



County of San Mateo

Inter-Departmental Correspondence

Department: PUBLIC WORKS

File #: 23-259

Board Meeting Date: 4/25/2023

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors
From: Ann M. Stillman, Director of Public Works
Subject: Agreement with DeSilva Gates Construction LLC for the San Carlos Airport Runway and Connector Taxiways Pavement Rehabilitation Project (County Project No. ASL03, Project File No. E5077000]

RECOMMENDATION:

Adopt a resolution authorizing:

- A) The President of the Board to execute an agreement with DeSilva Gates Construction LLC, for the San Carlos Airport Runway and Connector Taxiways Pavement Rehabilitation Project, in the amount of \$13,715,000; and
- B) The Director of Public Works to:
 - 1. Execute subsequent change orders to grant time extensions for project completion and payment up to a maximum aggregate amount not to exceed \$1,371,500, or approximately 10 percent of the agreement amount; and
 - 2. Approve payment up to the not-to-exceed amount of \$15,086,500 for items requiring adjustment based on unit bid prices without execution of a change order; and
 - 3. File a Notice of Exemption for a California Environmental Quality Act Categorical Exemption.

BACKGROUND:

On March 29, 2011, this Board adopted Resolution No. 071336 which authorized the Director of Public Works to execute and accept grant agreements with the Federal Aviation Administration (FAA) and the California Department of Transportation (Caltrans).

The San Carlos Airport runway and connector taxiways pavement needs to be rehabilitated due to typical wear and tear and edge cracking. The FAA requires the San Carlos Airport to maintain its runway and taxiway pavement in a safe and serviceable condition. To accomplish this, the FAA

provides grant funding to the San Carlos Airport for 90 percent of project costs.

On January 31, 2023, this Board adopted Resolution No. 079436, which adopted plans and specifications, including conformance with prevailing wage scale requirements and calling for sealed bids for the San Carlos Airport Runway and Connector Taxiways Pavement Rehabilitation Project (Project).

DISCUSSION:

On Thursday, March 2, 2023, bids were accepted for the Project and subsequently referred to Public Works for checking and recommendation. Two bids were received, and both were higher than the Engineer's Estimate. The construction industry is experiencing unprecedented cost escalations due to a multitude of factors. Recent bids industry-wide have generally been higher than anticipated. Based on our review of the bid submitted, we find the proposed cost for the items of work to be reasonable and recommend award in the amount of \$13,715,000 to DeSilva Gates Construction, LLC in accordance with the conditions of award contained in the Contract Documents. The bid of:

DeSilva Gates Construction LLC
11555 Dublin Blvd
Dublin, CA 94568

at \$13,715,000 was the lowest responsible bid received for the work. The Engineer's Estimate was \$9,371,000. A summary of the bids received is attached as Exhibit "A".

The FAA issued a Categorical Exclusion to the National Environmental Protection Act (NEPA) for the Project. Department staff has determined that this Project qualifies for a Categorical Exemption pursuant to Section 15301(d) of the California Environmental Quality Act (CEQA) Guidelines for Implementation, which provides that rehabilitation of deteriorated or damaged structures or facilities to meet current standards of public health and safety is exempt from review. We request this Board's authorization to file a Notice of Exemption for a CEQA Categorical Exemption for this Project.

County Attorney has reviewed and approved the resolution as to form.

FISCAL IMPACT:

The total estimated cost for construction is \$15,086,500, which includes authorization for up to \$1,371,500 in change orders as the work is bid on a unit price basis. The contingency is used to pay the contractor for any unforeseen conditions not anticipated in the construction agreement documents.

The Project is proposed to be financed as follows:

FAA Airport Improvement Plan Grant	\$ 13,715,000
Caltrans 4.5% Matching Grant (4.5% of FAA Grant)	\$ 617,175
Airport Enterprise Fund (5.5% local match)	\$ 754,325
Total	<u>\$ 15,086,500</u>

The Project will initially be financed from the Airport Enterprise Fund as the Federal and State grants are received on a reimbursable basis. The Airport Enterprise Fund has the capability to handle the cash flow requirements of this Project while biweekly grant payments are requested of the FAA and

Caltrans.

There is no impact to the General Fund.

Attachment: Exhibit "A" - Summary of Bids Received