



DATE: September 13, 2016

TO: Mayor and City Council

FROM: Director of Public Works

SUBJECT

Hayward Executive Airport Electrical Improvements Project – Award of Contract

RECOMMENDATION

That Council approves the attached resolution (Attachment II) authorizing an award of contract to St Francis Electric, Inc. for the Hayward Executive Airport Electrical Improvement Project.

BACKGROUND

Hayward Executive Airport was originally constructed in 1941 by the U.S. Army Air Forces for military use during WWII. The airport property was transferred to the City in 1947 and renamed Hayward Municipal Airport. From 1946 until 1980, the 19.8-acre California Air National Guard (CANG) site was retained and used by various military aviation units. In 1980, the last remaining CANG unit was relocated to Moffett Field. In 2012, the Air National Guard conveyed a contingent release of the property to the City.

As the result of pollution from leaking underground fuel storage tanks and certain aircraft maintenance practices, various phases of environmental investigation and restoration of the site have been underway since 1991. In November 2008, a Record of Decision (ROD) was issued regarding efforts by the Air Force and the National Guard Bureau to mitigate the remaining environmental concerns. As described in the ROD, the National Guard Bureau has sought to meet or exceed conditions that allow for unrestricted use. According to a report issued in December 2014 by the National Guard Bureau, almost all soils with Total Petroleum Hydrocarbons impacts have been excavated to concentrations below residential remedial goals. On December 4, 2014, a “No Further Action Letter” was issued by the California Department of Toxic Substances Control (DTSC).

In order to complete the pollution mitigation project, one remaining area of contamination must be removed from underneath an existing electrical switchgear and transformer that provides electrical power to the entire 19.8-acre site. The switchgear was installed in the 1950s and is now obsolete. The switchgear must be physically removed and the cement pad it rests on must be demolished in order to excavate the contaminated soil. Due to the age of the switchgear and the absence of any replacement parts, once it is disassembled it

cannot be reused and electrical power will not be available to the site. There are currently three tenants on the site that require power, including a non-aviation unit of the California National Guard.

DISCUSSION

The City is responsible for the removal of the switchgear and restoration of electrical power. Due to the impending expiration of the contract between CANG and Environmental Resource Management, Inc. to remediate the site, the City has been given a deadline of October 2016 to remove the switchgear and restore electrical power. Staff has been working with Pacific Gas & Electric to determine a cost-effective way to accomplish these tasks. On July 11, 2016, staff sent a request for proposals to three contractors: St Francis Electric Inc.; Columbia Electric, Inc.; and Power Plus. On August 10, 2016, two bids were received for the project. St Francis Electric, Inc. of San Leandro submitted the lowest bid in the amount of \$300,996.70 which is 24.8% below the engineer's estimate of \$400,000. Columbia Electric, Inc. of San Leandro submitted the second bid in the amount of \$420,000, which is 5% higher than the engineer's estimate. Power Plus declined to submit a bid for the project.

In order to meet the October compliance deadline and avoid possible penalties, including deed restrictions on airport property, staff (after consultations with the City Attorney's office and the Finance Director), directed St Francis Electric to proceed with the work in August once the contractor has provided the required insurance and bonding documents. Staff also recommends that Council formalize and approve the award.

FISCAL IMPACT

Construction	\$301,000
Construction Contingencies	\$75,000
PG&E Service Connections	\$80,000
Administration, Inspection & Testing Services	\$44,000
TOTAL	\$500,000

The Adopted FY 2017 Capital Improvement Program includes \$500,000 for the project in the Airport Fund.

SUSTAINABILITY FEATURES

Solid Waste: Pursuant to Council policy on sustainability, this project requires that all material generated during construction and demolition be sent to designated facilities for recycling.

PUBLIC CONTACT

All tenants impacted by this project have been notified by Airport staff.

SCHEDULE

Open Bids	August 10, 2016
Begin Work	September 2, 2016
Formal Award of Contract	September 13, 2016
Complete Work	October 28, 2016

Prepared by: Yaw Owusu, Assistant City Engineer

Recommended by: Morad Fakhrai, Director of Public Works

Approved by:



Kelly McAdoo, City Manager