



**SAN DIEGO COUNTY  
REGIONAL AIRPORT AUTHORITY  
STAFF REPORT**

Item No.  
**19**

Meeting Date: **SEPTEMBER 6, 2012**

**Subject:**

**Approve and Authorize an Increase in the President/CEO's Change Order Authority for the South Side Interim Parking Project**

**Recommendation:**

Adopt Resolution No. 2012-0097, authorizing an increase in the President/CEO's change order authority from \$132,866 to \$212,866 for Project No. 104125, South Side Interim Parking Project.

**Background/Justification:**

On September 1, 2011, the San Diego County Regional Airport Authority Board ("Board") awarded and authorized the President/CEO to execute a contract with Hazard Construction Corporation to construct the South Side Interim Parking Lot in the amount of \$2,214,438 [Resolution No. 2011-0106].

This project had a short construction duration of 90 calendar days, which was established to maintain a revenue generating asset (the parking lot). During construction, unforeseen wet and unstable soil conditions were encountered at various depths which significantly increased the Contractor's site work efforts. To mitigate the poor soil conditions on site, installation of imported rock was used to stabilize the surrounding pavement and wet unsuitable material was exported to a legal dump site. Additional excavation and export of unsuitable materials, and the import of large quantities of rock were required to stabilize the subgrade to provide a firm surface for the parking lot paving.

As a project goes through its final phase of construction, staff reconciles the material final quantities against the field estimates and any other additional project costs. The increase in quantities and work required to stabilize the subgrade resulted in an increase in project cost of \$80,000.

Authority Policy 5.02(4)(b)(ii) requires Board approval for change orders in excess of 6% of the original contract value, which in this case is \$132,866. Therefore, staff is requesting that Authority Policy 5.02(4)(b)(ii) be waived and the maximum change order authorization limit for the President/CEO be increased from \$132,866 to \$212,866. No additional funds are requested to fund the increase in change order authority, as funding is available in the project's contingency budget.

000184

**Fiscal Impact:**

Airport Revenue Bonds of \$5,216,060 have been allocated for Project No. 104125, South Side Interim Parking. Adequate Funds for the contract with Hazard Construction Corporation are included within the FY2013-2017 CIP Program Budget and the addition of \$80,000 to the contract can be accommodated by current project funding.

**Authority Strategies:**

This item supports one or more of the Authority Strategies, as follows:

- Community Strategy     Customer Strategy     Employee Strategy     Financial Strategy     Operations Strategy

**Environmental Review:**

- A. The construction of an interim parking area to replace existing Parking Lot 8 was evaluated subject to the California Environmental Quality Act ("CEQA"), Pub. Res. Code Section 21065 as a project component of the 2701 North Harbor Drive Demolition Project (former Teledyne Ryan facility) Final Environmental Impact Report (SCH #2007101004; UPD #83356-EIR-713) certified by the San Diego Unified Port District on August 4, 2009.
- B. The construction of an interim parking area to replace existing Parking Lot 8 was a project component included in the Coastal Development Permit (CDP-2009-03) for 2701 North Harbor Drive Demolition Project (former Teledyne Ryan facility) issued by the San Diego Unified Port District on November 9, 2009, Resolution 2009-159 in conformance with the California Coastal Act of 1976 and the Coastal Permit Regulations of the San Diego Unified Port District in accordance with the provisions for the issuance of a Non-appealable Coastal Development Permit.

**Equal Opportunity Program:**

The San Diego County Regional Airport Authority's (Authority's) small business program promotes the utilization of small, local, disadvantaged, and other business enterprises, on all contracts, to provide equal opportunity for qualified firms. By providing education programs, making resources available, and communicating through effective outreach, the Authority strives for diversity in all contracting opportunities.

The Authority has a Disadvantaged Business Enterprise ("DBE") Plan as required by the Department of Transportation, 49 CFR Part 26. The DBE Plan calls for the Authority to submit an annual overall goal for DBE participation on all federally funded projects.

This project does not utilize federal funds; therefore, it will not be applied toward the Authority's over-all DBE goal.

**Prepared by:**

IRAJ GHAEMI  
DIRECTOR, FACILITIES DEVELOPMENT

RESOLUTION NO. 2012-0097

A RESOLUTION OF THE BOARD OF THE  
SAN DIEGO COUNTY REGIONAL AIRPORT  
AUTHORITY AUTHORIZING AN INCREASE IN THE  
THE PRESIDENT/CEO'S CHANGE ORDER  
AUTHORITY FROM \$132,866 TO \$212,866 FOR  
PROJECT NO. 104125, SOUTH SIDE INTERIM  
PARKING PROJECT

WHEREAS, on September 1, 2011, the San Diego County Regional Airport Authority Board ("Board") awarded a contract to have the President/CEO to execute a contract with Hazard Construction Corporation to construct the South Side Interim Parking Lot in the amount of \$2,214,438 [Resolution No. 2011-0106]; and

WHEREAS, this project had a short construction duration of 90 calendar days which was established to maintain a revenue generating asset (the parking lot); and

WHEREAS, during construction, unforeseen wet and unstable soil conditions were encountered at various depths which significantly increased the Contractor's site work efforts; and

WHEREAS, to mitigate the poor soil conditions on site, installation of imported rock was used to stabilize the surrounding pavement and wet unsuitable material was exported to a legal dump site; and

WHEREAS, additional excavation and export of unsuitable materials, and the import of large quantities of rock were required to stabilize the subgrade to provide a firm surface for the parking lot paving; and

WHEREAS, as a project goes through its final phase of construction, staff reconciles the material final quantities against the field estimates and any other additional project costs; and

WHEREAS, the increase in quantities and work required, to stabilize the subgrade resulted in an increase in project costs of \$80,000; and

WHEREAS, Authority Policy 5.02(4)(b)(ii) requires Board approval for change orders in excess of 6% of the original contract value, which in this case is \$132,866. Therefore, staff is requesting that Authority Policy 5.02(4)(b)(ii) be waived for this project and the maximum change order authorization limit for the President/CEO be increased from \$132,866 to \$212,866; and

000184.2

WHEREAS, the Board finds it is in the Authority's best interest to waive Policy 5.02 (4)(b)(ii) in this instance and authorize the President/CEO to approve change orders in an amount not-to-exceed \$212,866.

NOW, THEREFORE, BE IT RESOLVED that the Board waives Policy 5.02(4)(b)(ii) for this Project; and

BE IT FURTHER RESOLVED that the President/CEO's maximum change order authorization is hereby increased from \$132,866 to \$212,866 for this project; and

BE IT FURTHER RESOLVED that the San Diego County Regional Airport Authority and its officers, employees, and agents hereby are authorized, empowered, and directed to do and perform all such acts as may be necessary or appropriate in order to effectuate fully the foregoing resolutions; and

BE IT FURTHER RESOLVED that the construction of an interim parking area to replace existing Parking Lot 8 was evaluated subject to the California Environmental Quality Act ("CEQA"), Pub. Res. Code Section 21065 as a project component of the 2701 North Harbor Drive Demolition Project (former Teledyne Ryan facility) Final Environmental Impact Report (SCH #2007101004; UPD #83356-EIR-713) certified by the San Diego Unified Port District on August 4, 2009; and

BE IT FURTHER RESOLVED that the the construction of an interim parking area to replace existing Parking Lot 8 was a project component included in the Coastal Development Permit (CDP-2009-03) for 2701 North Harbor Drive Demolition Project (former Teledyne Ryan facility) issued by the San Diego Unified Port District on November 9, 2009, Resolution 2009-159 in conformance with the California Coastal Act of 1976 and the Coastal Permit Regulations of the San Diego Unified Port District in accordance with the provisions for the issuance of a Non-appealable Coastal Development Permit.

PASSED, ADOPTED, AND APPROVED by the Board of the San Diego County Regional Airport Authority at a special meeting this 6<sup>th</sup> day of September 2012, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

---

TONY R. RUSSELL  
DIRECTOR, CORPORATE SERVICES/  
AUTHORITY CLERK

APPROVED AS TO FORM:

---

BRETON K. LOBNER  
GENERAL COUNSEL

000184.4