COUNCIL AGENDA: 2/14/23
FILE: 23-189
ITEM: 5.1

CITY OF SAN JOSE
CAPITAL OF SILICON VALLEY

Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: John Aitken

SUBJECT: SEE BELOW

DATE: January 23, 2023

Approved Jennifer S. Maguire

Date 2/1/23

COUNCIL DISTRICT: 6

SUBJECT: AGREEMENT FOR PROFESSIONAL CONSULTANT SERVICES FOR PROGRAM MANAGEMENT SUPPORT SERVICES AT SAN JOSÉ MINETA INTERNATIONAL AIRPORT

RECOMMENDATION

Adopt a resolution authorizing the City Manager or designee to negotiate and execute a Master Consultant Agreement with Jacobs Engineering Group for Program Management Support Services at San José Mineta International Airport, for a period of seven years from execution, in a total amount not to exceed $71,000,000 over the term of the agreement.

SUMMARY AND OUTCOME

The recommendation provides consultant resources and expertise to support the implementation of projects identified in the Airport Master Plan and additional resources to enable the San José Mineta International Airport (SJC or Airport) to manage the implementation of the Airport's Capital Improvement Program (CIP).

BACKGROUND

SJC is a medium-hub classified airport serving Silicon Valley and much of the greater San Francisco Bay region. The Airport is situated on a 1,000-acre site with two parallel runways and facilities serving commercial air carriers and general aviation. Implementation of an Airport CIP is ongoing, with the Master Plan and Airport Layout Plan being periodically updated. Additional information about SJC is available on its website at www.flysanjose.com.

The approved Airport Master Plan consists of a comprehensive and integrated package of improvements to airside and landside facilities at the Airport; such improved facilities having the design capacity to fully accommodate the forecast demand for air passenger, air cargo, and general aviation services in a comfortable and efficient manner.

Management and implementation of projects within the Airport Master Plan and CIP is led by the Airport with construction services provided by the Department of Public Works, however the anticipated scope and complexity for the successful execution of the Airport Master Plan requires the assistance of an experienced Program Management Consultant to provide specialized expertise and support.

The complexity of implementing the Airport Master Plan program requires specialized expertise and experience in the airport industry with specific knowledge in the Federal Aviation Administration and the Transportation Security Administration technical program requirements. Also, the consultant has experience in working on capital projects with the Airport's wide range of important stakeholders including the airlines, concessionaires, general aviation community, and a wide variety of other tenants. In addition, the use of a consultant results in the access to and potential implementation of the aviation industry best practices and allows SJC to learn from the innovative ideas that have been applied at other airport facilities. The consultant also provides the ability to quickly address important needs, especially at a time of significant growth at the Airport

The consultant will provide strategic and technical advisory support to City leadership and management; develop and recommend alternatives and evaluate strategies; recommend project delivery processes and procedures; and assist with implementing a program controls system to ensure the successful completion and commissioning of projects in the Airport Master Plan and other projects that may be assigned; and do so in compliance with scope, schedule, budget, and with a level of quality as required by the City.

The consultant, with its connections to industry best practices, bring a unique airport perspective and expertise that is not available through internal staff. This specialized knowledge from the consultant will also assist the Airport in obtaining potential Federal Aviation Administration, Transportation Security Administration, and other available grants.

The total compensation amount of $71 million for this agreement is estimated at seven percent of the total project costs for the Terminal Area Expansion Program. A conceptual opinion of cost prepared by the Airport's estimating consultant, Leland Saylor Associates, estimated the program management fee for the Program to be between seven and 10 percent of the total project costs. Staff have evaluated this against current market trends and believe seven percent is reasonable and acceptable for the scope of services provided by the consultant.

ANALYSIS

A consultant Services Request for Qualifications (RFQ) for Program Management Support Services was advertised on July 25, 2022 in accordance with the City's Qualifications Based Consultant Selection Policy adopted by City Council on December 7, 2004. Statements of Qualifications (SOQ) were received from five firms.

A Technical Evaluation Panel consisting of City staff evaluated and ranked the SOQs in accordance with the criteria set forth in the RFQ. Each panel member evaluated the SOQs using a consistent scoring matrix based on the firm's expertise, experience of key personnel, approach, and other factors based on the criteria and weight below:

Evaluation Criteria	Possible Points
Submittal Requirements	Pass/Fail
Minimum Qualifications	Pass/Fail
Expertise: Cover Letter Key Personnel Experience Organizational Chart	15
Experience Past Projects Past Reports Example of Project Deliverables References	15
Approach: Technical Recommendations Expedited Turnaround Methodology	30
Interviews – In Person	40
TOTAL	100

The SOQ evaluation scores are shown below:

Ranking	Consultant Name	Technical Evaluation (60 points)
1	Jacobs Engineering Group	53
2	WSP	51
3	AECOM	50
4	STV Construction	38
5	Guidehouse Inc.	25

Based on the SOQ evaluation ranking, the City selected the top three ranked firms for an interview. A five-member interview panel consisting of City and external agency staff interviewed the shortlisted firms on December 12, 2022. The interviews were scored out of a maximum of 40 points. The scores for the interviews are as follows:

Ranking	Consultant Name	Interview (40 points)
1	Jacobs Engineering Group	36
2	WSP	33
3	AECOM	25

Based on the combined scoring of the SOQ evaluation and the interviews, the final ranking is summarized below:

Ranking	Consultant Name	Total Points (100)
1	Jacobs Engineering Group	89
2	WSP	84
3	AECOM	75

The panel ranked Jacobs Engineering Group as the top firm based on its outstanding presentations, excellent responses to the interview questions, extensive program management experience, technical aviation expertise, and the quality of its SOQ. Jacobs Engineering Group also brings expert knowledge of Federal Aviation Regulations, State and Federal environmental regulations, strategic planning, cost estimating, program controls, documentation, construction management, and support services.

Jacobs Engineering Group's services will be provided under a Master Consultant Agreement, with specific tasks authorized by separate service orders, as they are required. The general types of services that will be provided under the agreement include, but are not limited to:

A. Executive Strategic Planning and Programming
B. Executive and Project Level Reporting
C. Program, Design, and Construction Management Support
D. Document Controls and Audits
E. Environmental Reporting
F. Technology and Innovation Systems Management Support
G. Program Management Information System Configuration
H. Staff Training and Development
I. Community and Stakeholder Engagement
J. Risk Management Support
K. Operational Readiness and Airport Transfer

L. Constructability Analysis and Logistics Planning
M. Contractor Invoicing Review and Project Closeout
N. Tenant Improvement Coordination, and
O. Cost Estimating

Policy Alternatives

Alternative # 1: *Direct City staff to provide the required services with in-house resources.*
Pros: Possible increased work experience for current staff.
Cons: The new consultant agreements provide expert resources that are available to quickly provide the necessary work, has specialized expertise that is not available through internal staff, and allows the City to maintain a constant staffing level. City staff will gain experience through the assistance of experts in the aviation industry to assist with the design and construction oversight work through the use of this agreement.
Reason for not recommending: The complexity of implementing the Airport CIP requires specialized expertise and experience in specialized Federal Aviation Administration and Transportation Security Administration design standards, the airport operating environment, and significant stakeholder engagement. The use of a consultant results in best practices in the industry and innovative ideas being applied to the Airport Master Plan program.

Alternative # 2: *Direct City Staff to use the existing on-call consultants.*
Pros: Maintains stability with existing consultant staff that have been providing on-call services.
Cons: This alternative is not consistent with our procurement policies. This option does not provide an opportunity for the consultant community to compete for Airport work and does not provide the Airport the option to choose new consultants. In addition, the expertise and experience that the Program Management Consultant brings is different from the existing on-call consultants who are specifically for architectural, engineering, and planning specializations.
Reason for not recommending: A new solicitation ensures the most qualified and experienced consultants are selected to support the Airport's Master Plan and CIP.

Alternative # 3: *Do not adopt a resolution to negotiate and execute a Master Consultant Agreement with Jacobs Engineering Group for Program Management Support Services.*
Pros: None.
Cons: The Airport will not have the necessary consultant resources and expertise to support the implementation of projects identified in the Airport Master Plan.
Reason for not recommending: Approval of this resolution will allow the Airport to meet the future demands for expansion of the Airport and provide the necessary facilities approved in the Master Plan.

EVALUATION AND FOLLOW-UP

Upon approval of the resolution authorizing the City Manager to negotiate and execute a master agreement with Jacobs Engineering Group, City staff will work with the City Attorney's Office on the finalized agreement.

COST SUMMARY/IMPLICATIONS

Services performed by Jacobs Engineering Group under this agreement will be authorized by service orders for a defined scope of work for each project in the Airport Master Plan. An appropriation is not required for execution of the Master Agreements, but a project and appropriation will be identified for each service order authorized under this agreement.

COORDINATION

This memorandum has been coordinated with the City Attorney's Office and the City Manager's Budget Office.

PUBLIC OUTREACH

This memorandum will be posted on the City's Council Agenda website for the February 14, 2023 City Council meeting. Outreach was undertaken for this item in addition to the agenda posting described above. These outreach efforts are described below:

The RFQ was advertised on the Airport's website and on the City's internet bid site, Biddingo, which automatically sent emails to the list of pre-qualified consultants. An email was sent to 342 certified disadvantage business enterprises in multiple subcontracting work categories, including the Ethnic Chambers, San José Chamber, and other interested organizations, including Minority Business Consortium, which provided project information, subcontracting opportunities (North American Industry Classification System Codes and Caltrans Work Codes, bid date and time, and disadvantage business enterprises certification requirements.)

Also, the RFQ was posted in Federal Aviation Administration Opportunities, Airport Minority Advisory Council, National Airport Transportation Association, Airports Council International-North America, and the Minority Business Development Agency, as well as shared with the Airport's compiled interested party list.

COMMISSION RECOMMENDATION AND INPUT

No commission recommendation or input is associated with this action.

CEQA

Not a Project, File No. PP17-002, Consultant services for design/study/inspection, or other professional services with no commitment to future action.

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

For questions, please contact Matthew Kazmierczak, Division Manager, mkazmierczak@sjc.org, or (408) 392-3640.