

CITY OF OAKLAND
AGENDA REPORT

2010 JUN 10 PM 1:29

TO: Office of the City Administrator
ATTN: Daniel Lindheim
FROM: Public Works Agency
DATE: June 22, 2010

RE: **Resolution Waiving Competitive Bidding And Authorizing The City Administrator Or Designee To:**

- 1. Award A Design-Build Agreement To Rockridge Builders For Energy Efficiency Improvements To The Police Administration Building (PAB) Heating, Ventilation, And Air Conditioning (HVAC) System For An Amount Not To Exceed Seven Hundred Ninety Thousand Dollars (\$790,000.00), Including But Not Limited To Federal Government's Stimulus Package Funds; And**
- 2. Accept And Appropriate Energy-Related Rebates In Project Number C389310 (PAB HVAC Efficiency Upgrades) For Energy Efficiency Improvements To The PAB HVAC System**

SUMMARY

A resolution has been prepared waiving competitive bidding and authorizing a Design-Build agreement for energy efficiency improvements to the Police Administration Building (PAB) heating, ventilating and air conditioning (HVAC) system using grant funds from the Federal Government's Stimulus Package (American Recovery and Reinvestment Act (ARRA), Energy Efficiency and Conservation Block Grant (EECBG) Formula Program). Rapid implementation of projects to spend these funds is a primary expectation of the ARRA grant.

The attached resolution:

1. Waives competitive bidding and authorizes the City Administrator, or designee, to award a Design-Build agreement to Rockridge Builders for energy efficiency improvements to the Police Administration Building heating, ventilation, and air conditioning system in an amount not to exceed seven hundred ninety thousand dollars (\$790,000.00);
2. Accepts and appropriates energy-related rebates for Project PAB HVAC Efficiency Upgrades (C389310).

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FISCAL IMPACT

The \$790,000 in funding for this project comes from three sources:

1. An ARRA grant appropriated in the Department of Energy-EECBG Program (ARRA) Fund (2609), Environmental Services Energy Group Organization (30689) and PAB HVAC Efficiency Upgrades Project (C389310) in the amount of \$638,000.
2. The City Facilities Energy Conservation Projects Fund (4450), Environmental Services Energy Group Organization (30689), and City Building Energy Efficiency Upgrades Project (C256518) in the amount of \$152,000.
3. An estimated rebate of \$37,000 from the PG&E Municipal Improvement Team program will be appropriated into Project C389310 and spent on the PAB HVAC work.

The estimated energy cost savings for the proposed PAB HVAC work is \$85,000 per year and will reduce utility expenses in the City Facilities Fund (4400). This project includes elements that would otherwise require capital maintenance expenses of \$497,000.

BACKGROUND

City Council Resolution 82092 C.M.S., dated June 16, 2010 authorized application and acceptance of ARRA funds for this project. In September, 2009, the Department of Energy awarded the ARRA grant for energy efficiency projects to the City. In November 2009, a Request for Proposals was published for the PAB HVAC work. Seven firms attended the mandatory pre-proposal meeting. No proposals were submitted.

In March, 2010, and as required under Section 2.04.051 of the Oakland Municipal Code, a Request for Qualifications was published. Two Statements of Qualifications were received; one from Rockridge Builders of Oakland and another from the Hayward office of ACCO Engineered Systems (ACCO), whose headquarters are in Glendale, CA.

Both contractors were invited to submit proposals. The City solicited prices for several different efficiency improvements; acknowledging that the contractor's price for the work may be more than the published budget.

Rockridge Builders submitted a proposal. ACCO declined to submit a proposal, stating that they could not prepare a proposal that complied with the Local & Small Local For Profit and Not For Profit Business Enterprise Program For ARRA Stimulus Funded Projects. ACCO also stated that they were unsuited to remove the asbestos-containing cooling tower as required by the solicitation.

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Rockridge Builders' proposal met the requirements of the City's Local/Small Local Business Enterprise (L/SLBE) Program for professional services by providing 91% of its professional services from certified Small Local Businesses. The Rockridge Builders proposal also meets the City's Local/Small Local Business Enterprise (L/SLBE) Program for construction services by providing 42% of its construction services from certified Small Local Businesses and providing total of 99% of its construction services from certified Local Business Enterprises (including small business). The proposal also committed to meeting the requirements of the Local Employment Program (LEP), and the Oakland Apprenticeship Workforce Development Partnership System (OAWDPS). A copy of the Department of Contracting and Purchasing program compliance review is provided in *Attachment A*.

The total contractor cost is \$790,000. The ARRA grant provides \$638,000 for the design-build contractor work. The necessary \$152,000 of additional funding is available in the City Building Energy Efficiency Upgrade Project.

The scope of work with Rockridge Builders for \$665,500 includes HVAC system improvements to the cooling tower, outside air economizer and the air handling equipment serving the nine-story tower of the Police Administration Building. An additional \$125,000 is also available from the City Building Energy Efficiency Upgrade Project for other cost-effective efficiency measures as identified in the ARRA grant.

The City is eligible for an energy efficiency rebate for this project estimated at \$ 37,000 from PG&E.

Section 2.04.180 of the Oakland Municipal Code (OMC) allows the City to use the alternative fast-track project delivery method commonly referred to as "design-build" with or without formal bidding when the circumstances surrounding the project substantiate that it is in the "best interests of the city" to waive formal bidding pursuant to OMC Section 2.04.050 I 5.

Staff requests that the Council make a finding that it is in the best interests of the City to use the design-build alternative fast-track project delivery method in this instance and to waive competitive bidding for this contract. The ARRA requires starting projects quickly to create jobs. Acquiring design-build proposals in a single solicitation process is faster than issuing a Request for Proposals for professional services, creating construction documents, and then competitively bidding the construction. Design-build solicitations also allow teams of engineers and contractors to propose solutions that integrate their engineering and construction expertise to achieve a balance between construction cost and operating cost.

KEY ISSUES AND IMPACTS

The HVAC cooling tower at the PAB is far beyond its useful life, and one half of it has failed and must be replaced. The controls for bringing outside air to the lower floors of the building are

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broken and in need of repair to reduce over-consumption of energy. In the floors four through nine of the PAB tower, outside air is treated and delivered 24 hours a day, 365 days a year. Adding controls to eliminate unnecessary outside air delivery during periods of low occupancy will also reduce over-consumption of energy. This project will remedy these building failures.

The engineering analysis in the proposed project will identify the best equipment and installation choices to maximize energy cost savings. The analysis will also confirm whether other cost-effective opportunities should be included in the project within the maximum \$790,000 agreement amount. For example, the two large boilers delivering space heating and hot water to showers/bathrooms operate all year. Engineering analysis will show if a cost-effective alternative (recovers its initial cost during the useful life of the new equipment) exists for the boilers and other equipment in the PAB.

Electricity and natural gas cost savings from constructing energy efficiency measures for the Police Administration Building HVAC system is estimated to be \$85,000 per year.

PROJECT DESCRIPTION

The proposed scope of work for Rockridge Builders at a cost of \$665,500 includes engineering to confirm the proper sizes of equipment and determine the cost-effectiveness of other opportunities; replacing the cooling tower; repairing the controls for outside air flow to the lower floors; and adding equipment and controls to optimize air flow to PAB tower floors four through nine after regular business hours.

Authorizing the City Administrator to approve spending up to \$790,000 will allow the City to add more energy cost-effective opportunities into the project.

SUSTAINABLE OPPORTUNITIES

Economic: This project will use stimulus funds from the ARRA to provide jobs in the community while increasing energy efficiency of the building and decreasing energy costs for the City.

Environmental: This energy efficiency project will avoid an estimated 110 Metric Tons per year of greenhouse gas and other toxic emissions per year.

Equity: This project will include significant participation from certified Small Local Business Enterprises and certified Local Business Enterprises.

DISABILITY AND SENIOR CITIZEN ACCESS

This project does not have direct access impacts on disabled or senior citizens.


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ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends that the City Council approve the Resolution that:

- 1) Waives competitive bidding and authorizes the City Administrator to enter into a Design-Build agreement with Rockridge Builders in an amount not to exceed \$790,000 for energy efficiency improvements to the PAB HVAC system; and
- 2) Allows the City to accept and appropriate energy rebates into Project C389310.

Respectfully submitted,



Vitaly B. Troyan, P.E.
Interim Director, Public Works Agency

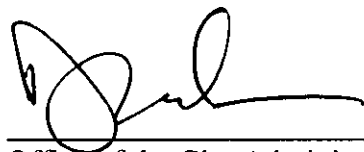
Reviewed by:
Brooke A. Levin, Assistant Director

Reviewed by:
Susan Kattchee, Environmental Services Manager

Prepared by:
Scott Wentworth, P.E., Energy Engineer
Environmental Services Division

Attachment A: Department of Contracting and Purchasing

APPROVED AND FORWARDED TO THE
PUBLIC WORKS COMMITTEE



Office of the City Administrator

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Public Works Committee
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Memo



Department of Contracting and Purchasing Social Equity Division

To: Scott Wentworth, Energy Engineer III
 From: Vivian Inman, Contract Compliance Officer
 Through: Shelley Darensburg, Sr. Contract Compliance Officer *S. Darensburg*
 Cc: Deborah Barnes, Director, DC&P
 Date: May 10, 2010
 Re: Hall of Justice HVAC Improvements American Recovery and Reinvestment Act (ARRA) –
 Stimulus Funds Project – Non Disadvantaged Business Enterprise (DBE)

The Department of Contracting and Purchasing (DCP), Division of Social Equity, reviewed one (1) proposal in response to the above referenced project. This is an American Recovery and Reinvestment Act (ARRA) – Stimulus Funds project. Below is the outcome of the compliance evaluation for the minimum 35% Local and Small Local Business Enterprise (L/SLBE) participation requirement, and a preliminary review for compliance with the Equal Benefits Ordinance (EBO).

Below are the results of our findings:

Responsive		Proposed Participation					Earned Credits and Discounts			Banked Credits Eligibility	EBO Compliant?
Company Name	Original Bid Amount	Total LBE/SLBE	LBE	SLBE	Trucking	Credited participatio	Earned Bid Discounts	Adjusted Bid Amount			
Rockridge Builders	NA	91%	0%	91%	MA	91%	0 points	NA	0 points	Y	

Comments: As noted above, Rockridge Builders exceeded the minimum 35% L/SLBE requirement and is EBO compliant.

Responsive (Cont'd)		Proposed Participation					Earned Credits and Discounts			Banked Credits Eligibility	EBO Compliant?
Company Name	Original Bid Amount	Total LBE/SLBE	LBE	SLBE	Trucking	Credited participatio	Earned Bid Discounts	Adjusted Bid Amount			
NA	NA	0%	0%	0%	NA	0%	0 points	NA	0 points	NA	

Comments: There were no non-responsive firms.

Should you have any questions you may contact Vivian Inman at (510) 238-3970.



Memo

Department of Contracting and Purchasing

Social Equity Division

To: Scott Wentworth - Energy Engineer III
From: Sophany Hang - Acting Contract Compliance Officer
 Shelley Darenburg - Sr. Contract Compliance Officer *S. Darenburg*
CC: Deborah Barnes - DC & P Director
 Gwen McCormick - Contract Administration Supervisor
Date: May 7, 2010
Re: C389310- Hall of Justice HVAC Improvements American Recovery and Reinvestment Act (ARRA) – Stimulus Funds Project—Non Disadvantaged Business Enterprise (DBE)

The Department of Contracting and Purchasing (DC&P), Division of Social Equity, reviewed one (1) bid in response to the above referenced project. This is an American Recovery and Reinvestment Act (ARRA) – Stimulus Funds project. Below is the outcome of the compliance evaluation for the minimum 35% 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 the lowest responsible bidder's compliance with the 50% Local Employment Program (LEP) and the 15% Oakland Apprenticeship Program on the bidder's most recently completed City of Oakland project.

Responsive		Proposed Participation				Earned Credits and Discounts			Banked Credits Eligibility	EBO Compliant? Y/N
Company Name	Original Bid Amount	Total LBE/SLBE	LBE	SLBE	Trucking	Total Credited participation	Earned Bid Discounts	Adjusted Bid Amount		
Rockridge Builders	\$1,335,955	99.24%	57.08%	42.15%	100%	99.24%	0%	NA	0%	Y

Comments: As noted above, Rockridge Builders met and/or exceeded the minimum 35% Local/Small Local Business Enterprise participation requirement. The firm is EBO compliant.

Non-Responsive		Proposed Participation				Earned Credits and Discounts			Banked Credits Eligibility	EBO Compliant? Y/N
Company Name	Original Bid Amount	Total LBE/SLBE	LBE	SLBE	Trucking	Total Credited participation	Earned Bid Discounts	Adjusted Bid Amount		
NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

Comments: NA

FILED
OFFICE OF THE CITY CLERK
OAKLAND

DRAFT

Approved as to Form and Legality

2010 JUN 10 PM 1:30 **OAKLAND CITY COUNCIL**

City Attorney

RESOLUTION No. _____ C.M.S.

RESOLUTION WAIVING COMPETITIVE BIDDING AND AUTHORIZING THE CITY ADMINISTRATOR OR DESIGNEE TO:

- 1. AWARD A DESIGN-BUILD AGREEMENT TO ROCKRIDGE BUILDERS FOR ENERGY EFFICIENCY IMPROVEMENTS TO THE POLICE ADMINISTRATION BUILDING (PAB) HEATING, VENTILATION, AND AIR CONDITIONING (HVAC) SYSTEM FOR AN AMOUNT NOT TO EXCEED SEVEN HUNDRED NINETY THOUSAND DOLLARS (\$790,000.00), INCLUDING BUT NOT LIMITED TO FEDERAL GOVERNMENT'S STIMULUS PACKAGE FUNDS; AND**

- 2. ACCEPT AND APPROPRIATE ENERGY-RELATED REBATES IN PROJECT NUMBER C389310 (PAB HVAC EFFICIENCY UPGRADES) FOR ENERGY EFFICIENCY IMPROVEMENTS TO THE PAB HVAC SYSTEM**

WHEREAS, the City Council authorized application for ARRA grant funds for this project in Resolution 82092 C.M.S; and

WHEREAS, the Department of Energy awarded the City a grant for energy efficiency improvements to its municipal assets, including municipal buildings, under the American Recovery and Reinvestment ACT of 2009 (ARRA), Energy Efficiency and Conservation Block Grant (EECBG) Formula Program; and

WHEREAS, the shared goals of the City and the ARRA include creating jobs quickly, improving energy efficiency and reducing greenhouse gas emissions; and

WHEREAS, the City has appropriated funds totaling \$790,000 to implement this project, with \$638,000 in Department of Energy-EECBG Program (ARRA) Fund (2609), Environmental Services Energy Group Organization (30689), PAB HVAC Efficiency Upgrades Project (C389310) and \$152,000 in City Facilities Energy Conservation Projects Fund (4450), Environmental Services Energy Group Organization (30689), City Building Energy Efficiency Upgrades Project (C256518); and

WHEREAS, the energy efficiency improvements at the Hall of Justice are estimated to save \$85,000 per year in energy cost; and

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

WHEREAS, the City Administrator has determined that the services under this agreement are of a technical and temporary nature, and that the performance of this agreement shall not result in the loss of employment or salary by any person having permanent status in the competitive service; and

WHEREAS, Section 2.04.180 of the Oakland Municipal Code (OMC) allows the City to use the alternative fast-track project delivery method commonly referred to as "design-build" with or without formal bidding when the circumstances surrounding the project substantiate that it is in the "best interests of the city" to waive formal bidding pursuant to OMC Section 2.04.050; and

WHEREAS, it is in the City's best interests to waive the price-based bidding process for this project because the ARRA requires starting projects quickly to create jobs, and acquiring design-build proposals in a single solicitation process is faster, and because design-build solicitations can foster a balance between construction and operating cost; and

WHEREAS, the City, in compliance with OMC Section 2.04.051 conducted a formal Request For Proposals solicitation for providing energy efficiency design and construction services to which Rockridge Builders responded in a manner that complies with the City's engineering, construction and program requirements; now, therefore, be it

RESOLVED: That the City Administrator, or designee, is authorized to execute a Design-Build agreement in an amount not to exceed seven hundred ninety thousand dollars (\$790,000) with Rockridge Builders for HVAC energy efficiency improvement to the Hall of Justice Complex including the Police Administration Building; and be it

FURTHER RESOLVED: That pursuant to OMC Section 2.04.180 and Section 2.04.050 I, 5 and the reasons stated in the report accompanying this Resolution and above, the City Council finds that it is in the best interests of the City to use the alternative fast-track project delivery method commonly referred to as "design-build" and to waive price-based bidding and award for this contract and so waives said requirements; and be it

FURTHER RESOLVED: That the City Administrator or designee is authorized to apply for, accept, and appropriate energy related rebates or incentive payments from programs offered by the State, PG&E or other rebate programs and place funds into the ARRA Fund (2609) Project C389310; and be it

FURTHER RESOLVED: That the City Administrator or designee is authorized to transfer appropriations between projects in Fund 2609 as necessary to achieve the optimal use and full expenditure of ARRA grant funds; and be it

FURTHER RESOLVED: That the City Administrator or designee is authorized to extend, amend (except to increase compensation), and take whatever action is necessary with respect to this agreement consistent with this resolution and its basic purpose; and be it

FURTHER RESOLVED: That all contracts shall be reviewed and approved for form and legality by the Office of the City Attorney and a final copy shall be placed on file in the Office of the City Clerk.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 20_____

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, DE LA FUENTE, KAPLAN, KERNIGHAN, NADEL, QUAN, REID, and PRESIDENT BRUNNER

NOES -

ABSENT -

ABSTENTION -

ATTEST: _____

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