



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

Item No.  
**18**

Meeting Date: **SEPTEMBER 6, 2012**

**Subject:**

**Approve and Authorize an Increase in the President/CEO's Change Order Authority for Teledyne Site Demolition - Replacement 30" Storm Drain and Sewer Lift Station on the Teledyne Ryan Site**

**Recommendation:**

Adopt Resolution No. 2012-0096, authorizing an increase in the President/CEO's current change order authority from \$70,693 to \$291,049 for Project No. 104066, Teledyne Site Demolition - 30" Storm Drain and Sewer Lift Station

**Background/Justification:**

On May 5, 2011, the San Diego County Regional Airport Authority Board ("Board") awarded and authorized the President/CEO to execute a contract with Wier Construction Corp. ("Contractor") to construct a Replacement 30" Storm Drain and Sewer Lift Station on the Teledyne Ryan site in the amount of \$706,933.60 [Resolution No. 2011-055].

This project had a short construction duration of 60 calendar days, which was established in order to coincide with the Port of San Diego's Teledyne Site Demolition contract and to minimize disruptions to the operation of Parking Lot 8 (a revenue generating asset). During construction, wet and unstable soil conditions were encountered at various depths which increased the Contractor's site work efforts. Additional excavation of unsuitable materials, deep trenching, bracing, and installation of imported rock was used to stabilize the surrounding pavement and trench walls.

Typically, 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 additional work required due to wet unstable conditions resulted in a project cost increase of more than \$70,693.

Authority Policy 5.02(4)(b)(i) requires Board approval for change orders in excess of 10% of the original contract value, which in this case is \$70,693. Therefore, staff is requesting that Authority Policy 5.02(4)(b)(i) be waived for this project and the maximum change order authorization limit for the President/CEO be increased from \$70,693 to \$291,049. No additional funds are requested to fund the increase in change order authority, as funding is available in the project's contingency budget.

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**Fiscal Impact:**

Adequate Funds for the contract with Wier Construction Corp. are included within the FY2013-2017 Capital Budget for Project No. 104066, Teledyne Site Demolition - 30" Storm Drain and Sewer Lift Station. The increase in the amount of this contract can be accommodated by current project funding. The remaining project budget is approximately \$1,866,000.

**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 the 30" storm drain and sewer lift station 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 certified by the San Diego Unified Port District on August 4, 2009, SCH#2007101004; UPD #83356-EIR-713).
- B. The construction of the 30" storm drain and sewer lift station 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 Number 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, P.E.  
DIRECTOR, FACILITIES DEVELOPMENT

RESOLUTION NO. 2012-0096

A RESOLUTION OF THE BOARD OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY AUTHORIZING AN INCREASE IN THE PRESIDENT/CEO'S CURRENT CHANGE ORDER AUTHORITY FROM \$70,693 TO \$291,049 FOR PROJECT NO. 104066, TELEDYNE SITE DEMOLITION - 30" STORM DRAIN AND SEWER LIFT STATION

WHEREAS, on May 5, 2011, the San Diego County Regional Airport Authority Board ("Board") awarded and authorized the President/CEO to execute a contract with Wier Construction Corp to construct a Replacement 30" Storm Drain and Sewer Lift Station on the Teledyne Ryan site in the amount of \$706,933.60 [Resolution No. 2011-055]; and

WHEREAS, this project had a short construction duration of 60 calendar days which was established in order to coincide with the Port of San Diego's Teledyne Site Demolition contract, and to minimize disruptions to the operation of Parking Lot 8 (revenue generating asset); and

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

WHEREAS, additional excavation of unsuitable materials, deep trenching, bracing, and installation of imported rock were used to stabilize the surrounding pavement and trench walls; and

WHEREAS, typically, 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 install and test the 30" diameter storm drain resulted in a project cost increase of more than \$70,693; and

WHEREAS, Authority Policy 5.02(4)(b)(i) requires Board approval for change orders in excess of 10% of the original contract value, which in this case is \$70,693. Therefore, staff is requesting that Authority Policy 5.02(4)(b)(i) be waived for this project and the maximum change order authorization limit for the President/CEO be increased from \$70,693 to \$291,049; and

WHEREAS, the Board finds it is in the Authority's best interest to waive Policy 5.02 (4)(b)(i) in this instance and authorize the President/CEO to approve change orders in an amount not-to-exceed \$291,049.

NOW, THEREFORE, BE IT RESOLVED Board waives Policy 5.02(4)(b)(i) for this Project and the authorization limit be increased from \$70,693 to \$291,049; and

BE IT FURTHER RESOLVED that the President/CEO maximum change order authorization is hereby increased from \$70,693 to \$291,049; 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 Board finds that the construction of the 30" storm drain and sewer lift station 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 certified by the San Diego Unified Port District on August 4, 2009, SCH#2007101004; UPD #83356-EIR-713); and

BE IT FURTHER RESOLVED that the Board finds that the construction of the 30" storm drain and sewer lift station 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 Number 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:

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TONY R. RUSSELL  
DIRECTOR, CORPORATE SERVICES/  
AUTHORITY CLERK

APPROVED AS TO FORM:

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BRETON K. LOBNER  
GENERAL COUNSEL