

RESOLUTION NO.

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE (1) FINDING THAT THE AWARD OF THE PROPOSED DESIGN-BUILD CONTRACT FOR THE ECONOMY LOT PARKING GARAGE PROJECT (“PROJECT”) AT THE NORMAN Y. MINETA SAN JOSE INTERNATIONAL AIRPORT WILL RESULT IN LOWER COSTS AND/OR FASTER COMPLETION TIME THAN IF THE CITY USED THE TRADITIONAL DESIGN-BID-BUILD METHOD OF PROJECT DELIVERY; (2) APPROVING THE FINAL RANKING OF THE DESIGN-BUILD (D-B) ENTITIES THAT RESPONDED TO THE RFP FOR THE PROJECT; (3) AUTHORIZING THE DIRECTOR OF PUBLIC WORKS TO NEGOTIATE A D-B CONTRACT IN AN AMOUNT NOT TO EXCEED \$30,100,000 FOR THE PROJECT, SUBJECT TO CERTAIN CONDITIONS; (4) AUTHORIZING THE DIRECTOR OF PUBLIC WORKS TO EXECUTE THE D-B CONTRACT FOR THE PROJECT WITH THE SUCCESSFULLY NEGOTIATED D-B ENTITY; (5) AUTHORIZING THE DIRECTOR OF PUBLIC WORKS TO NEGOTIATE AND EXECUTE TASK ORDERS UP TO THE CONTRACT NOT-TO-EXCEED AMOUNT; AND (6) APPROVING A D-B CONTINGENCY IN THE AMOUNT OF TEN PERCENT OF THE NEGOTIATED D-B CONTRACT FOR CITY-APPROVED CHANGES TO THE DESIGN SCOPE AND CONSTRUCTION

WHEREAS, Section 1217(e)(7) of the Charter of the City of San José (“City”) authorizes the City to negotiate and award a design-build contract for a public works project that meets the following criteria: (1) the design-build contract for the project will cost more than \$5,000,000; and (2) the City Council finds that the design-build procurement process would save money or result in faster project completion than the traditional design-bid-build procurement process; and

WHEREAS, the City owns and operates the Norman Y. Mineta San José International Airport (“Airport”); and

WHEREAS, the Airport's unprecedented growth of passenger traffic has led to increased demand for additional parking spaces and to address this demand, the Airport desires to add a minimum of 900 net new parking spaces to the existing economy parking lot for a minimum total of 2,573 parking spaces at the economy parking lot ("Project"); and

WHEREAS, on March 26, 2019, the City Council adopted Resolution No. 79021 approving the use of the design-build project delivery method for the Project, the Project's Request for Proposals ("RFP"), and the criteria and process by which the City will select a design-build entity; and

WHEREAS, Section 14.07.660 of the San José Municipal Code requires that the Council make a finding that following the competitive request for proposal selection process, the City Council may award a design-build contract if the amount of the contract for the project exceeds five million dollars, and the City Council makes a finding that the use of a design-build project delivery system will either save money or result in faster project completion than if the City used a traditional design-bid-build procurement process; and

WHEREAS, City staff has submitted a memorandum to Council for this item ("Council Memorandum") that finds that the award of the proposed design-build contract ("DB Contract") for the Project at the Airport will result in lower costs and faster completion time than if the City used the traditional design-bid-build method of project delivery; and

WHEREAS, the RFP's submittal deadline was July 26, 2019 and the results of City's evaluation of the written submittals and oral interviews, and a comparative analysis of the price proposals versus the City's independent estimates and rankings of the design-build entities ("DB Entities") are also summarized in the Council Memorandum; and

WHEREAS, consistent with the final rankings of the DB Entities set forth in the Council Memorandum, City desires to approve the final rankings of the DB Entities that responded to the RFP for the Project; and

WHEREAS, City desires to authorize the Director of Public Works to (i) negotiate a DB Contract for the Project in an amount not to exceed \$30,100,000, subject to certain conditions; (ii) execute the DB Contract for the Project with the successfully negotiated DB Entity; and (iii) negotiate and execute Task Orders up to the DB Contract not-to-exceed amount as necessary to meet Project completion; and

WHEREAS, City desires to approve a design-build contingency in the amount of ten percent (10%) of the negotiated DB Contract for City-approved changes to the design scope and construction services;

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

1. Findings and Determination.

A. Findings.

- i. The City Council hereby finds that the Council Memorandum demonstrates the following facts to be true:
 - a. The design-build delivery method provides a 6.1% lower cost compared to the traditional design-bid-build method.
 - b. The design-build construction speed is 12% faster than the design-bid-build methodology with an overall delivery speed of 33.5% faster than design-bid-build.

- c. There is 5.2% less of a chance of cost growth potential for design-build over the entire construction period when compared to the design-bid-build method.
 - d. Based on the above facts, the City Council finds that the design-build project delivery system will result in cost savings and faster completion of the Project than if the City used a traditional design-bid-build project delivery system.
- ii. Based on the above findings, the City Council hereby determines that the requirements of Section 14.07.660 of the San José Municipal Code are satisfied.

B. Determination

The design-build project delivery system will save money and result in faster project completion than if the City used a traditional design-bid-build procurement process.

2. As set forth in the Council Memorandum, the final ranking of the DB Entities that responded to the RFP for the Project is hereby approved.
3. Consistent with the final rankings of the DB Entities set forth in the Council Memorandum, the Director of Public Works is hereby authorized to negotiate a DB Contract for the Project in an amount not to exceed \$30,100,000 as follows:
- A. Begin negotiating with the highest ranked DB Entity, Hensel Phelps Construction Company; and
 - B. Begin negotiating with the next highest DB Entity, if after having negotiated with Hensel Phelps Construction Company, the Director determines that the City's interests are best served by beginning negotiations with the next highest ranked DB Entity; and

- C. Begin negotiating with each of the other DB Entities in order of their ranking as the Director determines is appropriate.
4. The Director of Public Works is hereby authorized to execute the DB Contract for the Project with the highest ranked DB Entity.
5. The Director of Public Works is hereby authorized to negotiate and execute Task Orders up to the DB Contract not-to-exceed amount as necessary to meet Project completion.
6. A design-build contingency in the amount of ten percent (10%) of the negotiated DB Contract for City-approved changes to the design scope and construction services is hereby approved.

ADOPTED this _____ day of _____, 2019, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

SAM LICCARDO
Mayor

ATTEST:

TONI J. TABER, CMC
City Clerk