



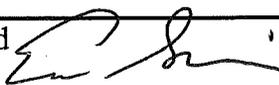
Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

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

SUBJECT: SEE BELOW

DATE: 05-04-10

Approved 

Date 5/10/10

COUNCIL DISTRICT: Citywide

SUBJECT: NORMAN Y. MINETA SAN JOSE INTERNATIONAL AIRPORT – TAXIWAY W RECONSTRUCTION PHASE II (B-C) PROJECT

RECOMMENDATION

- a) Adopt a resolution authorizing the Director of Public Works to determine the lowest responsive and responsible bidder for the Taxiway W Reconstruction Project at the Norman Y. Mineta San José International Airport and to either: (i) award the contract to the lowest responsive and responsible bidder in an amount not to exceed \$8,500,000, contingent upon award and execution of an Airport Improvement Program (AIP) Grant from the Federal Aviation Administration; or (ii) reject all bids and re-bid the Project.
- b) Approve a contingency equal to fifteen percent of the award amount.

OUTCOME

Approval of this item will allow the City to award and execute the contract within the timeframes needed to complete the work, minimizing the impact of construction on the operation of the Airport. Approval of a fifteen percent contingency will provide funding for any unanticipated work necessary for the proper completion and/or construction of the project.

BACKGROUND

City Council approved a multi-year funding strategy for major airfield improvement projects in the current Capital Improvement Program. One of the projects included in this program is the extension of Taxiway W. Taxiway W, located on the west side of the Airport, is part of the Non Terminal Area Improvement Program (NTAIP) and will provide a required connection to Runway 30L – 12R to support the development of new general aviation facilities. Further development of the west side for general aviation uses is anticipated to bring new jobs to the region, new tax revenue to the City, and to support the development of new businesses in San José.

The proposed project includes the design and construction of Taxiway W Phase II, from Taxiway B to Taxiway C as well as the construction of Taxiway C from Taxiway W to Taxiway V. The project scope includes the removal of existing pavement, excavation and hauling, constructing new taxiways and shoulders, site grading, storm drainage, sanitary sewer, airfield signage and airfield lighting. The original scope did not specifically identify the pavement replacement between the taxiway and the adjacent ramp.

ANALYSIS

The construction requires that the main runway used for landings be taken out of service for a period of time. This runway has instruments that are needed in bad weather, so it is necessary that construction start in August. Therefore, it is important that this contract be awarded by the end of this fiscal year so that, with contract processing, the construction can start in early August.

In addition, the FAA awards discretionary AIP grants based on actual bids, as well as the availability of grant funds. For this project, staff will notify the FAA of the bid results and request the funding needed to award the contract. Under the recommended delegation of authority, award of the contract will be contingent upon the award and execution of an AIP Grant from the FAA sufficient to fund the project. Bid opening is scheduled for May 13, 2010.

For these reasons staff is asking Council to delegate authority to the Director of Public Works for the award of this contract. Delegation would include the authority to decide any bid protests, to make the City's final determination as to the lowest responsive and responsible bidder, or to reject all bids and re-bid the project.

The specifications for the project will include the following process regarding bid protests:

1. Bid results and a Notice of Intent Regarding Contract Award to Apparent Low Bidder by the Director of Public Works will be posted on the Department of Public Works Bid Hotline.
2. All bidders will be e-mailed or faxed a copy of the Notice of Intent Regarding Contract Award and will have 5 working days to file a formal written bid protest.
3. The Director of Public Works will then decide any timely bid protests, including any issues of bidder responsiveness or responsibility and will award the contract after receipt of notice from the FAA that funding will be provided for the project.

Staff recommends a fifteen percent contingency for this project because of the uncertainty of underground utilities and the underlying soil conditions. Additionally, the project location is subject to changing security requirements that require coordination with the TSA and FAA. A fifteen percent contingency should provide funding for any unanticipated work necessary for the timely completion the project.

EVALUATION AND FOLLOW-UP

No additional follow up action is expected at this time.

POLICY ALTERNATIVES

Council could elect not to delegate authority to the Director of Public Works.

Pros: None.

Cons: The purpose of the delegated authority is to award the project as soon as possible so that work can begin in August. The first stage of construction requires a 15 day closure of the runway. Staff plans to start the project in August to ensure the best opportunity to complete the runway closure before inclement weather requires the use of the Instrument Landing System that is unique to Runway 30L.

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)**

This memo will be published on the City's website for the May 25, 2010 Council Agenda.

COORDINATION

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

FISCAL/POLICY ALIGNMENT

The San José Municipal Code requires that capital projects at the Airport be consistent with the adopted Airport Master Plan. The Taxiway W Extension Phase II Project is expressly identified in the Master Plan as Projects "A-30" (part) and "A-36" (part), and is thereby consistent with the Master Plan pursuant to Municipal Code Section 25.04.210(B)(1).

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 communications and procurement process).

COST SUMMARY/IMPLICATIONS

| | | | |
|----|---|----|-------------------|
| 1. | AMOUNT OF RECOMMENDATION (Engineer’s Estimate): | \$ | 8,500,000 |
| 2. | COST OF PROJECT: | | |
| | Project Delivery | \$ | 1,700,000 |
| | Construction | \$ | 8,500,000 |
| | Contingency (15%) | \$ | 1,275,000 |
| | TOTAL PROJECT COST: | \$ | 11,475,000 |
| | Prior Year Expenditures: | \$ | 0 |
| | REMAINING PROJECT COSTS | \$ | 11,475,000 |

3. SOURCE OF FUNDING: 520 - Airport Capital Improvement Fund
526 - Airport Revenue Bond Improvement 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

The table below identifies the appropriation and funds proposed to fund the agreement recommended as part of this memorandum.

| Fund # | Appn # | Appn. Name | Total Appn | Amount For Contract | 2009-2010 Adopted Capital Budget | Last Budget Action (Date, Ord. No.) |
|----------------------------------|--------|---|---------------------|---------------------|----------------------------------|-------------------------------------|
| Remaining Project Costs | | | \$11,475,000 | | | |
| Current Funding Available | | | | | | |
| 520 | 5254 | Taxiway W Improvements | \$7,801,291 | | Page V-820 | 10/20/09, Ord. 28653 |
| 526 | 5254 | Taxiway W Improvements | \$3,719,000 | \$1,561,000 | Page V-820 | 10/20/09, Ord.28653 |
| 526 | 5253 | Terminal Area Improvement Program Phase I | \$83,543,000 | \$6,939,000 | Page V-850 | 10/20/09, Ord.28653 |

HONORABLE MAYOR AND CITY COUNCIL

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|--|---------------------|--------------------|--|--|
| Total Funding for Remaining Project | \$95,063,291 | \$8,500,000 | | |
| Costs | | | | |

CEQA

CEQA: Resolution Nos. 67380 and 71451, PP 10-065

/s/

KATY ALLEN
Director, Public Works Department

/s/

WILLIAM F. SHERRY, A.A.E.
Director of Aviation
Airport Department

For questions please contact HARRY FREITAS, DEPUTY DIRECTOR, PUBLIC WORKS DEPARTMENT, at 408-535-8300.

HF:CM:el
Attachment