

CITY OF OAKLAND

AGENDA REPORT

TO: Edward D. Reiskin
City Administrator

FROM: Ryan Russo
Director, DOT

SUBJECT: Seismic Retrofit of 23rd Ave. Bridge

DATE: June 8, 2020

City Administrator Approval

Date: June 23, 2020

RECOMMENDATION

Staff Recommends That The City Council Adopt:

A Resolution Waiving Advertising And Competitive Bidding And Increasing The Change Order Limit For The Contract With Proven Management, Inc., For The Seismic Retrofit of 23rd Avenue Bridge (Project No. 1001681) From Twenty-Five Percent (25%) To Sixty-Five Percent (65%) Of The Original Contract Amount For A Total Contract Amount Not-To-Exceed Ten Million Four Hundred Ninety-One Thousand Nine Hundred Eighty-Two Dollars (\$10,491,982.00).

EXECUTIVE SUMMARY

The 23rd Avenue Bridge over Union Pacific Railroad (UPRR), located between East 11th Street and East 12th Street, was selected by the California Department of Transportation (Caltrans) for seismic retrofit as part of the Seismic Safety Retrofit Program. In April 2018, the City received \$10,025,000.00 of federal and state grant funding for the construction phase of the project to retrofit the bridge. \$8,822,000.00 of this grant amount was allocated for the construction contract and contingencies. The work is in Council District 5 as shown in **Attachment A**.

Adoption of the resolution will allow the 23rd Avenue Bridge Seismic Retrofit Project to utilize additional funding from Caltrans as it is authorized on a request by request basis. The additional funding is needed because of various unanticipated costs incurred by the project. Without the additional funding the contractor will not be able to complete the construction work for the bridge.

The construction contract was awarded by the City Council on October 16, 2018 with a plan to issue the notice to proceed as soon as the contract was executed. However, the start of construction was delayed due to the presence of a large homeless encampment and contaminated materials encountered on site. Expenditures on the bridge retrofit work is currently at approximately 65% of the base contract, while construction is at approximately 50% completion and is anticipated to be completed by December 2020 provided Caltrans approves additional funds. Due to the construction delay and additional scope caused by the unforeseen conditions, additional costs have been incurred by the contractor on this project.

City Council
June 30, 2020

The contract included authority for up to twenty-five percent (25%) in change orders to cover unforeseen conditions. Staff is requesting \$2,543,511.00 in additional construction contract authority. On March 16, 2020, staff submitted to Caltrans a request for funding increase and the additional funds are anticipated to be approved by June of 2020. It is unlikely that Caltrans would refuse to approve the needed additional funding to complete the project. However, should that be the case the City would need to consider either funding through other sources, or freezing the project in construction.

BACKGROUND / LEGISLATIVE HISTORY

In April 2018, the City applied for and obtained \$10,025,000.00 of federal and state grant funding for the construction phase of the project to retrofit the 23rd Avenue Bridge. \$8,822,000.00 of this grant amount was allocated for the construction contract.

The project seismically retrofits the 23rd Avenue Bridge over UPRR near highway 880. Work includes pile driving, strengthening of bridge footings and piers, and structural concrete work.

On October 16, 2018, the City Council approved:

- The acceptance and appropriation of up to \$10,025,000.00 of Federal Highway Administration and State Proposition 1B Funds for the project in accordance with Resolution No. 87382 C.M.S. The resolution also authorized the acceptance and appropriation of any additional grant funds received for the construction phase.
- A construction contract with Proven Management, Inc. in the amount of \$6,358,777.00 in accordance with Resolution No. 87383 C.M.S. That contract included authority for up to twenty-five percent (25%) in change orders to cover unforeseen conditions.

As required, the City submitted the construction contract award package to Caltrans reflecting the awarded contract amount. It's the standard practice for Caltrans to revise funding obligation for the project according to the actual contract award. This revised agreement will reduce the funding obligation for the construction phase from \$10,025,000.00 to \$7,948,472.00 as described below:

Construction Contract:	\$6,358,777.00
Contingencies:	\$635,878.00
<u>Construction Engineering</u>	<u>\$953,817.00</u>
Total:	\$7,948,472.00

Fortunately, because the construction bid came in lower than the engineer's estimate, it facilitated the City's current requests for additional project grant funding. As a result, the revised agreement will also include the additional funds recently requested from Caltrans on March 16, 2020. These additional funds are expected to be approved in June 2020. Approval of the additional contract capacity remains time sensitive. Two of the bridge footings are being constructed in Union Pacific Railroad (UPRR) right of way. To accommodate the foundation work, one of UPRR tracks is temporarily out of service, providing additional urgency to the work. Overall current construction is at approximately 50% completion and is anticipated to be completed by December 2020 provided Caltrans authorizes additional funding.

There were several factors that contributed to the increase of project construction cost: the removal of a homeless encampment including cleaning the project site from contaminated material and securing site by installing new permanent fencing, delay caused by unmarked utilities uncovered during construction, as well as additional unforeseen conditions, such as the removal of unknown buried concrete blocks, additional required piles, increase in actual material quantities, additional mobilization, and additional environmental protection costs to accommodate an additional rainy season.

The total cost of the additional work being proposed by the contractor is \$3,617,782.00. This additional cost is not final and is under negotiation. Overall additional cost to the contract is estimated at \$4,133,205.00 (65%). The construction contract with Proven Management, Inc. was approved by Council (87383 C.M.S.) with authority for up to twenty-five percent (25%) in change orders. Staff is seeking \$2,543,510.00 (40%) in additional change order capacity from Council to accommodate up-to-date project changes and additional unforeseen conditions that may yet arise between now and the completion of the project.

Section 2.04.050.I.5 of the Oakland Municipal Code (the "OMC") authorizes the City Council to waive the advertising and competitive bidding requirements of Section 2.04.050 upon a finding and determination that it is in the best interests of the City to do so. Waiving the advertising and competitive bidding requirements of OMC Section 2.04.050 remains in the best interest of the City because it will allow staff to complete the project as required by the federal grant, and avoid further costly delays and disruption during the middle of the ongoing project construction.

FISCAL IMPACT

Staff has received an encouraging response from Caltrans for the first request for additional funding in the amount of \$1,208,168.00, and it's anticipated that Caltrans will approve this request by June 2020. Upon approval, these additional funds will be distributed as follows: \$1,069,591.00 (88.53%) grant funded with \$138,577.00 (11.47%) local match funded.

Additional requests for funding to Caltrans will require a 11.47% local match. Depending on how much of the additional change order capacity is used, the total need for local match can grow to a maximum of \$401,143.00.

The distribution of grant and local funds for the base contracts and the proposed contract capacity increase are shown in the tables below.

Cost Element	Resolution No.	Amount	Grant Funds	Local Funds
Base Project Work with initial 25% contingency	87383 C.M.S.	\$7,948,472.00	\$7,839,069.00	\$109,403.00
Proposed additional contract capacity (40% change order capacity increase)	TBD	\$2,543,510.00	\$2,251,770.00	\$291,740.00
Total Proposed Contract Amount (with 65% change order capacity)		\$10,491,982.00	\$10,090,839.00	\$401,143.00

The additional grant funds pending Caltrans approval will be available in the following project accounts:

- Department of Transportation Fund (2116); Capital Projects Project Management Organization (92270); Street Construction Account (57411); Project 1001681; Award 23494; \$3,096,184.00

Local matching funds are available from this project account:

- Measure B Fund (2211); Engineering Design: Traffic / Parking Organization (92246); Street Construction Account (57411); Project 1000819; Task 23rd Avenue Bridge; Award 23234; \$401,143.00

PUBLIC OUTREACH / INTEREST

During the design phase, staff met with the City Administrator's Office regarding the presence of homeless encampment at the project site and the need for relocation of the encampment prior to the start of construction. Also, per standard City procedures, Public Works has sent notification letters prior to the start of construction to area residents and businesses with information about construction activities, schedule, and staff contacts.

COORDINATION

The Office of the City Attorney and the Controller's Bureau were consulted in preparation of this report and resolution. Also, the work to be done under this contract was reviewed and coordinated with:

- The California Department of Transportation (Caltrans)
- Union Pacific Railroad (UPRR) company for right of entry permit
- Oakland Fire Department (OFD)
- Safe Streets Division of the Department of Transportation (OakDOT)
- Bureau of Infrastructure and Operations of the Oakland Public Works (OPW)
- Bureau of Facilities and Environment of the Oakland Public Works (OPW)
- Construction Management Unit of the Oakland Public Works (OPW)
- Contracts and Compliance Division of the City Administrator's Office

PAST PERFORMANCE, EVALUATION AND FOLLOW-UP

There is no Performance Evaluation on file for Proven Management, Inc. since this is the contractor's first construction project with the City. However, to date the contractor is performing in a satisfactory manner.

SUSTAINABLE OPPORTUNITIES

Economic: This project will improve bridge seismic reliability, ensuring continued safe use of the structure and improving the probability the bridge will remain functional following a seismic event, which is critical to rapid recovery. The rehabilitation of the bridge also reduces long-term maintenance costs.

Environmental: The project requires the reuse of clean fill materials and recyclable concrete products. The project will also implement the Best Management Practices for the protection of storm water runoff during construction to prevent pollutants from entering the storm drain systems.

Race & Equity: This project is on the boundary of an area designated as high disadvantage by California's Metropolitan Transportation Commission (MTC) Disadvantage Index. Furthermore, the seismic retrofit of this bridge will enhance pedestrian and vehicular safety, thereby benefiting all Oakland residents.

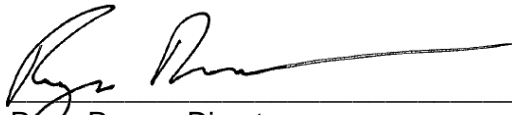
ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends That The City Council Adopt:

Resolution Waiving Advertising And Competitive Bidding And Increasing The Change Order Limit For The Contract With Proven Management, Inc., For The Seismic Retrofit of 23rd Avenue Bridge (Project No. 1001681) From Twenty-Five Percent (25%) To Sixty-Five Percent (65%) Of The Original Contract Amount For A Total Contract Amount Not-To-Exceed Ten Million Four Hundred Ninety-One Thousand Nine Hundred Eighty-Two Dollars (\$10,491,982.00).

For questions regarding this report, please contact Mohamed Alaoui, Principal Civil Engineer, Great Streets Delivery Division at (510) 238-3469.

Respectfully submitted,



Ryan Russo, Director
Department of Transportation

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*Attachments (1):
A: Project Location Map*