



FILED
OFFICE OF THE CITY CLERK
OAKLAND
2018 APR 26 PM 1:52

AGENDA REPORT

TO: Sabrina B. Landreth
City Administrator

FROM: Jason Mitchell
Director, Public Works

SUBJECT: Construction Award For Sanitary
Sewer Capacity Upgrades

DATE: March 21, 2018

City Administrator Approval

Date:

4/28/18

RECOMMENDATION

Staff Recommends That The City Council Adopt A Resolution Rejecting All Bids, Waiving Further Advertising And Competitive Bidding, Authorizing The City Administrator, Or Designee, To Negotiate, Award And Execute A Construction Contract Without Return To Council For An Amount Not To Exceed Two Million Seven Hundred And Eighty Thousand Dollars (\$2,780,000.00) In The Open Market For The Construction Of Sanitary Sewer Capacity Upgrades In Park Boulevard & In Trestle Glen Road (Project No. 1001173 Task 2) In Accordance With The Project Plans And Specifications. The Contractor Will Be Required To Be In Compliance With The City's Programs Such As Local And Small Local Business Enterprises Requirements.

EXECUTIVE SUMMARY

Approval of this resolution will reject all bids and waive further advertising and competitive bidding per the Oakland Municipal Code (OMC) Section 2.04.050.1.5, and authorize the City Administrator or Designee to negotiate, award and execute a construction contract on the open market in an amount not to exceed \$2,780,000.00, in compliance with the City's Local and Small Local Business Enterprises requirements.

The work to be completed under this project is part of the City's annual sanitary sewer rehabilitation program and is required under the 2014 Sewer Consent Decree. Funding for this project is available in the Fiscal Year (FY) 2017-18 budget. The work is located in Council District 2 as shown in **Attachment A**.

Item: _____
Public Works Committee
May 8, 2018

BACKGROUND / LEGISLATIVE HISTORY

The Environmental Protection Agency (EPA) mandates the reduction of sanitary sewer overflows during storm events. This project is part of the City's annual sanitary sewer rehabilitation program intended to improve the pipe conditions and reduce wet weather peak flows in the sanitary sewer system, and are required under the 2014 Sewer Consent Decree.

According to requirements of the 2014 Sewer Consent Decree, the City of Oakland shall implement Sanitary Sewer Overflow (SSO) elimination measures by monitoring the water level in twelve Maintenance Holes locations. In the event that the City at any of these locations experience an SSO caused by lack of capacity, and the water level reaches within one foot of the Maintenance Hole rim due to a lack of capacity (except during a rain event that is greater than the December 5, 1952 Storm) or has reason to believe a capacity related SSO is likely to occur, the City shall implement improvements to address the capacity deficiency within twenty-four months.

Park Boulevard and Trestle Glen Road Maintenance Holes are one of the twelve mandated locations required for capacity monitoring. These locations received high water level alarms that reached within one foot of the Maintenance Hole rims. The City confirmed that the high water level alarms are capacity related and increasing pipe size is needed. These improvements will substantially reduce the risk of a sanitary sewer overflow during wet-weather. The up-sized lines will allow sufficient relief upstream while not overwhelming the system downstream.

ANALYSIS AND POLICY ALTERNATIVES

The project was advertised on January 19, 2018. Notifications were distributed by several means:

- City of Oakland *iSupplier* system which includes City certified firms, registered General Contractors, plan rooms and builder's exchange, totaling over 300 notices;
- Printed legal notice in the Oakland Tribune, Daily Pacific Builder, El Mundo, Oakland Post, The Korea Times and the World Journal publications;
- Posting on CIPlist.com, which distributes to registered plan rooms and builders' exchanges; and
- Outreach by consultant to potential contractors informing of the opportunity.

On February 8, 2018, the City Clerk received two bids from local general contractors for Sanitary Sewer Capacity Upgrades In Park Boulevard & In Trestle Glen Road (Project No. 1001173 Task 2) in the amount of \$2,857,000.00 and \$3,181,510.00 as shown below and in **Attachment B**.

The proposed work under this contract consists of rehabilitating sewer structures, reconnecting and rehabilitating building sewer connections, and other related work as indicated on the plans and specifications. One bid was deemed the non-responsive because the bidder's Traffic Control bid item exceeded the 5% maximum limit of the total bid. The second bidder submitted a bid that is significantly over the engineer's estimate (36%).

Bids Received for Project No. 1001173 Task 2

Company	Location	Bid Amount	% Over Engineer's Estimate	Traffic Control exceeded 5% of Total Bid?
Engineer's Estimate	-	\$2,343,587.00		
Pacific Trenchless Inc.	Oakland, CA	\$3,181,510.00	36%	No
Andes Construction Inc.	Oakland, CA	\$2,857,000.00	22%	Yes

Staff recommends rejecting all bids, waiving further advertising and competitive bidding, authorizing the City Administrator, or designee, to negotiate, award and execute a construction contract without return to Council for an amount not to exceed \$2,780,000.00. Timely award of the construction contract will allow sewer rehabilitation to start in September 2018 and be completed by December 2018.

Current construction market conditions indicate a rebid of this project would not guarantee lower pricing or generate more interest in the project. The construction market has seen a 5% cost index increase in the last year alone. Due to construction time constraints and construction market conditions, it is in the City's best interest to enter negotiation to execute a contract as soon as possible.

In accordance with Oakland Municipal Code (OMC) Section 2.04.050, which requires advertising and competitive bidding for contracts that exceed \$50,000; section 2.04.050.I.5 provides an exception to the advertising and competitive bidding requirements upon a finding and determination by the City Council that it is in the best interests of the City to do so. In addition, OMC section 2.04.050.J states that if no valid bids are received after advertising as required, the City Administrator may proceed to hire or have the services performed or purchase the supplies in the open market.

Thus, per OMC 2.04.050.I.5, staff recommends that it is in the City's best interest to waive further advertising and competitive bidding. In order to meet the construction schedule, the City will negotiate to secure a contract in the open market that is within the project budget and that meets the City's contract compliance and program requirements.

Staff will further analyze the bid from the lowest apparent bidder and begin negotiations with the firm, which is a local firm. The firm has expressed interest in working with the City to make the project viable. The firm has indicated that they are willing to adjust the Traffic Control bid item as necessary not to exceed the 5% maximum limit of the total bid.

The negotiated contract will be required to be in full compliance with the minimum 50% L/SLBE participation and EBO requirement. Both bidders exceeded the minimum 50% Local and Small Local Business enterprise participation requirement. See **Attachment C**.

FISCAL IMPACT

Funding for this project is available in the Fiscal Year (FY) 2017-18 Budget in Fund 3100 Sewer Service Fund, Organization 92244 Sanitary Sewer Design Organization, Project No. 1000654, 1001039 and 1001173 Task 2. Funding for operations and maintenance is also budgeted and available in the Sewer Fund 3100.

PUBLIC OUTREACH / INTEREST

The residents in the area have been notified in writing about this project. Prior to starting work, residents who are affected by the work will be notified individually of the work schedule, planned activities, and contact information of the Contractor and Resident Engineer/Inspector in charge.

COORDINATION

The work to be done under these contracts was coordinated with Oakland Public Works (OPW) Bureau of Infrastructure and Operations, Bureau of Facilities and Environment, and Contracts and Compliance Division of the City Administrator's Office. In addition, the Office of the City Attorney and the Budget Bureau have reviewed this report and resolution.

SUSTAINABLE OPPORTUNITIES

Economic: The contract will be verified for Local Business Enterprise and Small Local Business Enterprise (LBE/SLBE) participation by the Social Equity Division of the Department of Contracting and Purchasing. The contractors are required to have 50 percent of the work hours performed by Oakland residents, and 50 percent of all new hires are to be Oakland residents, which will result in funds being spent locally.

Environmental: Replacing sanitary sewers will minimize sewer leakage and overflows, thus preventing potential harm to property, groundwater resources and the bay. Best Management Practices for the protection of storm water runoff during construction will be required.

Social Equity: This project is part of the citywide program to eliminate wastewater discharges and overflows, thereby, benefiting all Oakland residents with decreased sewer overflows and improved infrastructure.

ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends that the City Council adopt a resolution rejecting all bids, waiving further advertising and competitive bidding, authorizing the City Administrator, or Designee, to negotiate, award and execute a construction contract without return to Council for an amount not to exceed Two Million Seven Hundred and Eighty Thousand Dollars (\$2,780,000.00) in the open market for Sanitary Sewer Capacity Upgrades In Park Boulevard & In Trestle Glen Road (Project No. 1001173 Task 2) in accordance with the project plans and specifications. The contractor will be required to be in compliance with the City's programs such as Local and Small Local Business Enterprises prior to execution of the contract.

For questions regarding this report, please contact Jimmy Mach, Wastewater Engineering Management Division Manager at 510-238-3303.

Respectfully submitted,



JASON MITCHELL
Director, Oakland Public Works

Reviewed by:
Danny Lau, P.E., Assistant Director
Bureau of Design & Construction

Prepared by:
Jimmy Mach, P.E., Division Manager
Wastewater Engineering Management Division

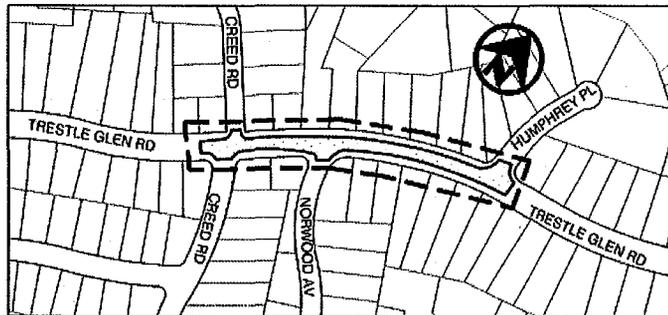
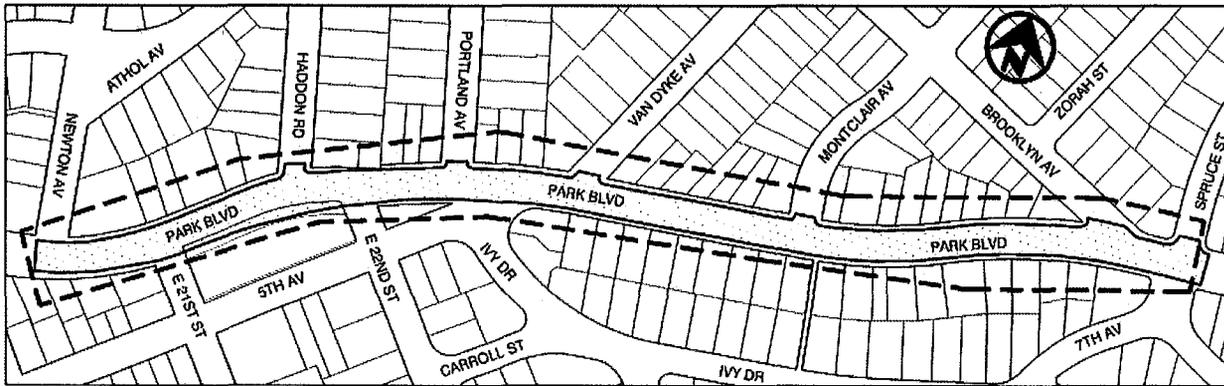
Attachments (3):

- A: Project Location Maps*
- B: List of Bidders and Project Construction Schedule*
- C: Contracts & Compliance Unit Compliance Evaluation*

Attachment A

SANITARY SEWER CAPACITY UPGRADES IN PARK BOULEVARD & TRESTLE GLEN ROAD

CITY PROJECT NO. 1001173 TASK 2



LOCATION MAP

NOT TO SCALE

LIMIT OF WORK 

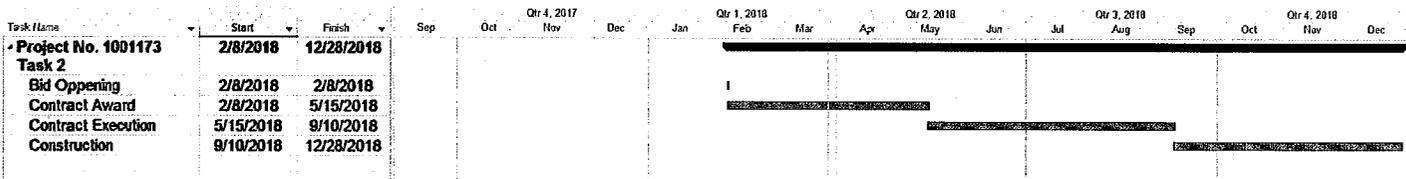
Attachment B

List of Bidders

1001173 Task 2

Company	Location	Bid Amount
Engineer's Estimate	-	\$2,343,587.00
Pacific Trenchless Inc.	Oakland, CA	\$3,181,510.00
Andes Construction Inc.	Oakland, CA	\$2,857,000.00

Project Construction Schedules





INTER OFFICE MEMORANDUM

TO: Johnny Liu,
Civil Engineer

FROM: Deborah Barnes, *Deborah Barnes*
Director, Contracts & Compliance

SUBJECT: Compliance Analysis
Sanitary Sewer Capacity Upgrades in Park
Boulevard & in Trestle Glen Road
Project No. 1001173-Task 2

DATE: March 2, 2018 Revised**

The City Administrator's Office, Contracts and Compliance Unit reviewed two (2) bids in response to the above referenced project. Below is the outcome of the compliance evaluation for the minimum 50% Local and Small Local Business Enterprise (L/SLBE) participation requirement, a preliminary review for compliance with the Equal Benefits Ordinance (EBO), and a brief overview of compliance with the 50% Local Employment Program (LEP) and the 15% Oakland Apprenticeship Program by the lowest compliant bidder on their most recently completed City of Oakland project.

Compliant with L/SLBE and/or EBO Policies		Proposed Participation					Earned Credits and Discounts			EBO Compliant? Y/N
Company Name	Original Bid Amount	Total LBE/SLBE	LBE	SLBE	*VSLBE/LPG	L/SLBE /VSLBE Trucking	Total Credited participation	Earned Bid Discounts	Adjusted Bid Amount	
Andes Construction	\$2,857,000.00	91.42% *94.22%	0.63%	87.99%	2.80%	100.00%	*94.22%	5%	\$2,714,150.00	Y
Pacific Trenchless	\$3,181,510.00	95.03% *101.13%	0.00%	88.94%	6.10%	100.00%	*101.13%	5%	\$3,022,434.50	Y

*Andes Construction and Pacific Trenchless proposed VSLBE/LPG participation valued at 2.80% and 6.10. However, per the L/SLBE Program a VSLBE/LPG's participation is double counted towards meeting the requirement. Therefore, the VSLBE/LPG values for Andes Construction and Pacific Trenchless values are 5.60% and 12.20%.

Comments: As noted above, both firms exceeded the minimum 50% L/SLBE participation requirement. Both firms are EBO compliant.

**Original memo date was February 20, 2018. At the project manager's request the project number was modified to include Task Number 2.



For Informational Purposes

Listed below is the lowest responsible bidder's compliance with the 50% Local Employment Program (LEP) and the 15% Oakland Apprenticeship Program for the lowest bidder's most recently completed City of Oakland project.

Contractor Name: Andes Construction
Project Name: Rehab of SS in the area Bounded by San Leandro, Edes and 85th (SB85-101)
Project No: C268310

50% Local Employment Program (LEP)

Was the 50% LEP Goal achieved?	Yes	If no, shortfall hours?	
Were all shortfalls satisfied?	Yes	If no, penalty amount	

15% Oakland Apprenticeship Program

Was the 15% Apprenticeship Goal achieved?	No	If no, shortfall hours?	1080
Were shortfalls satisfied?	No	If no, penalty amount?	\$10818.29

The spreadsheet below provides details of the 50% LEP and 15% Apprenticeship Programs. Information provided includes the following data: A) total project hours, B) core workforce hours deducted, C) LEP project employment and work hour goal; D) LEP employment and work hours achieved; E)# resident new hires; F) shortfall hours; G) percent LEP compliance; H) total apprentice hours; I) apprenticeship goal and hours achieved; and J) Apprentice shortfall hours.

Total Project Hours	50% Local Employment Program (LEP)							15% Apprenticeship Program				
	Core Workforce Hours Deducted	LEP Project Employment and Work Hours Goal		LEP Employment and Work Hours Achieved		# Resident New Hires	Shortfall Hours	% LEP Compliance	Total Oakland Apprenticeship Hours Achieved	Apprenticeship Goal and Hours		Apprentice Shortfall Hours
		Goal	Hours	Goal	Hours					Goal	Hours	
A	B	C		D		E	F	G	H	I		J
9804	0	50%	4952	100	4952	0	0	100	406	15%	1486	1080

Comments: Andes Construction met the Local Employment Program's 50% resident hiring goal and did not meet the 15% Oakland Apprenticeship Program goals.

Should you have any questions, you may contact Sophany Hang, Contract Compliance Officer at (510) 238-3723.

CITY ADMINISTRATOR'S OFFICE

Contracts and Compliance Unit



PROJECT COMPLIANCE EVALUATION FOR :

Project No. 1001173-Task 2

RE: Sanitary Sewer Capacity Upgrades in park Boulevard & in Trestle Glen Road

CONTRACTOR: Andes Construction, Inc.

Engineer's Estimate:
\$2,343,587.00

Contractors' Bid Amount
\$2,857,000.00

Over/Under Engineer's Estimate
(\$513,413.00)

Discounted Bid Amount:

\$2,714,150.00

Amt. of Bid Discount

\$142,850.00

Discount Points:

5.00%

1. Did the 50% local/small local requirement apply:

YES

2. Did the contractor meet the 50% requirement

YES

a) % of LBE participation 0.63%

b) % of SLBE participation 87.99%

c) % of VSLBE participation *2.80%

5.60%

(double counted value)

3. Did the contractor meet the Trucking requirement?

YES

a) Total L/SLBE trucking participation 0.00%

a) Total VSLBE trucking participation 100.00%

4. Did the contractor receive bid discount points?

YES

(If yes, list the points received) 5%

5. Additional Comments.

Proposed VSLBE/LPG participation is valued at 2.80%, however, per the L/SLBE Program a VSLBE/LPG's participation is double counted towards meeting the requirement. Therefore, the VSLBE/LPG value is 5.60%

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

3/2/2018

Date

Reviewing Officer:

[Signature]

Date: 3/2/2018

Approved By:

Shelley Sarenburg

Date: 3/2/2018

CITY ADMINISTRATOR'S OFFICE



Contracts and Compliance Unit

PROJECT COMPLIANCE EVALUATION FOR :

Project No. 1001173-Task 2

RE: Sanitary Sewer Capacity Upgrades in park Boulevard & in Trestle Glen Road

CONTRACTOR: Pacific Trenchless, Inc.

Engineer's Estimate:
\$2,343,587.00

Contractors' Bid Amount
\$3,181,510.00

Over/Under Engineer's Estimate
(\$837,923.00)

Discounted Bid Amount:

\$3,022,434.50

Amt. of Bid Discount
\$159,075.50

Discount Points:

5.00%

1. Did the 50% local/small local requirement apply:

YES

2. Did the contractor meet the 50% requirement

YES

a) % of LBE participation

0.00%

b) % of SLBE participation

88.94%

c) % of VSLBE participation

***6.10%**

12.20%

(double counted value)

3. Did the contractor meet the Trucking requirement?

YES

a) Total L/SLBE trucking participation

100.00%

a) Total VSLBE trucking participation

0.00%

4. Did the contractor receive bid discount points?

YES

(If yes, list the points received)

5.00%

5. Additional Comments.

Proposed VSLBE/LPG participation is valued at 6.10%, however, per the L/SLBE Program a VSLBE/LPG's participation is double counted towards meeting the requirement. Therefore, the VSLBE/LPG value is 12.20%

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

Reviewing Officer:

3/2/2018

Date:

3/2/2018

Approved By:

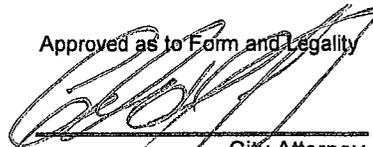
Date:

3/2/2018

LBE/SLBE Participation Bidder 1

Project Name: Sanitary Sewer Capacity Upgrades in Park Boulevard & in Trestle Glen Road														
Project No.: 1001173-Task 2		Engineer's Estimate 2,343,587.00				Under/Over Engineers Estimate: -513,413.00								
Discipline	Prime & Subs	Location	Cert. Status	LBE	SLBE	*VSLBE/LPG (2x Value)	Total LBE/SLBE	VSLBE Trucking	L/SLBE Trucking	Total Trucking	TOTAL Dollars	Ethnicity		
												Ethn.	MBE	WBE
PRIME	Andes Construction, Inc.	Oakland	CB		2,514,000.00		2,514,000.00				2,514,000.00	H	2,514,000.00	
Trucking	Foston Trucking	Oakland	CB			45,000.00	45,000.00	45,000.00		45,000.00	45,000.00	AA	45,000.00	
Saw Cutting	Bayline Cutting	Berkeley	UB								20,000.00	H	20,000.00	
MH Precast	Old Castle	Pleasanton	UB								20,000.00	C		
AC	Gallagher & Burk	Oakland	CB			35,000.00	35,000.00				35,000.00	C		
AC	Hanson Aggregates	Berkeley	UB								25,000.00	C		
AB	Inner City	Oakland	UB								10,000.00	C		
Rock	Dutra	San Rafael	UB								10,000.00	C		
Concrete	Central Concrete	Oakland	CB	18,000.00			18,000.00				18,000.00	C		
VCP Pipe	Mission Clay	Oakland	UB								80,000.00	C		
Surveying	Benchmark Eng.	Modesto	UB								4,000.00	C		
Stripping	Crisp Co.	Fremont	UB								16,000.00	C		
AC Grinding & Paving	QA Construction	Hayward	UB								60,000.00	C		
Project Totals				18,000.00 0.63%	2,514,000.00 87.99%	80,000.00 2.80%	2,612,000.00 91.42%	45,000.00 100.00%	0.00 0.00%	45,000.00 100.00%	2,857,000.00 100.00%		2,579,000.00 90.27%	0.00 0.00%
Requirements: The 50% requirements is a combination of 25% LBE and 25% SLBE participation. An SLBE firm can be counted 100% towards achieving 50% requirements and aVSLBE/LPP firm can be counted double towards achieving the 50% requirement.												Ethnicity AA = African American A = Asian AI = Asian Indian AP = Asian Pacific		

** Proposed VSLBE/LPG participation is valued at 2.80%, however per the L/SLBE Program a VSLBE/LPG's participation is double counted towards meeting the requirement. Double counted percentage is reflected on the evaluation form and cover memo.



City Attorney

2018 APR 26 RESOLUTION No. _____ C.M.S.

Introduced by Councilmember _____

RESOLUTION REJECTING ALL BIDS, WAIVING FURTHER ADVERTISING AND COMPETITIVE BIDDING, AUTHORIZING THE CITY ADMINISTRATOR, OR DESIGNEE, TO NEGOTIATE, AWARD AND EXECUTE A CONSTRUCTION CONTRACT WITHOUT RETURN TO COUNCIL FOR AN AMOUNT NOT TO EXCEED TWO MILLION SEVEN HUNDRED AND EIGHTY THOUSAND DOLLARS (\$2,780,000.00) IN THE OPEN MARKET FOR THE CONSTRUCTION OF SANITARY SEWER CAPACITY UPGRADES IN PARK BOULEVARD & IN TRESTLE GLEN ROAD (PROJECT NO. 1001173 TASK 2) IN ACCORDANCE WITH THE PROJECT PLANS AND SPECIFICATIONS.

WHEREAS, on February 08, 2018, two bids were received by the Office of the City Clerk of the City of Oakland for Sanitary Sewer Capacity Upgrades In Park Boulevard & In Trestle Glen Road (Project No. 1001173 Task 2); and

WHEREAS, one bid was deemed non-responsive because the bidder's Traffic Control bid item exceeded the 5% maximum limit of the total bid, and the second bidder submitted a bid that is significantly over the engineer's estimate (36%); and

WHEREAS, OMC Section 2.04.050.I.5 provides an exception to the advertising and competitive bidding requirements of the OMC upon a finding and determination by the City Council that it is in the best interests of the City to do so and OMC section 2.04.050.J states that if no valid bids are received after advertising as required, the City Administrator may proceed to hire or have the services performed or purchase the supplies in the open market; and

WHEREAS, advertising and competitive re-bidding will delay the construction project which is required under the 2014 Sewer Consent Decree; and

WHEREAS, there are sufficient funds in the project budget for the work. Funding for this project is available in the following project account as part of FY 2017-18 CIP budget: Sewer Service Fund (3100); Capital Projects - Sanitary Sewer Design Organization (92244); Project No. 1001173 Task 2; \$2,780,000.00; and these funds were specifically allocated for this project; and

WHEREAS, this project will help reduce the amount of sanitary sewer maintenance and wet weather peak flows; and

WHEREAS, the City Council finds and determines based on the representations set forth in the City Administrator's report accompanying this Resolution that the construction contract approved hereunder is temporary in nature; and

WHEREAS, the City lacks the equipment and qualified personnel to perform the necessary work, that the performance of this contract is in the public interest because of economy or better performance; 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 service; now, therefore, be it

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

FURTHER RESOLVED: That the City Council finds and determines that it is in the best interest of the City to waive further advertising and competitive bidding per OMC Section 2.04.050.I.5 and per OMC section 2.04.050.J the City Administrator may proceed to hire or have the services performed or purchase the supplies in the open market since no valid bids were received after advertising as required; and be it

FURTHER RESOLVED: That the City Administrator, or Designee, is authorized to negotiate, award and execute a construction contract without return to Council for the construction of Sanitary Sewer Capacity Upgrades In Park Boulevard & In Trestle Glen Road (Project No. 1001173 Task 2) for an amount not to exceed of Two Million Seven Hundred Eighty Thousand Dollars (\$2,780,000) in accordance with the project plans and specifications; and be it

FURTHER RESOLVED: That the plans and specifications prepared for this project, including any subsequent changes during construction, that will be reviewed and adopted by the Director, or designee, are hereby approved; and be it

FURTHER RESOLVED: That the City Administrator, or Designee, is authorized to execute any amendments or modifications of the contract within the limitations of the project specifications; and be it

FURTHER RESOLVED: That the successful contractor shall comply with all City contracting and compliance program requirements that apply to this contract, including Local Business Enterprise and Small Local Business Enterprise (LBE/SLBE) participation and be verified by the Contracts and Compliance Division; and be it

FURTHER RESOLVED: That the successful contractor shall provide faithful performance bond and a bond to guarantee payment of all claims for labor and materials furnished and for the amount of 100% of the contract price and due under the Unemployment Insurance Act prior to execution of the contract; and be it

FURTHER RESOLVED: That the contract shall be reviewed and approved by the City Attorney for form and legality prior to execution and placed on file in the Office of the City Clerk.

IN COUNCIL, OAKLAND, CALIFORNIA, _____

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, CAMPBELL WASHINGTON, GALLO, GIBSON MCELHANEY, GUILLEN, KALB, KAPLAN, AND PRESIDENT REID

NOES -

ABSENT -

ABSTENTION -

ATTEST: _____

LaTonda Simmons
City Clerk and Clerk of the Council
of the City of Oakland, California