

RESOLUTION NO. 74036

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE AUTHORIZING THE CITY MANAGER TO NEGOTIATE AND EXECUTE A FIRST AMENDMENT TO THE CONTRACT WITH HENSEL PHELPS CONSTRUCTION CO. FOR THE DESIGN AND CONSTRUCTION OF THE TERMINAL AREA IMPROVEMENT PROGRAM, INCREASING MAXIMUM COMPENSATION BY \$105,274,000 FOR THE DESIGN AND CONSTRUCTION OF A LARGER CONSOLIDATED RENTAL CAR GARAGE TO A TOTAL CONTRACT AMOUNT NOT TO EXCEED \$618,045,000

WHEREAS, the Terminal Area Improvement Program ("TAIP") at the Norman Y. Mineta San Jose International Airport ("Airport") approved by the San Jose City Council in November 2005 included a \$128,500,000 budget to construct a Rental Car Facility across Terminal Drive from Terminal B; and

WHEREAS, the current budget would fund 1,200 spaces, the customer service lobby and counters, and rental car company offices, but not the adjacent maintenance facility; and

WHEREAS, over the past year, Airport staff has worked in close collaboration with the On-Airport rental car companies to develop program requirements for the Rental Car Facility; and

WHEREAS, it is agreed by the On-Airport rental car companies and Airport staff that the Rental Car Facility should contain 3,000 vehicle spaces along with other amenities in order to provide a convenient and competitive Airport rental car experience that enables the rental car industry to succeed; and

WHEREAS, the current contract amount for the Rental Car Facility project element is approximately \$101.6 Million; and

WHEREAS, increasing the compensation by approximately \$105.3 Million will allow for the larger Rental Car Facility; and

WHEREAS, since the larger Rental Car Facility may require more time for design and construction, it is recommended that an extension of up to 18 months to the Project Element Completion deadline in the Design –Build Contract be approved; and

WHEREAS, it is recommended that the Design-Build Contract be modified to allow reallocation prior to a project element's completion to provide staff with management flexibility to maximize the scope of work within the authorized contract;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SAN JOSE THAT:

The City Manager is hereby authorized to negotiate and execute a First Amendment to the Contract with Hensel Phelps Construction Co. for design and construction of the Airport Terminal Area Improvement Program to increase maximum compensation by \$105,274,000 for the design and construction of a larger Consolidated Rental Car Garage, increasing maximum compensation from \$512,771,000 to a total Contract amount not to exceed \$618,045,000; to extend the Project Element Acceptance deadline for the Consolidated Rental Car Garage up to 18 months; to redistribute the fixed fee payable under the Contract to Hensel Phelps Construction Co. to account for

revisions to the scope of project elements subsequent to approval of the Contract, and to provide for the reallocation of unexpended compensation between project elements.

ADOPTED this 2nd day of October, 2007, by the following vote:

AYES:	CAMPOS, CHIRCO, CHU, CONSTANT, CORTESE, LICCARDO, NGUYEN, OLIVERIO, PYLE, WILLIAMS; REED
NOES:	NONE
ABSENT:	NONE
DISQUALIFIED:	NONE

CHUCK REED
Mayor

ATTEST:

LEE PRICE, MMC
City Clerk