

CITY OF OAKLAND
AGENDA REPORT

FILED
OFFICE OF THE CITY CLERK
CITY OF OAKLAND
2005 JUN 28 PM 3:12

TO: Office of the City Administrator
ATTN: Deborah Edgerly
FROM: Public Works Agency
DATE: July 12, 2005

RE: RESOLUTION AUTHORIZING AWARD OF A CONTRACT TO ANDES CONSTRUCTION, INC. FOR THE REHABILITATION OF SANITARY SEWERS IN THE AREA BOUNDED BY BROADWAY, MACARTHUR BOULEVARD, RICHMOND BOULEVARD, AND 24TH ST - SUBBASIN 52-11 (PROJECT NO. C65210) FOR THE AMOUNT OF ONE MILLION TWO HUNDRED THIRTY-TWO THOUSAND THREE HUNDRED EIGHTY-FOUR DOLLARS (\$1,232,384.00)

SUMMARY

A resolution has been prepared authorizing the City Administrator to award a construction contract in the amount of \$1,232,384.00 to Andes Construction, Inc. for the Rehabilitation of Sanitary Sewers in the Area Bounded by Broadway, MacArthur Boulevard, Richmond Boulevard, and 24th St – Subbasin 52-11 (Project No. C65210). The work to be completed under this project is part of the City's annual sanitary sewer rehabilitation program. The work is located in Council District 3.

It is recommended the resolution be approved.

FISCAL IMPACT

There are sufficient funds in the project budget for the work. Funding for this project is available in the Sewer Service Fund (3100); Capital Project-Sanitary Sewer Design Organization (92244); Sewers Account (57417); Rehabilitation of Subbasin 52-11 (Project No. C65210). These funds were specifically allocated for this project. The Engineer's estimate for the work is \$1,333,545.00.

BACKGROUND

On May 9, 2005, the City Clerk received two bids for this project in the amounts of \$1,232,384.00 and \$1,217,402.00 as shown in *Attachment A*. Andes Construction, Inc. is the lowest responsible bidder, with 5% credit for LBE/SLBE preference.

This project will rehabilitate and upgrade the sanitary sewers within the project area and eliminate the infiltration of rain and groundwater into the sanitary sewer system; and limit the

Item: _____
Public Works Committee
July 12, 2005

overflows and backups during wet weather. This project meets the Mayor/Council Goals and Citywide Objective to **Build Community and Foster Livable Neighborhoods** by providing for clean, well-maintained and accessible streets and sidewalks, facilities, amenities, parks, recreational facilities and trees.

In general, the proposed work consists of rehabilitating/replacing approximately 12,300 linear feet of existing sewer pipes ranging from 8” to 12” diameter; rehabilitating or replacing over 60 sewer structures; reconnecting house connection sewers; rehabilitating house connection sewers and other related works as indicated on the plans and specifications.

Under the proposed contract with Andes Construction, Inc. SLBE participation of \$1,232,384.00 (100%) exceeds the City’s 20% LBE/SLBE requirement. The contractor does not show an amount for trucking since the trucking on this particular project fell below ½ of 1%. The contractor received 5% bid credit for LBE/SLBE preference, or \$61,619.20.00, that made the adjusted bid amount \$1,170,764.80. The contractor is required to have 50% of the work hours performed by Oakland residents, and 50% of all new hires are to be Oakland residents. The LBE/SLBE information has been verified by the Contract Compliance Division of the City Administrator’s Office and is shown in *Attachment B*.

In previous City Council and Public Works Committee meetings, there were two concerns raised about Andes Construction--work performance and labor practices. The work performance concerns stemmed from allegations made by a neighborhood newspaper. Those allegations were investigated independently by the City Attorney’s Office and found to be without merit. Staff did assure the Council at those meetings that the work of this contractor continues to meet the quality required, and the quality of work performed by Andes has never been compromised. The labor practice charges against Andes may be adjudicated in a court of law, and the City may not disbar Andes from receiving contracts based on unadjudicated charges. In addition, all contracts, including this one, require the contractor to use City-designated software to report payroll, which will allow the City to be alerted immediately to any payroll abnormalities.

KEY ISSUES AND IMPACTS

Construction is scheduled to begin in September 2005 and should be completed by February 2006. The contract specifies \$1,000.00 in liquidated damages per working day if the contract completion time of 80 working days is exceeded. The project schedule is shown in *Attachment A*.

SUSTAINABLE OPPORTUNITIES

Economic: The contractor is required to have 50% of the work hours performed by Oakland residents, and 50% of all new hires are to be Oakland residents.

Environmental: The replacement of the sanitary sewers will eliminate the possibility of sewer leakage and overflows and thus prevent potential harm to groundwater resources and the bay.

The contractor will be required to make every effort to reuse clean fill materials and use recyclable concrete and asphalt products.

Social Equity: This project is part of the citywide program to eliminate wastewater overflows thereby benefiting all Oakland residents.

DISABILITY AND SENIOR CITIZEN ACCESS

There is no direct impact or benefit to seniors or people with disabilities.

RECOMMENDATION AND RATIONALE

It is recommended that the construction contract be awarded to Andes Construction, Inc. The lowest responsible bidder, in the amount of \$1,232,384.00 for the Rehabilitation of Sanitary Sewers in the Area Bounded by Broadway, MacArthur Boulevard, Richmond Boulevard, and 24th St – Subbasin 52-11 (Project No. C65210). Andes Construction, Inc. has met the LBE/SLBE requirements, and there are sufficient funds in the project account.

ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends that the City Council approve the resolution.

Respectfully submitted,

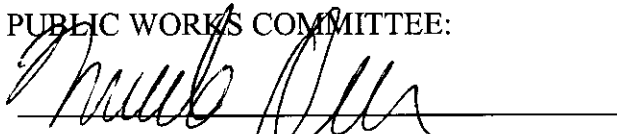


RAUL GODINEZ II, P.E.
Director, Public Works Agency

Reviewed by:
Michael Neary, P.E.
Assistant Director, Public Works Agency
Design & Construction Services Dept.

Prepared by:
Fuad Sweiss, P.E.
Engineering Design & R.O.W. Division Manager

APPROVED AND FORWARDED TO THE
PUBLIC WORKS COMMITTEE:



OFFICE OF THE CITY ADMINISTRATOR

Attachment A

**Rehabilitation of Sanitary Sewers in the Area Bounded by
 Broadway, MacArthur Boulevard, Richmond Boulevard, and 24th St
 Subbasin 52-11
 (Project No. C65210)**

List of Bidders

Company	Status	Location	Bid Amount
Andes	SLBE	Oakland	\$1,232,384.00
D'arcy & Harty		San Francisco	\$1,217,402.00

Project Schedule

ID	Task Name	Start	Finish	2004				2005				2006		
				Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1		
1	Project No. C65210	Mon 4/12/04	Tue 2/28/06											
2	Pre-Design	Mon 4/12/04	Fri 4/30/04											
3	Design	Mon 5/3/04	Fri 2/25/05											
4	Bid/Award	Mon 4/11/05	Fri 9/23/05											
5	Construction	Mon 9/26/05	Tue 2/28/06											

Attachment B

OFFICE OF THE CITY ADMINISTRATOR
Contract Compliance & Employment Services Division

Memo

TO: Gwen McCormick
THROUGH: Deborah Barnes, CC&ES Manager *DBarnes*
FROM: Vivian Inman, Contract Compliance Officer
CC: Allen Law
DATE: June 7, 2005

RE: Rehabilitation of Sanitary Sewers in the Area Bounded by Broadway, MacArthur Blvd,
Richmond Blvd. & 24th Street

Contract Compliance & Employment Service reviewed two (2) bids received in response to the above referenced project. Below is the outcome of our compliance evaluation for the twenty percent (20%) minimum participation requirement and a preliminary review for compliance with the Equal Benefits Ordinance.

The local/small local compliance findings are as follows (in alphabetical order):

Company Name	Bid Amount (if applicable)	Proposed Participation				Preferences		Banked Credits Eligibility	EBO Compliant? Y/N
		Total	LBE	SLBE	Trucking	Preference Points	Adjusted Bid Amount		
Andes Construction	\$1,232,384.00	100.00%	0.00%	100.00%	0%	5%	\$1,170,764.80	2	Y
D'Arcy & Harty	\$1,217,402.00	20.00%	0.00%	20.00%	20%	2%	\$1,180,879.94	0	Y

As noted above both firms met the 20% L/SLBE requirement. Since the trucking on this particular project fell below 1/2 of 1% contractors were not required to list their trucking percentages, however, D'Arcy & Harty reported 20% of the local trucking requirement.

Should you have any questions please feel free to contact me at 238-6261.

2005 JUN -8 PM 4:19
RECEIVED
CONTRACT ADMINISTRATION

CONTRACT COMPLIANCE & EMPLOYMENT SERVICES
PROJECT EVALUATION FORM

RE: Rehabilitation of Sanitary Sewers in the Area Bounded by Broadway, MacArthur Blvd.,
Richmond Blvd. & 24th Street

CONTRACTOR: D'Arcy & Harty

<u>Engineer's Estimate:</u>	<u>Contractors' Bid Amount</u>	<u>Over/Under Engineer's Estimate</u>
\$1,333,545	\$1,217,402	116,143.00

<u>Bid discounted amount:</u>	<u>Discount/Points:</u>
\$1,180,679.94	2%

1. Did the 20% requirements apply? **YES**

2. Did the contractor meet the 20% requirement **YES**
 - a) % of LBE participation **0.00%**
 - b) % of SLBE participation **18.00%**

3. Did the contractor meet the Trucking requirement **YES**
 - a) Total trucking participation **100.00%**

4. Did the contractor receive bid discount points? **YES**

(If yes, list the points received) **2%**

5. Additional Comments.
Since the trucking requirement was less than 1/2 of 1% it was not necessary that the contractors list the trucking dollars.

6. Date evaluation completed and returned to Contact Admin./Initiating Dept.
6/7/2005

Reviewing Officer: **Date:** 6/7/05

Approved By **Date:** 6/8/05

LBE/SLBE Participation D'Arcy & Harty

Project Name: Sanitary Sewers in the Area Bounded by Broadway, MacArthur Blvd., Richmond Blvd & 24th Street

Project No.: C65210		Engineers Est: \$1,333,545				Under/Over Engineers Estimate: \$116,143								
Discipline	Prime & Subs	Location	Cert. Status	LBE	SLBE	Total LBE/SLBE	S/LBE Trucking	Total Trucking	TOTAL Dollars	For Tracking Only				
										Ethn.	MBE	WBE		
PRIME Supplier	Darcy & Harty General Supply	SF Oakland	UB CB		\$79,400	\$79,400		\$0	\$753,002 \$79,400	NL AA				
Saw Cutting	Owens Concrete Saw	Oakland			\$25,000	\$25,000			\$25,000	C		\$25,000		
Paving & Concrete	AJW Construction	Oakland	CB		\$115,000	\$115,000			\$115,000	H	\$115,000			
CIPP	Institu Form Tech	Benicia	UB						\$217,000	NL				
Trucking	Williams Trucking	Oakland	CB		\$28,000	\$28,000	\$28,000	\$28,000	\$28,000	AA	\$28,000			
Project Totals					\$0	\$247,400	\$247,400	\$28,000	\$28,000	\$1,217,402		\$222,400	\$25,000	
					0%	20%	20%	100%	100%	100%		18%	2%	
Requirements: The 20% requirements is a combination of 10% LBE and 10% SLBE participation. An SLBE firm can be counted 100% towards achieving 20% requirements.					LBE 10%	SLBE 10%	TRUCKING 20%		LBE/SLBE 20%		Ethnicity AA = African American A = Asian C = Caucasian H = Hispanic NA = Native American O = Other NL = Not Listed			
Legend					LBE = Local Business Enterprise	SLBE = Small Local Business Enterprise	Total LBE/SLBE = All Certified Local and Small Local Businesses	NPLBE = NonProfit Local Business Enterprise	NPSLBE = NonProfit Small Local Business Enterprise		UB = Uncertified Business	CB = Certified Business	MBE = Minority Business Enterprise	WBE = Women Business Enterprise

CONTRACT COMPLIANCE & EMPLOYMENT SERVICES
PROJECT EVALUATION FORM

RE: Rehabilitation of Sanitary Sewers in the Area Bounded by Broadway, MacArthur Blvd., Richmond Blvd. & 24th Street

CONTRACTOR: Andes Construction

<u>Engineer's Estimate:</u>	<u>Contractors' Bid Amount</u>	<u>Over/Under Engineer's Estimate</u>
\$1,333,545	\$1,232,384	101,161.00

<u>Bid discounted amount:</u>	<u>Discount/Points:</u>
\$1,170,764.80	5%

1. Did the 20% requirements apply? **YES**

2. Did the contractor meet the 20% requirement **YES**

a) % of LBE participation	<u>0.00%</u>
b) % of SLBE participation	<u>100.00%</u>

3. Did the contractor meet the Trucking requirement **N/A**

a) Total trucking participation	<u>0.00%</u>
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4. Did the contractor receive bid discount points? **YES**

(If yes, list the points received) **5%**

5. Additional Comments.

Since the trucking requirement was less than 1/2 of 1% it was not necessary that the contractors list the trucking dollars.

6. Date evaluation completed and returned to Contact Admin./Initiating Dept.

6/7/2005

Reviewing Officer:

[Signature]

Date:

6/7/05

Approved By

[Signature]

Date:

6/8/05

LBE/SLBE Participation Andes Construction

Project Name: Sanitary Sewers in the Area Bounded by Broadway, MacArthur Blvd., Richmond Blvd & 24th Street

Project No.: C65210		Engineers Est: \$1,333,545.00				Under/Over Engineers Estimate: \$101,161.00						
Discipline	Prime & Subs.	Location	Cert. Status	LBE	SLBE	Total LBE/SLBE	S/LBE Trucking	Total Trucking	TOTAL Dollars	For Tracking Only		
										Ethn.	MBE	WBE
PRIME Saw Cutting	Andes Construction	Oakland	CB		\$1,227,384				\$1,227,384	H	\$1,227,384	
	Bay Line Construction	Oakland	CB		\$5,000	\$5,000			\$5,000	H	\$5,000	
Project Totals				\$0	\$1,232,384	\$5,000	\$0	\$0	\$1,232,384		\$1,232,384	\$0
				0.0%	100.00%	100.00%	0.00%	0.00%	100%		100%	
Requirements: The 20% requirements is a combination of 10% LBE and 10% SLBE participation. An SLBE firm can be counted 100% towards achieving 20% requirements.				LBE 10%	SLBE 10%	TRUCKING 20%	LBE/SLBE 20%			Ethnicity AA = African American A = Asian C = Caucasian H = Hispanic NA = Native American O = Other NL = Not Listed		
Legend				LBE = Local Business Enterprise SLBE = Small Local Business Enterprise Total LBE/SLBE = All Certified Local and Small Local Businesses NPLBE = NonProfit Local Business Enterprise NPSLBE = NonProfit Small Local Business Enterprise			UB = Uncertified Business CB = Certified Business MBE = Minority Business Enterprise WBE = Women Business Enterprise					

OAKLAND CITY COUNCIL

RESOLUTION No. _____ C. M. S.

FILED
OFFICE OF THE CITY CLERK
OAKLAND

INTRODUCED BY COUNCILMEMBER _____

Requires two-thirds vote of the Council

2005 JUN 28 PM 3:12
W. Moran

RESOLUTION AUTHORIZING AWARD OF A CONTRACT TO ANDES CONSTRUCTION, INC. FOR THE REHABILITATION OF SANITARY SEWERS IN THE AREA BOUNDED BY BROADWAY, MACARTHUR BOULEVARD, RICHMOND BLVD, AND 24TH ST – SUB-BASIN 52-11 (PROJECT NO. C65210) FOR THE AMOUNT OF ONE MILLION TWO HUNDRED THIRTY-TWO THOUSAND THREE HUNDRED EIGHTY-FOUR DOLLARS (\$1,232,384.00)

WHEREAS, on May 9, 2005, two bids were received by the Office of the City Clerk of the City of Oakland for the Rehabilitation of Sanitary Sewers in the Area Bounded by Broadway, MacArthur Boulevard, Richmond Boulevard, and 24th St – Subbasin 52-11 (Project No. C65210); and

WHEREAS, Andes Construction, Inc. a certified SLBE bidding as a prime with 5% bid discount, is the lowest responsible bidder for the project; and

WHEREAS, there are sufficient funds in the project budget for the work. Funding for this project is available in the Sewer Service Fund (3100); Capital Project-Sanitary Sewer Design Organization (92244); Sewers Account (57417); Rehabilitation of Sanitary Sewers in the Area Bounded by Broadway, MacArthur Boulevard, Richmond Boulevard, and 24th St – Subbasin 52-11 (Project No. C65210) and these funds were specifically allocated for this project; and

WHEREAS, the City lacks the equipment and qualified personnel to perform the necessary work; and

WHEREAS, the City Council finds and determines that the performance of this contract is in the public interest because of economy or better performance; and

WHEREAS, Andes Construction, Inc. complies with all LBE/SLBE requirements; and

WHEREAS, the City Council finds and determines that the performance of this contract shall not result in the loss of employment or salary by any person having permanent status in the competitive services; now, therefore, be it

RESOLVED: That the contract for the Rehabilitation of Sanitary Sewers in the Area Bounded by Broadway, MacArthur Boulevard, Richmond Boulevard, and 24th St – Subbasin 52-11 (Project No. C65210) is hereby awarded to Andes Construction, Inc. in accordance with the terms of its bid therefore, dated May 9, 2005, for the amount of One Million Two Hundred Thirty-Two Thousand Three Hundred Eighty-Four Dollars (\$1,232,384.00); and be it

FURTHER RESOLVED: That the plans and specifications prepared by the Director of Public Works for this project are hereby approved; and be it

FURTHER RESOLVED: That the amount of the bond for faithful performance, \$1,232,384.00, and the amount for a bond to guarantee payment of all claims for labor and materials furnished and for the amount due under the Unemployment Insurance Act, \$1,232,384.00, with respect to such work are hereby approved; and be it

FURTHER RESOLVED: That the City Administrator is hereby authorized to enter into a contract with Andes Construction, Inc. on behalf of the City of Oakland and to execute any amendments or modifications to said agreement within the limitations of the project specifications; and be it

FURTHER RESOLVED: That all other bids are hereby rejected; and be it

FURTHER RESOLVED: That the contract shall be reviewed and approved by the City Attorney and placed on file in the Office of the City Clerk; and be it

FURTHER RESOLVED: That the City Clerk is hereby directed to post conspicuously forthwith notice of the above award on the official bulletin board in the Office of the City Clerk; and be it

FURTHER RESOLVED: That the approval of this resolution requires a two-thirds vote of the Council members.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 2005

PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, BRUNNER, CHANG, KERNIGHAN, NADEL, QUAN, REID AND
PRESIDENT DE LA FUENTE

NOES-

ABSENT-

ABSTENTION-

ATTEST: _____

LATONDA SIMMONS
City Clerk and Clerk of the Council
of the City of Oakland, California