



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: John Aitken
Matt Cano

SUBJECT: SEE BELOW

DATE: June 8, 2020

Approved

Date

6/10/2020

**SUBJECT: INCREASE AUTHORITY OF THE DIRECTOR OF PUBLIC WORKS
FOR THE MINETA SAN JOSE INTERNATIONAL AIRPORT
ECONOMY LOT PARKING GARAGE PROJECT**

RECOMMENDATION

Adopt a resolution

- (a) Authorizing the Director of Public Works to negotiate and execute a First Amendment to the Design-Build Contract with Hensel Phelps Construction Company to increase the Contract Price by \$4,704,390 for a total amount not to exceed \$34,654,390 for the Airport Economy Lot Parking Garage Project; and
- (b) Authorizing the Director of Public Works to approve contract changes, additions, and contingencies up to the full budget appropriation of \$42,628,000 for the Airport Economy Lot Parking Garage Project as budgeted at the October 22, 2019 City Council meeting under Resolution No. 79274.

OUTCOME

Approval of the recommendation will allow the Airport to utilize the total appropriation of \$42,628,000 in the Airport Economy Lot Parking Garage Project in order to incorporate enhancements to customer service, reliability, and additional security into the project. These enhancements include:

1. Increasing the number of elevators from two (2) to four (4) to better serve the public;
2. Improving elevator reliability by using conventional traction elevators versus modular elevators as originally proposed;
3. Installation of infrastructure for a planned parking guidance system;
4. Installation of an emergency backup generator;
5. Installation of a canopy over stairwells; and
6. Additional security cameras.
7. Pay on Foot Pay Stations
8. Additional controlled vehicular entry lanes to meet the increase in parking lot capacity

BACKGROUND

On October 22, 2019, the City Council approved Agenda Item 6.1¹ authorizing the Director of Public Works to negotiate and award a design-build agreement with Hensel Phelps Construction Company (HPCC) to build the Norman Y. Mineta San Jose International Airport Economy Lot parking Garage (Project) in an amount not to exceed \$30,100,000. The City Council also approved a ten percent contingency for the Project and authorized the Director of Public Works to negotiate and execute Task Orders up to the Contract not to exceed amount as necessary to meet project completion.

On December 3, 2019 the City issued a Notice to Proceed to HPCC to begin the design and construction of the Project. The City and HPCC have conducted several programming workshops to refine the Basis of Design, review and refine the cost estimate and schedule.

ANALYSIS

The total Appropriation for the parking garage project is \$42,628,000 (as adopted in the capital budget page V-683), \$38,073,610 of the total appropriated amount was previously authorized for use by City Council, leaving \$4,554,390 budgeted for the project, but without authorization to encumber these funds. Outlined below is the original project cost breakdown that details the unassigned \$4,554,390:

Account Title	Budget
Labor-CMS	\$539,965
Labor-MTL	\$839,336
Labor-SURVEY	\$16,555
Labor-CFAS	\$1,806,715
Labor-SECI	\$887,554
Consultant Services	\$154,719
Special Inspection	\$628,994
Fire	\$44,886
Non-Personal	\$44,886
Construction	\$30,100,000
Contingency	\$3,010,000
FF&E:	\$0
Unassigned	\$4,554,390
Total	\$42,628,000

¹ <http://sanjose.legistar.com/gateway.aspx?M=F&ID=22b37baf-c7e1-454b-a40b-68ff72724af2.pdf>

An additional \$150,000 cost savings was achieved after negotiations on the RFP contract price from \$30,100,100 to \$29,950,000. This amounts to \$4,704,390 in unassigned funds that the Airport is requesting to add to the construction contract.

During the programming phase of the Project, City staff identified various items that should be included in the Project to improve customer service, reliability and added security for passengers and the traveling public. The main components of these improvements are described below.

The original design proposal included two elevators in the parking structure to vertically move passengers and their luggage between the floors of the building. Each elevator shaft was proposed to be of modular construction with one elevator located at the north side of the structure and one elevator at the south side. Staff determined that an additional elevator should be located at each location to accommodate an anticipated increase in passenger volumes, and to provide redundancy if one elevator was out of service for maintenance or repair. Long-term passengers are likely to have large and numerous luggage bags, which are difficult to carry up and down stairs. Having a second elevator at each location would alleviate both congestion and any potential elevator outages.

Staff also determined that a conventional traction system elevator had distinct advantage over the proposed modular system, including:

1. Reliability – Conventional elevators have been proven to have better speed and less maintenance related issues. This is crucial for customer service experience.
2. Service and Warranty – Any service vendor would be willing to service the conventional elevators whereas modular elevators have potential proprietary systems that would result in service issues, increases in down times and response times, and potentially higher costs over the service life of the equipment.
3. Height constraints – Modular elevators are not the ideal fit for multi-story structures due to height limitations.
4. Structural limitations - Modular elevators are not designed for shear loads, so the elevator shaft cannot be part of the lateral resisting system that are required by building codes. The modular assembly is designed to handle only limited gravity loads.

The Parking Garage structure is located next to the entrance gates to the existing economy lot immediately after the bridge crossing over the Guadalupe River. To avoid traffic backups on the bridge (leading to congestion on Airport roads), staff determined it was critical for vehicular customers to be able to quickly identify the availability of parking spaces inside the parking structure before entering the structure. To this end, staff recommends including a parking guidance system which will communicate the availability of parking spaces on each floor within the structure. Such a system would help prevent vehicles from driving around the parking structure in search of a parking space when no spaces are available. This in turn would more efficiently direct vehicles to other locations in the economy parking lot, would lower vehicular gas emissions from cars circulating inside the parking structure unnecessarily, and would improve the overall customer experience.

The various cost elements are shown below.

Element	Cost
Additional Elevators	\$1,160,000
Traction Type Elevators	\$1,316,000
Parking Guidance System	\$1,080,000
Backup generator	\$190,000
Security Cameras, Entry Lanes, Pay Stations, and other Customer Service Improvements	\$958,390
Total	\$4,704,390

Staff is seeking authorization from the City Council to increase the contracting authority of the Director of Public Works for this amount to allow the Airport to make the necessary customer service and reliability enhancements to the Project.

CONCLUSION

City Council approval of the recommendation would allow the Airport to build an efficient and reliable parking structure that considers the needs of passengers and the environment.

EVALUATION AND FOLLOW-UP

Staff does not anticipate any formal follow-up action needed for this item. Staff will communicate with the Council when the parking structure has been completed and opened to the public.

CLIMATE SMART SAN JOSE

The recommendation in this memo aligns with one or more Climate Smart San José energy, water, or mobility goals. This additional authorization will improve the efficient movement of passengers searching for available parking spaces in the economy parking lot, decreasing the need to unnecessarily circulate around the parking lot looking for available spaces.

PUBLIC OUTREACH

This project award memorandum was posted on the City's website for the June 23, 2020 City Council agenda. The RFP was posted on the Airport's website and on the website Biddingo.com/sanjose.

HONORABLE MAYOR AND CITY COUNCIL

June 8, 2020

Subject: Increase Authority of the Director of Public Works for the Mineta San Jose International Airport Economy Lot Parking Garage Project

Page 2

Disadvantaged Business Enterprise Participation

Although this Project does not include federal funds that would make it subject to the City's DBE Program for federally funded Airport capital projects, City staff did extensive outreach to encourage DBE participation. Outreach efforts included:

- Identification of 914-certified DBEs;
- Email blast sent to 914-certified DBEs including project scope and subcontracting opportunities (NAICS Codes and CalTrans Work Codes);
- Posted contracting opportunity on Biddingo, SJC website, FAA Opportunities, Airport Minority Advisory Council (AMAC), NATA, ACI-NA and the Minority Business Development Agency;
- Email blast and phone calls to 85 entities on our interested party list which includes local and small businesses.

COORDINATION

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

COMMISSION RECOMMENDATION/INPUT

No commission recommendation or input is associated with this action.

FISCAL/POLICY ALIGNMENT

This increased authorization is consistent with the San José Municipal Code's requirement that capital projects at the Airport be aligned with the City Council approved Airport Master Plan Amendment. As included in the previously approved Council action, the development of a new Economy Lot Parking Garage structure is a component of the public long-term parking garage expressly identified in the Airport Master Plan as "Project T-8" and is therefore consistent with the Airport Master Plan, pursuant to Municipal Code Section 25.04.210 (B)(1).

COST SUMMARY/IMPLICATIONS**1. AMOUNT OF RECOMMENDATION/COST OF PROJECT:**

Original Project Delivery	\$4,963,610
Original Construction	\$29,950,000
Original Contract Contingency	\$3,010,000
Original FF&E	\$0
Original Contingency (Owner-controlled)	\$4,554,390
Previously Negotiated Savings	\$150,000
ORIGINAL TOTAL PROJECT COST	\$42,628,000

Revised Project Delivery	\$4,963,610
Revised Construction	\$34,654,390
Revised Contract Contingency	\$3,010,000
Revised FF&E	\$0
Revised Contingency (Owner-controlled)	\$0
REVISED TOTAL PROJECT COST	\$42,628,000

2. SOURCE OF FUNDING: 527 – Economy Lot 1 Parking Garage.**3. FISCAL IMPACT:** The project has been reviewed and was determined that it will have no significant adverse impact on the Airport operating budget.**BUDGET REFERENCE**

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

Fund #	Appn #	Appn. Name	Total Appn	Amt. for Contract	2019-2020 Adopted Capital Budget Page	Last Budget Action (Date, Ord. No.)
527	413P	Economy Lot 1 Parking Garage	\$42,628,000	\$4,704,390	V-683	06/18/2019 Ord. No. 30286

HONORABLE MAYOR AND CITY COUNCIL

June 8, 2020

Subject: Increase Authority of the Director of Public Works for the Mineta San Jose International Airport Economy Lot Parking Garage Project

Page 2

CEQA

Determination of Consistency with the Final Environmental Impact Report for the San José International Airport (Resolution Nos. 67380 and 71451) and Addenda thereto, File No. PP19-012.

/s/
MATT CANO
Director of Public Works

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

For questions, please contact Matthew Kazmierczak, Manager of Strategy and Policy for the Airport, at (408) 392-3640.