



# City of San Antonio

## Legislation Details (With Text)

**File #:** 16-5473

**Type:** Capital Improvements

**In control:** City Council A Session

**On agenda:** 12/1/2016

**Title:** An Ordinance authorizing a change order with J3 Company LLC in the amount of \$400,000.00 for the Terminal Area Taxiway Improvements project - Package 2. [Carlos Contreras, Assistant City Manager]

**Sponsors:**

**Indexes:** Aviation Contract, Aviation Other

**Code sections:**

**Attachments:** 1. Contracts Disclosure Form, 2. Form 1295 - J3, 3. Change Order for J3, 4. Change Order to TATP2 v4, 5. Draft Ordinance, 6. Ordinance 2016-12-01-0906

Date	Ver.	Action By	Action	Result
12/1/2016	1	City Council A Session	adopted	Pass

**DEPARTMENT:** Aviation

**DEPARTMENT HEAD:** Carlos Contreras, Assistant City Manager

**COUNCIL DISTRICTS IMPACTED:** Citywide

**SUBJECT:**

Change Order: Terminal Area Taxiways - Package 2

**SUMMARY:**

This Ordinance authorizes a change order with J3 Company LLC in the amount of \$400,000.00 for the Terminal Area Taxiway Improvements project - Package 2. The change order provides a negotiated settlement for the costs associated with the extension of the contract duration by 164 days in order to meet the City’s request to delay the closure of Runway 12R/30L by a year. With this delay, the City is able to close the runway once for work on Package 2 and renumbering project that has been requested by the FAA. In addition, closing the Runway once rather than twice in two years minimizes the impact to air traffic operations at the San Antonio International Airport and nearby military bases.

**BACKGROUND INFORMATION:**

The City regularly coordinates with the Federal Aviation Administration (FAA) for continued Airport Improvement Program (AIP) funding for eligible projects at the Airport. AIP funding is based on the Airport’s

preliminary submittal of its annual Airport Capital Improvement Plan (ACIP) to the FAA. Through the ACIP, the Airport identifies priority projects to be funded. These projects may be eligible for grant funding at 75% of eligible project costs with a 25% local matching share.

Since 2013, the Terminal Area Taxiways project has been part of the AIP program. The multi-year, multi-phased project will design and reconstruct Taxiway G from Runway 4/22 to Taxiway A, and Taxiway N from Runway 12R southwest to just beyond Runway 4/22. It will also reconstruct a localized area of Taxiway G at Taxiway Y and construct new parallel taxiways to both Taxiway G and Taxiway N.

In December 2014, City Council authorized a construction award to J3 for Package 2 of the Terminal Area Taxiways project. This scope for this phase of the project includes:

- the reconstruction of Taxiway N through its intersection with Taxiway G,
- the reconstruction of Taxiway G between Taxiways A and D,
- the reconstruction of a section of Taxiway G at its intersection with Taxiway Y,
- the construction of the apron-edge taxi lane along the east side of Terminal A towards Taxiway N.

Originally, the City planned on authorizing the closure of the Runway 12R/30L in January 2016 through March 2016 to allow for the reconstruction of a section of Taxiway G at its intersection with Taxiway Y. Following the award of the construction contract for Package 2, it was identified that Runway 12R/30L would need to be closed for a second time in 2017 in order to:

- (1) meet the requirement of the FAA to renumber Runway 12R/30L and 12L/30R due to the Earth's magnetic shifts; and,
- (2) allow work for Package 4 of the Terminal Area Taxiway project.

In addition, military operations were being affected by the runway closures. In order to minimize the number and impact of runway closures due to construction activities, the Airport postponed closing Runway 12R/30L until January 2017. The postponement allows for one closure of Runway 12R/30L for construction work on both construction packages 2 and 4, the renumbering of Runways 12R/30L and 12L/30R and allows for the maximum amount of pavement be kept available for the movement of aircraft during construction.

#### *Change Order*

With the City's decision to postpone the closure of Runway 12R/30L by a year, additional calendar days were required to be added to the construction contract. Under the General Conditions of the construction contract, J3 can submit a claim for delay to the project due to moving the base bid portion of the work to 2017 for the equipment and staffing needed during this period. In addition to needing equipment and staffing for a longer period of time than under the construction contract, the contractor lost the opportunity to bid on other projects. Ultimately, the City and J3 were able to negotiate compensation for the additional 164 calendar days in the amount of \$400,000. As part of the change order, the City will pay J3 in increments beginning in January 2017 as work progresses. The anticipated completion of the base bid work is May 2017.

#### Previous Council Action

A previously executed contract with J3 in the amount of \$15,582,841.00 was approved by City Council on December 4, 2014. Previously authorized change orders include deductive and additive change orders for unused materials, revised payment sections, in-payment lighting and modifications due to unforeseen conditions. The following table illustrates the change orders that have occurred since construction of this project began:

<i>Item</i>	<i>Amount</i>
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Original Contract Value	\$ 15,582,841.00
Previously Authorized Change Orders	\$ (71,286.13)
Proposed Change Orders	\$ 400,000.00
Revised Contract Value	\$ 15,911,554.87

**ISSUE:**

City Council authorization is required for change orders in the amount of over \$100,000.00.

**ALTERNATIVES:**

City Council could choose not to approve this change order and bid this work under a new solicitation. This action would require a new solicitation and award of the contract that would lead to a delay in the project and the need for an additional runway closure. The City and J3 have negotiated an amount that compensates J3 for the additional calendar days and retains the services of J3 who is already familiar with the project.

**FISCAL IMPACT:**

This one-time capital improvement expenditure is in the amount of \$400,000.00 and payable to J3 and funded from the project contingency. As part of the FAA AIP program, the FAA will contribute \$300,000.00, or 75%, to the claim. The Airport will contribute the remaining \$100,000.00.

**RECOMMENDATION:**

Staff recommends approval of the change order with J3 for the Terminal Area Taxiway Improvements project - Package 2.