



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Matt Loesch
John Aitken
Jim Shannon

SUBJECT: SEE BELOW

DATE: September 25, 2023

Approved

Date

10/6/2023

COUNCIL DISTRICT: 6

SUBJECT: REPORT ON BIDS AND AWARD OF CONTRACT FOR 10131 – SAN JOSE MINETA INTERNATIONAL AIRPORT ADMINISTRATION PARKING LOT SAFETY UPGRADES RE-BID PROJECT

RECOMMENDATION

- (a) Report on bids and award of a contract for the construction of 10131 – San José Mineta International Airport Administration Parking Lot Safety Upgrades Re-Bid Project to the lowest responsive, responsible bidder, Golden Bay Construction, Inc., for the base bid and Bid Alternate Nos. 1, 2, and 3 in the amount of \$1,314,706.
- (b) Approve a 10% contingency in the amount of \$131,471.
- (c) Adopt the following 2023-2024 Appropriation Ordinance amendments in the Airport Renewal and Replacement Fund:
 - (1) Decrease the Terminal A Parking Garage Resurfacing appropriation by \$920,000; and
 - (2) Increase the Administration Lot Improvements appropriation by \$920,000.

SUMMARY AND OUTCOME

This memorandum summarizes the bids received and requests award of a construction contract for the 10131 – San José Mineta International Airport Administration Parking Lot Safety Upgrades Re-Bid Project (project). The goal of the project is to eliminate vehicle accidents at the site and to provide a safer area for vehicular and pedestrian use upon project completion.

Award of the construction contract to Golden Bay Construction, Inc. enables the project to proceed into construction at the San José Mineta International Airport (Airport). Approval of a 10% contingency provides funding for any unanticipated work necessary for the proper completion or construction of the project. Adoption of the appropriation ordinance amendments in the Airport Renewal and Replacement Fund will provide additional funding needed to construct the project.

BACKGROUND

This project involves enhanced safety upgrades to the roadway intersection at Airport Parkway and Airport Boulevard, as well as to the Airport's Administrative Parking Lot. (See **Attachment – Location Map - 10131 – SJC Administration Parking Lot Safety Upgrades Re-Bid Project**). The area has experienced numerous vehicular collisions which have resulted in damage to sidewalks and curbs, parked vehicles in the Airport's Administrative Parking Lot, landscape areas, and the shipping and receiving area of Terminal B. The proposed safety upgrades to the roadway and parking lot will improve safety for vehicular and pedestrian use.

The safety upgrades will include protective guardrail barriers and crash cushions along the east and south sides of the parking lot, reconfiguration and construction of a new crosswalk along Airport Parkway, curb and gutter, new sidewalk and curb ramp, installation of new flashing beacons, a redesigned street island including a concrete barrier, and other associated safety enhancements.

In addition, due to the Airport's recent brand identity change, the scope of work associated with Bid Alternate Nos. 1, 2 and, 3 includes fabrication and installation of new signage on Airport Parkway and retrofit of existing signage on Coleman Avenue and Skyport Drive to align with the Airport's new brand identity.

The project was originally advertised on May 3, 2023, with the bids being opened on May 25, 2023. The City received no bids and the project was subsequently re-bid.

ANALYSIS

Bids were opened on August 10, 2023, with the following results:

<u>Contractor</u>	<u>Base Bid</u>	<u>Bid Alternate Total</u>	<u>Total Bid</u>	<u>Variance Amount of Total Bid</u>	<u>Over/ (Under) Percent</u>
Engineer’s Estimate	\$706,060	\$90,000	\$796,060	--	--
MBS Engineering, Inc. (San Ramon) <i>(non-responsive)</i>	\$1,043,078	\$153,750	\$1,196,828	\$400,768	50
Golden Bay Construction, Inc. (Hayward)	\$1,083,494	\$231,212	\$1,314,706	\$518,646	65

<u>Contractor</u>	<u>Bid Alternate No. 1</u>	<u>Bid Alternate No. 2</u>	<u>Bid Alternate No. 3</u>	<u>Variance Amount of Total Bid Alternates</u>	<u>Over/ (Under) Percent</u>
Engineer’s Estimate	\$53,000	\$16,000	\$21,000	--	--
MBS Engineering, Inc. (San Ramon) <i>(non-responsive)</i>	\$90,000	\$33,750	\$30,000	\$153,750	70
Golden Bay Construction, Inc. (Hayward)	\$87,612	\$58,800	\$84,800	\$231,212	157

Pursuant to Section 3-1.01D of the Special Provisions, the lowest bidder was determined by adding Base Bid and all Bid Alternates.

The bid submitted by MBS Engineering, Inc. was deemed non-responsive for failing to provide wage theft prevention disclosure information requested by the City. In this instance, Golden Bay Construction, Inc. submitted the only responsive bid and was determined to be the low bidder.

In addition to the Base Bid scope of work, Bid Alternate Nos. 1, 2, and 3 are recommended for award to the low bidder, Golden Bay Construction, Inc.

The total bid submitted by Golden Bay Construction, Inc. is 65% above the Engineer’s Estimate. Golden Bay Construction, Inc.’s Base Bid is 53% above the Engineer’s Estimate and the Bid Alternate total is 157% above the Engineer’s Estimate. Upon analysis of the bids, the bid items accounting for the largest variances are the Midwest Guardrail System, the Trinity Crash Cushions, and the traffic control plan, which all account for approximately 70% of the total variance. The Base Bid prices for the Midwest Guardrail System and the Trinity Crash Cushions are well outside the range of Caltrans contract cost databank and the range used for the cost modeling analysis used for these items. Historical observations suggest that a material shortage

or supply chain issue in procuring these materials have contributed to the higher-than-expected bid prices. In addition, a traffic control plan is necessary because the project area cannot be closed to vehicular and pedestrian traffic as the location of the work to be performed in these areas is in a primary access point for the Airport. The risk and inefficiencies associated with lane closures, detours, and night work likely contributed to higher than anticipated costs for the traffic control plan.

In the evaluation of Bid Alternates Nos. 1, 2, and 3, neither of the bidders chose to include the original sign manufacturer as a subcontractor for the sign work. Instead, both bidders engaged a different sign manufacturer than the original manufacturer. As a result, prices for the Bid Alternates exceed the original manufacturer’s consultation amount. A very limited number of contractors can perform this specialty work and a current competitive construction market creates a lack of bandwidth for contractors to take on this work and bid at a competitive cost.

Even though bids are significantly higher than anticipated, staff recommend moving forward with the project and awarding the contract to Golden Bay Construction, Inc. The scope of work involves implementing critical safety upgrades that will ensure safer pedestrian travel, reduce vehicular collisions, enhance road safety, protect critical Airport infrastructure, and safeguard Airport staff and customers. Between April 2020 and April 2022, the Airport encountered eight vehicular accidents involving the Administration Parking Lot. The Administration Parking Lot is located at the juncture of two roadway entrances (Airport Parkway and Airport Boulevard), and without protective barriers for people, the area has become prone to vehicular incursions and accidents. To ensure the safety of pedestrians and Airport staff who park their personal vehicles in the Administration Parking Lot, implementing these enhancements will lead to a safer experience. The original bid advertisement resulted in no bids, and the rebid process resulted in a selected bidder with a high variance. Staff believe that rebidding the project a third time may not result in favorable bids and will delay the construction of critical infrastructure needed.

Golden Bay Construction, Inc. has successfully completed multiple road and sidewalk improvement projects with the City substantially similar to the construction elements of this project. The two most recent projects were the 9019 – Remillard Court and Story Road Intersection Improvement Project and 9945 – San Felipe Road Left Turn Expansion Improvement Project, both completed in 2023.

Contingency

San José Municipal Code Section 27.04.050 provides for a standard contingency of 10% on all public works contracts except those involving the renovation of a building or buildings. The standard 10% contingency is appropriate for this project.

Project Labor Agreement Applicability

The City’s Project Labor Agreement is not applicable to this project because the Engineer’s Estimate is under \$1.22 million.

Local and Small Business Analysis

In accordance with Airport Disadvantage Business Enterprise procedures, Airport staff conducted outreach to ethnic chambers, the San José Chamber of Commerce, the Minority Business Consortium, in Federal Aviation Administration Matchmaker, Airport Minority Advisory Council, National Air Transportation Association, Airports Council International - North America, and the Minority Business Development Agency. The recommended contractor is not a local or a small business enterprise. In addition, no small or local business enterprises are listed as subcontractors on the project.

EVALUATION AND FOLLOW-UP

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

COST SUMMARY/IMPLICATIONS

The Airport Renewal and Replacement Fund is the source of funding. Within this fund, the Administration Lot Improvements and Airport Monument Signs projects are budgeted for this project. Additional funding of \$920,000 is necessary to complete the project and is recommended to be reallocated from the Terminal A Parking Garage Resurfacing project in the Airport Renewal and Replacement Fund. The Terminal A Parking Garage Resurfacing project is currently being evaluated to determine a more specific scope of work and plan of execution and is not expected to require the full \$2.2 million allocated in this appropriation. The Terminal A Parking Garage Resurfacing work will be deferred to next fiscal year once the scope and plan of execution are finalized. The evaluation and scoping for the Terminal A Parking Garage Resurfacing project is planned to commence this fiscal year.

Construction is scheduled to begin in January 2024, with substantial completion by June 2024. This project is anticipated to reduce net operating and maintenance costs in the Airport operating budget.

1. TOTAL COST OF PROJECT:

Project Delivery*	\$473,823
Construction	1,314,706
Contingency	131,471
TOTAL PROJECT COSTS	\$1,920,000

Prior Years' Expenditures and Encumbrances	161,818
TOTAL REMAINING PROJECT COSTS	\$1,758,182

* Project delivery includes \$199,160 for Design Service and \$274,663 for Construction Management and Inspection Services.

2. COST ELEMENTS OF CONTRACT:

Mobilization/Site Preparation Work/Demolition	\$259,288
Traffic Control	155,059
Site Improvement Work	26,739
Sign Foundation	67,724
Concrete Work	46,037
Roadway Improvement Work	26,430
Concrete Barrier	143,250
Guardrail System/Crash Cushion	278,867
Flashing Beacon System	80,100
Sign Installation and Retrofit	231,212
TOTAL CONTRACT AMOUNT	\$1,314,706

BUDGET REFERENCE

The table below identifies the fund and appropriations to fund the contract amount recommended as part of this memorandum and remaining project costs, including project delivery, construction, and contingency costs.

Fund #	Appn #	Appn Name	Current Total Appn	Rec. Budget Action	Amt. for Contract	2023-2024 Proposed Capital Budget Page*	Last Budget Action (Date, Ord. No.)
527	435P	Terminal A Parking Garage Resurfacing	\$2,200,000	(\$920,000)		656	6/20/2023, Ord. No. 30933
527	427N	Administration Lot Improvements	\$640,000	\$920,000	\$1,114,706	637	6/20/2023, Ord. No. 30933
527	408N	Airport Monument Signs	\$200,000		\$200,000	637	6/20/2023, Ord. No. 30933
TOTAL					\$1,314,706		

* The 2023-2024 Adopted Capital was approved on June 13, 2023, and adopted on June 20, 2023 by the City Council.

COORDINATION

This memorandum has been coordinated with the City Attorney’s Office and the Planning, Building, and Code Enforcement Department.

PUBLIC OUTREACH

This memorandum will be posted on the City’s Council Agenda website for the October 17, 2023 City Council meeting.

COMMISSION RECOMMENDATION AND INPUT

No commission recommendation or input is associated with this action.

CEQA

Determination of Consistency with the Norman Y. Mineta San José International Airport Master Plan Amendment Environmental Impact Report, File No. ER23-029.

HONORABLE MAYOR AND CITY COUNCIL

September 25, 2023

Subject: 10131 – San José Mineta International Airport Administration Parking Lot Safety Upgrades Re-Bid Project

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PUBLIC SUBSIDY REPORTING

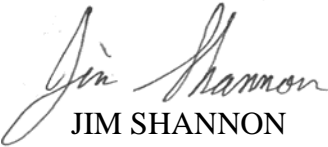
This item does not include a public subsidy as defined in section 53083 or 53083.1 of the California Government Code or the City's Open Government Resolution.

/s/

MATT LOESCH
Director of Public Works

/s/

JOHN AITKEN, A.A.E.
Director of Aviation



JIM SHANNON
Budget Director

For questions, please contact Sal Kumar, Interim Deputy Director, Department of Public Works, at sal.kumar@sanjoseca.gov or (408) 535-8300.

ATTACHMENT – Location Map - 10131 – SJC Admin Parking Lot Safety Upgrades Re-Bid Project

Attachment – Location Map

10131 - SJC Admin Parking Lot Safety Upgrades Rebid Project

