



County of San Mateo

Inter-Departmental Correspondence

Department: PUBLIC WORKS

File #: 16-548

Board Meeting Date: 9/12/2017

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors
From: James C Porter, Director of Public Works
Subject: Agreement with Miles Construction Group, Inc. for the Design and Construction of San Carlos Airport New Aircraft Storage Hangars

RECOMMENDATION:

Adopt a resolution authorizing:

- A) An agreement with Miles Construction Group, Inc. for the design and construction of San Carlos Airport New Aircraft Storage Hangars, in an amount not to exceed \$2,008,591, and term from September 12, 2017 to December 31, 2018; and
- B) The Director of Public Works, or his designee, to execute change orders to grant time extensions and payment up to the maximum aggregate amount not to exceed \$200,859 or approximately 10% of the agreement amount.

BACKGROUND:

San Carlos Airport, a division of the Department of Public Works (DPW) has continuous airport operations that serve a wide variety of air traffic services. Currently, there is a three year wait list for the rental of small aircraft storage hangars. These hangars generate revenue that help fund Airport operations. Some of the existing T-hangers have reached their useful life. The new T-hangers will comply with the current building codes and will include an accessible restroom and fire suppression system.

On June 21, 2016, your Board approved Resolution No. 074618 that authorized the Airport to enter into an Agreement with the County to borrow \$2,800,000 in funds for the construction of two new T-hangars at San Carlos Airport.

On June 22, 2017, a loan agreement was executed between the Department of Public Works Airports and the County of San Mateo in the amount of \$2,800,000 for a term of 25 years.

DISCUSSION:

On March 10, 2017 the Department of Public Works issued a Request for Qualifications in accordance with Public Contract Code, followed by a Request for Proposals (RFP) to solicit the best value for the construction of San Carlos Airport New Aircraft Storage T-Hangars using a Design-Build delivery method. The Department received statements of qualifications from three (3) design-build-entities (DBE), which were then approved and issued Request for Proposals. From those three approved proposers only one (1) proposal was received, Miles Construction Group, Inc., in the amount of \$2,008,591. That proposal includes a structural design enhancement to accommodate future solar panel arrays on the new hangars' roof system. The proposal was evaluated based on technical expertise, proposal design, design approach, project pricing, project management, schedule, life cycle costs, safety record and meeting the minimum requirements established in the RFP. The other two (2) DBEs voluntarily withdrew from the RFP process citing budget and schedule concerns. The proposal from Miles Construction Group, Inc. was below the engineering estimate of \$2,083,690.

The Department recommends an agreement with Miles Construction Group, Inc. in the amount of \$2,008,591 based on best value. The project is expected to begin design in September 2017, commence construction in Spring 2018, and be completed in Fall 2018. In addition, the Department is in contact with Peninsula Clean Energy to explore installing solar panel arrays on the existing T-shade hangars, as well as, the new hangars that will be constructed under this contract.

County Counsel has reviewed and approved the resolution and agreement as to form.

Approval of this Agreement contributes to the Shared Vision 2025 outcome of Collaborative Community by approaching construction projects in County facilities with fiscal accountability and concern.

FISCAL IMPACT:

The term of this agreement is from September 12, 2017 through December 31, 2018. The total maximum fiscal obligation under this agreement is \$2,209,450, which includes a 10% contingency for construction contract change orders. The total loan obligation to the General Fund for this project is \$2,800,000.