of a commercial aviation runway is highly regulated by the FAA; it affects FAA processes, traffic control tower operations, airport operations and carrier operations. Additionally, the availability of two runways enhances airfield safety, especially in the event of an emergency situation. The timing and duration of a runway closure must be closely coordinated with the FAA, and the FAA must issue notice to all commercial aircraft operators regarding that closure. Staff's decision ensured the least possible impact to critical airfield operations.

Because the circuitry problems were not discovered in the design phase of the project, the City did incur unanticipated additional cost to complete the work, but only in the same amount as the City would have incurred if the contract documents had adequately described the existing circuits. By allowing the additional work to proceed under the existing contract, the City avoided further additional costs related to contractor delay or claims.

The work was accomplished on a time and material basis as provided under the City of San José Standard Specifications. As required by Public Works Department procedures, daily documentation of the construction was provided by the contractor and witnessed by City staff. The unit dollar amounts were verified and negotiated with the contractor, and the additional work was substantially complete on June 6, 2008. All punch list items were completed shortly thereafter and the project was signed off by the Airport and Public Works departments.

The recommended change order also deletes the requirement for photometric testing of the Runway Distance Remaining (RDR) signs that were relocated as part of this project. Staff determined that since the RDR signs were fully tested at installation, additional photometric testing was not necessary.

Presentation of this item for City Council approval was delayed to allow the contractor to settle a prevailing wage issue with the City's Office of Equality Assurance, before determining a final settlement on this contract change order.

The original budget identified for the Centerline Lights project was \$461,326. The total revised project budget is \$542,853. Cost calculations for the change order are \$105,527 for the additional work, less \$4,000 in savings associated with the photometric testing, for a net change order amount of \$101,527. This amount is offset by the \$20,000 unspent contract contingency, with a remaining balance of \$81,527 in additional costs to be approved by Council. The money will come from the existing Airfield Improvement Appropriation, and will not impact funding for any other existing projects.

### **EVALUATION AND FOLLOW-UP**

No additional follow-up action with the Council is expected at this time.

### **POLICY ALTERNATIVES**

Not applicable.

### **PUBLIC OUTREACH/INTEREST**

- Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- Criterion 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- Criterion 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

While this action does not meet any of the above criteria, this memorandum will be posted on the City's website for the February 24, 2009 Council agenda.

### **FISCAL/POLICY ALIGNMENT**

The San José Municipal Code requires that capital improvements at the Airport be consistent with the adopted Airport Master Plan. As the Runway Centerline Lighting project supports the ongoing operation of existing Airport facilities, the proposed project change order is consistent with the Airport Master Plan pursuant to Municipal Code Section 25.04.210(B)(4).

This project is consistent with the Guiding Principals for Budget and Financial Management, Mayor's 2006-2007 Revised June Budget Message, in that it supports economic recovery and job creation.

This project is consistent with several initiatives identified in the Economic Development Strategy adopted by Council in November 2003, and aligns most significantly with:

- Strategic Initiative #1: Build a World-Class Airport and Air Services, and
- Strategic Initiative #5: Support the Growth (and Start-up) of Local Businesses – Small and Large (5.12 - increase access to City contracting and purchasing opportunities through improvements to communication and the procurement process).

**COORDINATION**

This project and memorandum have been coordinated with the City Attorney’s Office and the City Manager’s Budget Office.

**COST SUMMARY AND IMPLICATION**

1. AMOUNT OF RECOMMENDATION: \$ 101,527
2. COST OF PROJECT:
 

Project Delivery	146,200
Airport Program Management	28,750
Construction	256,376
Previous Change Orders	0
Change Order No. 1	101,527
Airport Construction (not in contract)	<u>10,000</u>
<b>TOTAL:</b>	<b>542,853</b>
3. SOURCE OF FUNDING: 527 – Airport Renewal and Replacement Fund
4. OPERATING COST: The project has been reviewed and was determined that it will have no significant adverse impact on the General Fund operating budget.

**BUDGET REFERENCE**

The table below identifies the funds and appropriations proposed to fund the contract change recommended as part of this memo.

Fund #	Appn #	Appn. Name	RC	Total Appn	Amount for Contract	2008-2009 Adopted Capital Budget	Last Budget Action (Date, Ord. No.)
527	5072	Airfield Improvements	14553X	\$306,000	\$81,527	V-963	10/21/08 28422
527	6576	Centerline Lights Projects		\$67,000	\$20,000	N/A	10/21/08 28422
<b>Total:</b>				<b>\$402,000</b>	<b>\$101,527</b>		

HONORABLE MAYOR AND CITY COUNCIL

02/02/09

Subject: Contract Change Order No. 1 for Airport - Runway 12R/30L Centerline Lights Project

Page 5

**CEQA**

CEQA: Resolutions No. 67380 and 71451, PP 07-067

*Katy Allen*

KATY ALLEN

Director, Public Works Department



WILLIAM F. SHERRY, A.A.E

Director of Aviation, Airport Department

For questions, please contact HARRY FREITAS, DEPUTY DIRECTOR, at (408) 535-8300.

HF:sn