



City Council Agenda Item

City Council Meeting Date: August 1, 2023

TO: Dean Albro, City Manager

FROM: Richard Fernbaugh, Transit/Airport Administrator
r_fernbaugh@ci.lompoc.ca.us

SUBJECT: Adoption of Resolution No. 6598(23) Adopting the Plans and Special Provisions for Project No. FY-23-AP-1, Airfield Electrical Upgrade and Taxiway Rehabilitation Project, Authorizing Agreements for Grant Funds from the Federal Aviation Administration and State Department of Transportation, Awarding the Construction Contract to Granite Construction Company, Awarding the Consultant Services Contract for Construction Management, Inspection, and Construction Materials Testing to Kimley-Horn and Associates, and Approving Supplemental Appropriations

Recommendation:

Staff recommends the City Council adopt Resolution No. 6598(23) (Attachment 1):

- 1) Adopting the Plans and Special Provisions for Project No. FY-23-AP-1, Airfield Electrical Upgrade and Taxiway Rehabilitation Project (Project), as required by Section 22039 of the Public Contract Code (copies of Plans and Special Provisions are on file in the City Engineer's Office);
- 2) Authorizing the City Manager, Public Works Director, Assistant Public Works Director, or the Transit/Airport Administrator to execute and file the necessary documents for the purpose of obtaining financial assistance provided by the Federal Aviation Administration (FAA) for the Project;
- 3) Authorizing the City Manager, Public Works Director, Assistant Public Works Director, or Transit/Airport Administrator to execute and file the necessary documents for the purpose of obtaining financial assistance provided by the California Department of Transportation for matching funds for the Project;
- 4) Awarding the Construction Contract in the amount of \$4,498,791 to Granite Construction Company;

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- a. authorizing the City Manager to execute the necessary agreements for that Contract;
 - b. authorizing the City Engineer, or designee, to approve additional construction costs and construction contract change orders in an amount not to exceed \$450,000;
- 5) Awarding the Consultant Services Contract for Construction Management, Inspection, and Construction Materials Testing for a fee not to exceed \$331,215 to Kimley-Horn and Associates, Inc.;
- a. authorizing the City Manager to execute the necessary agreements for that contract;
 - b. authorizing the City Engineer, or designee, to approve additional consulting costs and contract change orders in an amount not to exceed \$33,200; and
- 6) Approving supplemental appropriations for the Project.

Background/Discussion:

Overview

In 2020, the City secured a grant from the Federal Aviation Administration (FAA) to prepare plans, specifications and estimates (PS&E) for Airfield Electrical Upgrades and Runway and Taxiway rehabilitation at Lompoc Airport. On June 16, 2020, the City Council awarded the design consultant services contract to Kimley-Horn and Associates, Inc. The design work prepared PS&E for construction which consists of rehabilitation of the runway and north taxiway and upgrades to the airfield electrical system.

City project FY-20-AP-1 Airfield Electrical Upgrade and Runway Rehabilitation Project was awarded on July 5, 2022, and work for the base bid only was performed between December 2022 and August 2023. Construction, in the base bid, included pavement rehabilitation of the runway, replacement of all runway lighting and directional lighting with LED lights, and other necessary airfield electrical upgrades. All three design alternates from FY-20-AP-1 were combined and re-packaged into FY-23-AP-1, which includes pavement rehabilitation of the north taxiway and upgrades to the airfield electrical system.

If awarded now, then the Project should begin construction in October 2023 and should be completed in February or March 2024.

Environmental

The Project has the necessary environmental approvals in the form of a National Environmental Policy Act (NEPA) Categorical Exclusion issued May 15, 2019, and is

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included in the City's Annual Maintenance Plan for California Environmental Quality Act (CEQA). The Project has been determined to be Categorical Exempt pursuant to Section 21084 of CEQA, under Sections 15301 Existing Facilities repair, maintenance, etc., and 15302 Replacement or reconstruction of existing facilities, of the CEQA Guidelines, where the new facilities will be in the same location and will have the same purpose and capacity as the facilities replaced.

Construction Advertisement

The Project was noticed, advertised, and bid in accordance with the procedures of the Uniform Public Construction Cost Accounting Act (Public Contract Code sections 22000-22045), which has been incorporated in the Lompoc Municipal Code (LMC Chapter 3.36.025 Procurement of Public Projects) and in the Engineering Division's Public Project Procedures.

The Office of the City Clerk was available to receive bids for the Project until 2:00 p.m., April 12, 2023, at which time one bid was publicly opened and read. The bid received was for \$4,498,719 (see Attachment 2). The consulting engineer's construction cost estimate prepared during design for the bid ranged from \$3,000,000 to \$3,400,000. Engineering Division staff reviewed the bid and found Granite Construction to be a responsible bidder.

During the award phase for project FY-20-AP-1 the FAA decided not to fund construction of Alternates 1 through 3 due to budget constraints. Once additional federal funds became available a few months later the FAA requested FY-23-AP-1 to be put out for bid while FY-20-AP-1 was still under construction. This close timing appears to be one of the reasons why only one bid was received, as other potential bidders might have been under the impression that a contractor currently working at the same project location has a certain advantage in bidding this project due to potential savings in mobilization costs in addition to being familiar with the site and the work.

Although the bid received is about 40% higher than the Engineer's estimate, it is in the best interest of the City to award the contract utilizing the available substantial federal funds to construct the necessary upgrades at the airport.

Fiscal Impact:

The Project construction budget is as follows:

	<u>Amount</u>
Construction Contract	\$4,498,791
Construction Contract Contingency	450,000
Construction Management Consulting	331,215

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Consulting Contract Contingency	33,200
City Staff administration and other costs	<u>50,000</u>
Total Construction Budget	<u>\$5,363,206</u>

Resources to fund expenditures for the Project are from three sources as follows:

	<u>Amount</u>
FAA Grant Award	\$4,392,005
State Department of Transportation	150,000
Local match and contingencies from City Airport Funds	<u>821,201</u>
Total Construction Budget	<u>\$5,363,206</u>

The FAA grant will provide 90% of the construction costs while the State Department of Transportation, Division of Aeronautics will provide up to \$150,000, and the local match of Airport unrestricted net position will provide the remaining match requirement. Additionally, if additional work in excess of the base contract values becomes necessary during construction, then Staff will coordinate with the FAA to obtain 90% FAA funding of those additional expenses.

Budget Adjustments			
	Account No.	Account Name	Amount
From:	750RMA-452360	Fed Grant – Project	\$4,392,005
	750RMA-453390	State Grant – Project	150,000
	750-321100	Airport Fund – Designated Cont.	821,201
To:	750AIR-801015	Runway/Electrical Rehabilitation Project	5,363,206

With the above budget adjustments, estimated revenues of grant funds and appropriations will be available by the adoption of Resolution No. 6598(23) that will modify the Biennial Budget Fiscal Years 2023-25 to include the appropriations in Account No. **750-801015** to fund expenditures related to the Project. If the Airport Fund balance is not sufficient to cover the local match and contingencies from City Airport Funds, the Management Services Director will establish a new internal loan from the Water fund to the Airport fund with the prevailing interest rate as reported by LAIF investments effective August 1, 2023. Any additional grants or matches received by the City for this project will be used toward the principal of any internal loan made for the project.

Conclusion:

Adopting Resolution No. 6598(23) will allow the City to receive over \$4 Million in grant funding, and will award the contracts to construct necessary upgrades at the Lompoc Airport.

Respectfully submitted,

Richard Fernbaugh, Transit/Airport Administrator

APPROVED FOR SUBMITTAL TO THE CITY MANAGER:

Michael Luther, P.E., Public Works Director

APPROVED FOR SUBMITTAL TO THE CITY COUNCIL:

Dean Albro, City Manager

Attachments: 1) Resolution No. 6598(23)
2) Bidders List