



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
Public Works



Date: June 10, 2013
Board Meeting Date: July 9, 2013
Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors
From: James C. Porter, Director of Public Works
Subject: Fuel Facility and Pump Station Improvements at the San Carlos Airport

RECOMMENDATION:

Adopt a Resolution authorizing:

- A) An Agreement with Disney Construction, Inc. for the Fuel Facility and Pump Station Improvements at the San Carlos Airport - AIP Project No. 3-06-0210-16 in the amount of \$1,876,434; and
- B) The Director of Public Works to:
 - 1. Execute contract change orders up to a maximum aggregate amount of \$187,643, or approximately 10% of the contract amount; and
 - 2. File an application for a state AIP Matching grant, accept the allocation of state AIP Matching funds, and execute an AIP Matching Grant Agreement for this project

BACKGROUND:

On June 17, 2008, your Board adopted Resolution No. 069506 approving the design of safety and infrastructure improvements for the San Carlos Airport Fuel Facility and Pump Station Improvements Project (Project).

On March 29, 2011, your Board adopted Resolution No. 071336 authorizing the Director of Public Works to execute and accept grant agreements with the Federal Aviation Administration and the California Department of Transportation.

On June 19, 2012, your Board adopted Resolution No. 072025 adopting plans and specifications, authorizing the publication of a Notice to Contractors, and calling for sealed proposals on August 1, 2012.

On October 2, 2012, your Board adopted Resolution No. 072205 rejecting all bids received for the Project as all bids greatly exceeded the engineer's estimated construction cost.

On April 23, 2013, your Board adopted Resolution No. 072475 adopting plans and specifications, authorizing the publication of a Notice to Contractors, and calling for sealed proposals on June 5, 2013.

DISCUSSION:

The existing fuel storage facility is currently located within the Runway Object Free Area (ROFA) which is a deviation from the Federal Aviation Administration (FAA) standards for airport design, requiring the area to be kept free of fixed objects. This safety project to relocate the fuel facility outside of the ROFA is a high priority for the FAA.

The existing east side storm water pump station is past its useful life and undersized for the area it is serving. The project will improve the existing east pump station with a reliable and higher capacity pump station to provide improved storm drain protection and reliability. The existing generator associated with the pump station will be replaced and relocated to the terminal building parking lot.

The project is unusual in that there are more potential unforeseen site conditions than normal. The Airport is constructed over bay mud which consists of thick deposits of soft, unconsolidated silty clay, which is saturated with water. The Airport has historically experienced unrecorded underground site utilities and unforeseen non-typical deposits of bay mud on other projects.

On June 5, 2013, bids were accepted for the project and subsequently referred to this office for checking and recommendation. A minor and immaterial error was found in the low bidder's bid where the combined Mobilization bid line item was 0.59% or \$11,121 over the allowable. It is in the best interest of the County to waive the irregularity contained in the bid submitted by Disney Construction, Inc. and deem the bid of Disney Construction, Inc. the lowest responsive and responsible bid received.

A summary of the bids received is attached as Exhibit "A".

Staff has reviewed the bid documents and has determined that the Equal Employment programs submitted by the low bidder is in accordance with the current Equal Employment guidelines and that the Contractors comply with the equal benefits and jury duty pay provisions of the County ordinance code.

County Counsel has reviewed and approved the Resolution as to form.

Approval of this Project contributes to the Shared Vision 2025 outcome of a Healthy Community as the work will enhance the condition and usability of facilities for the benefit of San Carlos Airport users.

FISCAL IMPACT:

The construction contract amount is \$1,876,434. An additional \$187,643 for contract change orders would bring the maximum combined total fiscal impact of this project to \$2,064,077. The change order amounts to approximately 10% of the contract total.

In the past, the FAA has provided matching grants of 90% of the change order amount. However, it is uncertain at this time if the FAA will be able to provide a matching grant for a change order during this fiscal year. The Airport Enterprise fund will provide the additional estimated \$187,643, or approximately 10% of the contract amount, proposed to be provided by the FAA if the matching change order grant is not realized.

The project contract amount will be initially financed from the Airport Enterprise Fund as the federal and state grants are received on a reimbursable basis. The Airport Enterprise Fund has sufficient funds available to manage the cash flow requirements of this project while grant payments are being requested. A description of the financing for the project and the estimated final cost distribution once the grants funds are received is shown in Exhibit "A".

There is no impact to the General Fund.

Attachment: Exhibit "A"

Exhibit "A"

Fuel Facility and Pump Station Improvements at the San Carlos Airport
FAA AIP Project No. 3-06-0210-16

Schedule "A"

Summary of the bids received:

1. Disney Construction, Inc.	\$1,876,434
2. McGuire Hester	\$2,166,120
3. West Bay Builders	\$2,248,000
4. Ranger Pipelines	\$2,441,671.50
Engineers Estimate:	\$1,982,555

The bid of:

**Disney Construction, Inc.
875 Mahler Road
Burlingame, CA**

at **\$1,876,434** was the lowest responsive responsible base bid.

The bid from Disney Construction, Inc. is \$289,686 lower than the next lowest bid received, and \$106,121 lower than the engineer's estimate.

Exhibit "A" (cont.)

Description of Financing and Estimated Final Cost Distribution for FAA AIP Project No. 3-06-0210-16 at the San Carlos Airport

The proposed project design was funded with a Federal Aviation Administration (FAA) Airport Improvement Program (AIP) grant. The FAA requires that we first obtain bids for the construction of the improvements before they issue an Airport Improvement Grant based on bid cost.

The construction contract amount is \$1,876,434. An additional \$187,643 for contract change orders would bring the maximum combined total fiscal impact of this project to \$2,064,077.

The final distribution for the estimated total project cost will be as shown once the grants funds for the project are received:

FAA AIP Grant No. 3-06-0210-16	\$1,688,790.60	(90%)
State DOT Matching Grant (if available)	\$84,439.53	(4.75%)
Airport Enterprise Fund	\$103,203.87	(5.25%)
Total Project:	\$1,876,434.00	(100%)

In the past, the DOT Division of Aeronautics has been able to provide State matching grants equal to 2.5% of the FAA grants and this year, the match has been increased to 5%. However, it is uncertain at this time if the State DOT will be able to provide matching grants for projects during this fiscal year. The Airport Enterprise Fund will provide the additional estimated \$84,439.53 proposed to be provided by the State DOT if the State matching grant is not realized.