



CITY OF HAYWARD

Hayward City Hall
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Cover Memo

File #: CONS 16-420, **Version:** 1

DATE: July 19, 2016

TO: Mayor and City Council

FROM: Director of Public Works

SUBJECT

Runway 10R-28L Rehabilitation Project at Hayward Executive Airport: Award of Contract

RECOMMENDATION

That Council adopts the attached resolution (Attachment I) awarding the contract to DeSilva Gates Construction LP, in the amount of \$1,731,543.50 for the Runway 10R-28L rehabilitation project; and authorizing the expenditure of \$408,456.50 for contingencies, construction inspections, testing and administration.

BACKGROUND

On April 19, 2016, Council approved the plans and specifications for the Runway 10R-28L Rehabilitation Project at the Hayward Executive Airport, and called for bids to be received on May 17, 2016.

DISCUSSION

Runway 10R-28L is primarily used by jet and turboprop aircraft and is the most critical runway for aircraft approaching the airport. As previously discussed at the Council Airport Committee meeting on January 22, 2015, rust resulting from the oxidation of iron minerals in the pavement aggregate is penetrating through the existing runway markings, thus reducing the contrast between the dark pavement and white paint markings. Additionally, the oxidation process, if left unabated, would result in the rock aggregates continuing to separate from the pavement surface, potentially causing damage to aircraft. A specialist from the airport's consultant, AECOM, evaluated the runway and recommended that milling the existing pavement and applying a two-inch asphalt lift with a proper mix should alleviate the rust issue. It was determined there are no sealants or other chemical products on the market that can successfully address this issue as an alternative to removing the oxidized pavement layer and repaving the runway.

On May 17, 2016, four bids were received for the Runway 10R-28L Rehabilitation Project. DeSilva Gates Construction LP, of Dublin, California, submitted the low bid of \$1,731,543.50, which is 33.1% below the engineer's estimate of \$2,590,000. The unit prices on pavement grinding, hot mix asphalt, and runway striping from the low bidder was lower than anticipated. Teichert Construction, of Roseville, California,

submitted the second low bid of \$2,249,585.00, which is 13.1% below the engineer's estimate. The four bids ranged from \$1,731,543.50 to \$2,580,406.45 (see Attachment III).

This project is categorically exempt under Section 15301(c) of the California Environmental Quality Act Guidelines for the operation, repair, maintenance, or minor alteration of existing facilities.

FISCAL IMPACT

A key staff objective is to reduce the overall cost of capital projects through the use of grants from local, state or federal government. On June 16, 2016, staff was informed that the Federal Aviation Administration (FAA) authorized the award of contract to DeSilva Gates Construction LP, in the amount of \$1,731,543.50 to resurface Runway 10R-28L. The FAA must authorize the award before City Council can award the contract. In addition to the grant from the FAA, Caltrans approved the amount of \$440,000 for the project on June 6, 2016.

The City's matching portion of the grant will be funded through available fund balance in the Airport Capital Fund of the Adopted FY17 Capital Improvement Program.

The estimated project costs are as follows:

Project Construction Cost	\$1,731,544
Contingencies	\$178,456
Design and Administration	\$100,000
Construction Inspecting and Testing	\$130,000
Total Estimated Project Cost	\$2,140,000

The estimated funding is as follows:

Federal Aviation Administration Grant	\$1,162,390
Caltrans Grant	\$440,000
City's Matching Portion for Construction	\$129,154
City's Portion for Contingencies, Design, Administration and Inspection & Testing	\$408,456
Total Estimated Funding	\$2,140,000

PUBLIC CONTACT

The public was initially informed of the project and the potential FAA and Caltrans grants in a staff report dated January 22, 2015 to the Council Airport Committee (CAC). A public presentation on the project was made by staff and comments from tenants were also received. The Airport Manager subsequently formed an advisory group of airport tenants to provide feedback during the initial planning phase of the project, and meetings were held on May 7, 2015 and March 1, 2016. Pavement experts participated in those meetings and presented options to address the concerns expressed by airport tenants. The project was also the subject of additional staff reports and public presentations to the CAC on April 23, 2015 and October 22, 2015. The project was highlighted in airport newsletters dated August 2015 and April 2016. The newsletter is distributed to airport tenants and posted online. Construction updates will be included in future newsletter releases, email blasts, and on the airport website. If necessary, fliers with

project updates will be issued to tenants to keep them abreast of the construction work.

NEXT STEPS

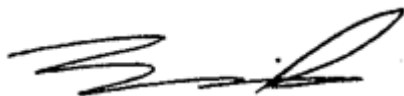
The estimated schedule is as follows:

Award Contract	July 19, 2016
FAA Approval for Notice to Proceed	August 5, 2016
Begin Work	August 29, 2016
Complete Work	November 5, 2016

Prepared by: Yaw Owusu, Assistant City Engineer

Recommended by: Morad Fakhrai, Director of Public Works

Approved by:



Fran David, City Manager

Attachments:

Attachment I	Resolution
Attachment II	Map of Project
Attachment III	Bid Summary