



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Matt Loesch
Mukesh (Mookie) Patel

SUBJECT: Actions Related to the
10180 – SJC New Taxiway
Victor Phase 3A

DATE: January 12, 2026

Approved

Mukesh Patel

Date:

1/23/26

COUNCIL DISTRICT: Citywide

RECOMMENDATION

Adopt a resolution authorizing the Director of Public Works, or his designee, to:

- (a) Award and execute a construction contract for 10180 – SJC New Taxiway Victor Phase 3A to the lowest responsive, responsible bidder, in an amount not to exceed \$15,215,000;
- (b) Decide any timely bid protest(s) and make the City's final determination as to the lowest responsive bidder that is responsible as needed to award the contract; and
- (c) Approve a contingency of up to 10% of the amount of the contract for the construction of the project.

SUMMARY AND OUTCOME

The 10180 – SJC New Taxiway Victor Phase 3A (Project) is one of the several projects that the San José Mineta International Airport (Airport) staff submitted to the Federal Aviation Administration (FAA) for potential award of an Airport Improvement Program (AIP) grant (Attachment – Location Map – SJC New Taxiway V Phase 3A). Award of the Project is contingent upon execution of the grant from the FAA.

The recommendation provides the most efficient method of awarding and executing the construction contract and positions the City to take advantage of potential FAA grant opportunities with tight acceptance timelines. Execution of the potential AIP grant and authorization for the Director of Public Works to award the construction contract to the lowest responsive, responsible bidder will maintain bid validity, reduce the overall

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project schedule by approximately six to eight weeks, and facilitate a timely start of construction. Approval of a 10% contingency will provide funding for any unanticipated work necessary for the proper completion or construction of the Project.

BACKGROUND

Airport staff periodically assembles a priority list of capital improvement projects that meet eligibility requirements for the FAA AIP grant funding program. This priority list is submitted to the FAA for review and prioritization is based on the 16 general requirements for project funding, as outlined in the FAA AIP Handbook. To be eligible for funding, proposed projects must meet the following three basic criteria:

1. Demonstrate the advancement of one of the following AIP policies: airport safety, airport security, airport capacity, meeting a FAA Airport standard, preserving airport infrastructure through reconstruction or rehabilitation, protecting and enhancing the environment, minimizing aircraft noise impacts, and/or airport planning;
2. Be an actual need based off the criteria outlined above; and
3. Have an appropriate scope that aligns with the AIP policies.

The Project fits the criteria for the FAA's AIP grant funding above as it will enhance the safety and necessary preservation of airport infrastructure through reconstruction.

The Project is part of a multi-year Taxiway V program (Program) that replaces former Runway 11/29, which was identified for official closure as part of the recommendations from the Airport's Runway Incursion Mitigation study completed in 2021. The Program will provide a full-length parallel Group-III/Taxiway Design Group-3 taxiway adjacent to the existing Taxiway W. The Program is divided into three phases, Phases 1, 2 and 3. The construction of Phases 1 and 2 were completed in 2024 and 2025, respectively. Phase 3 is further broken into sub-phases as 3A and 3B. The Program will have six taxiway connectors, connecting to a future apron-edge taxi lane and ended apron. The new Taxiway V will implement airfield safety recommendations from the Runway Incursion Mitigation by allowing unrestricted Group-III/Taxiway Design Group-3 aircraft operations, addressing a previous modification of standards for the west side of the airfield for insufficient taxiway object free area. Additionally, the Program will eliminate the Airport's two published hotspots for runway incursions associated with the former Runway 11/29 and address airfield geometry concerns on the west side associated with direct aircraft access from apron to runway.

The Project includes approximately 1,050 linear feet of new cement concrete pavement with taxiway connector V2 pavement, demolition of existing pavement, drainage improvements, and associated signage and lighting. Pending receipt of the FAA grant, staff anticipates awarding the Project to the lowest responsive, responsible bidder in

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September 2026. Construction is estimated to begin in December 2026 with projected completion by December 2027.

ANALYSIS

The Project is currently in design and will be advertised on February 26, 2026, with bids opening on April 9, 2026. The FAA advised airports to have construction bids in hand by May 2026, with bid validity extending through September 2026. Award of the construction contract is contingent upon execution of the FAA's AIP grant.

Authorizing the Director of Public Works, or his designee, to award and execute the construction contract will preserve bid validity, reduce the overall project schedule by approximately six to eight weeks, and facilitate an earlier and timely start of construction. This delegation would also include the authority for the Director of Public Works, or his designee, to hear and decide any bid protests, determine the lowest responsive, responsible bidder, or reject all bids and re-bid the Project if necessary.

The Airport anticipates FAA AIP grant notification by late August 2026, after which the contract may be awarded. The contract award is targeted to occur by September 2026.

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 building or buildings. The standard 10% contingency is appropriate for this Project.

Wage Theft Prevention Policy Check

The Office of Equality Assurance will review bidders for compliance with the City's Wage Theft Prevention Policy prior to award of the Project.

Project Labor Agreement Applicability

The City's Project Labor Agreement is applicable to this Project.

Issues related to Federal Funding

Certain conditions in the FAA grant relating to cooperation with immigration enforcement, and not promoting diversity, equity and inclusion, gender ideology, or abortion, have been challenged in several lawsuits and are enjoined while preliminary injunctions are in effect. The FAA has accepted deletions of the grant conditions pursuant to the various preliminary injunctions. In the event that the conditions are no longer restrained, the FAA will require the City to comply with these conditions to continue to receive funding. In order to address this potential loss of federal funding,

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staff has identified strategies to potentially utilize other funding sources for the completion of this Project, including using Airport cash on hand, commercial paper, or other available funding sources. The Project team will continue coordinating with the City Attorney's Office regarding the likelihood and timing of the conditions no longer being restrained.

EVALUATION AND FOLLOW-UP

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

COST SUMMARY/IMPLICATIONS

Contingent upon receiving the FAA AIP grant, funding for the Project is anticipated to be included in the 2026-2027 Proposed Mid-Biennial Capital Budget that will be released in April 2026. The Project will be funded in the Airport Capital Improvement Fund (Fund 520), and the Airport Renewal and Replacement Fund (Fund 527).

Federal grant funding will be used to offset a portion of the costs of the Project. The grant application amount submitted to the FAA under the AIP program is typically split as an 80.59% Federal Share and a 19.41% Sponsor Share/local share. Remaining project costs will be offset by the local share budgeted in the Airport Renewal and Replacement Fund, thus ensuring full project funding and avoiding any delay in project completion.

No significant adverse impact on the Airport operating budget is expected from the Project.

1. TOTAL ESTIMATED COST OF PROJECT:

Project Delivery*	\$4,245,000
Construction	15,215,000
Contingency	1,521,500
TOTAL PROJECT COSTS	\$20,981,500
Prior Years' Expenditures/Encumbrances	200,891
TOTAL REMAINING PROJECT COSTS	\$20,780,609

*Project delivery includes \$1,054,522 for design services and, \$3,190,478 for construction management and inspection services.

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2. ESTIMATED CONSTRUCTION COST AS RECOMMENDED AS PART OF THE MEMORANDUM:

Mobilization	\$1,300,000
Safety and Security	1,100,000
Excavation and Demolition	2,285,000
Concrete/Pavement Items	6,990,000
Electrical	1,830,000
Drainage and Miscellaneous Items	1,710,000
TOTAL ESTIMATED CONSTRUCTION COSTS	\$15,215,000

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 Council Agenda website for the February 3, 2026 City Council meeting.

The Project is funded in part by the FAA under the AIP program which follows the AIP criteria, federal Disadvantaged Business Enterprise (DBE) Program regulations found in 49 Code of Federal Regulations Part 26 apply. The City's current DBE participation goal for its AIP grant funded Airport capital projects in federal fiscal years 2023-2025 is 5% annually. The Airport's DBE Program for AIP grant funded Airport capital projects is a race neutral program that does not include project specific DBE participation goals.

Staff will conduct outreach to encourage DBE participation once the Project is advertised. Outreach efforts will include:

- Identification of potential/possible subcontracting opportunities;
- Identification of certified DBEs within that one subcontracting work area;
- Email blast to the certified DBEs;
- Email blast to ethnic chambers, San José Chamber, and other interested Organizations, including Minority Business Consortium - provide project information, subcontracting opportunities (North American Industry Classification System Codes and Caltrans Work Codes), bid date and time, and DBE certification requirements;

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- Post contracting opportunity on Biddingo, FAA Opportunities, Airport Minority Advisory Council, National Air Transportation Association, Airports Council International – North America, Minority Business Development Agency; and
- Share contact opportunity on Airport's requests for information/ proposal / qualification and bid notices.

COMMISSION RECOMMENDATION AND INPUT

No commission recommendation or input is associated with this action.

CEQA

Determination of Consistency with the San José Mineta International Airport Master Plan Amendment Environmental Impact Report, File No. ER22-021. (Resolution No. 79497).

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/

MUKESH (MOOKIE) PATEL
Director of Aviation

For questions, please contact Sal Kumar, Deputy Director, Department of Public Works, at sal.kumar@sanjoseca.gov.

ATTACHMENT - Location Map – 10180 – SJC New Taxiway V Phase 3A

Attachment
Location Map -10180 SJC New Taxiway Victor Phase 3A

