

**CITY OF OAKLAND**  
**AGENDA REPORT**

FILED  
OFFICE OF THE CITY CLERK  
OAKLAND  
2005 JUN 28 PM 3:13

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 VALLEJO AVE., 67<sup>TH</sup> ST., SAN PABLO AVE., & 59<sup>TH</sup> ST. - SUBBASIN 20-02 (PROJECT NO. C158310) FOR THE AMOUNT OF ONE MILLION THREE HUNDRED NINETY-TWO THOUSAND FOUR HUNDRED THIRTY-THREE DOLLARS (\$1,392,433.00)

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**SUMMARY**

A resolution has been prepared authorizing the City Administrator to award a construction contract in the amount of \$1,392,433.00 to Andes Construction, Inc. for the Rehabilitation of Sanitary Sewers in the Area Bounded by Vallejo Ave., 67<sup>th</sup> St., San Pablo Ave., and 59<sup>th</sup> St.- Subbasin 20-02 (Project No. C158310). 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 Districts 6 and 7.

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 20-02 (Project No. C158310). These funds were specifically allocated for this project. The Engineer's estimate for the work is \$1,744,170.00.

**BACKGROUND**

On May 2<sup>nd</sup>, 2005, the City Clerk received two bids for this project in the amounts of \$1,392,433.00 and \$1,632,752.00 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 overflows and backups during wet weather. This project meets the Mayor/Council Goals and

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Public Works Committee  
July 12, 2005

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 15,228 linear feet of existing 8" diameter sewer pipes; rehabilitating or replacing over 64 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 \$1,392,433.00 (100%) exceeds the City's 20% LBE/SLBE requirement. The contractor shows \$20,000.00 (100%) for trucking that exceeds the 20% Local Trucking participation goal. The contractor received 5% bid credit for LBE/SLBE preference, or \$69,622.00, that made the adjusted bid amount \$1,322,811.00. 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 June 2006. The contract specifies \$1,000.00 in liquidated damages per working day if the contract completion time of 120 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 \$1,392,433.00 for the Rehabilitation of Sanitary Sewers in the Area Bounded by Vallejo Ave., 67<sup>th</sup> St., San Pablo Ave., and 59<sup>th</sup> St.– Subbasin 20-02 (Project No. C158310). 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,

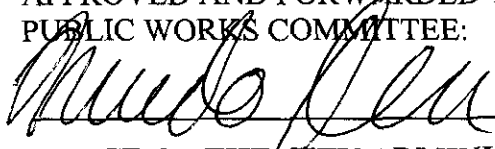
  
\_\_\_\_\_

**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**

Item: \_\_\_\_\_  
Public Works Committee  
July 12, 2005

*Attachment A*

**Rehabilitation of Sanitary Sewers in the Area Bounded by  
 Vallejo Ave., 67<sup>th</sup> St., San Pablo Ave., and 59<sup>th</sup> St.  
 Subbasin 20-02  
 (Project No. C158310)**

**List of Bidders**

Company	Status	Location	Bid Amount
Andes	SLBE	Oakland	\$1,392,433.00
D'arcy & Harty		San Francisco	\$1,632,752.00

**Project Schedule**

ID	Task Name	Start	Finish	2004				2005				2006			
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	
1	Project No. C158110	Mon 3/29/04	Fri 6/30/06	[Gantt bar spanning from Q1 2004 to Q3 2006]											
2	Pre-Design	Mon 3/29/04	Fri 4/2/04	[Gantt bar from Q1 2004 to Q1 2004]											
3	Design	Mon 4/5/04	Wed 2/16/05	[Gantt bar from Q2 2004 to Q2 2005]											
4	Bid/Award	Mon 2/28/05	Tue 9/13/05	[Gantt bar from Q4 2004 to Q3 2005]											
5	Construction	Mon 9/26/05	Fri 6/30/06	[Gantt bar from Q3 2005 to Q3 2006]											

*Attachment B*



**OFFICE OF THE CITY ADMINISTRATOR**  
 Contract Compliance & Employment Services Division

# Memo

**TO:** Gwen McCormick, PWA--Contract Administration  
**THROUGH:** Deborah Barnes, CC&ES Manager *DB*  
**FROM:** Shelley Darensburg, Contract Compliance Officer  
**CC:** Contract Compliance Officer File  
**DATE:** June 10, 2005

**RE:** Rehabilitation of Sanitary Sewers in the Area Bounded By Vallejo Ave., 67th Street, San Pablo Ave, & 59th St., (Sub-Basin 20-02) Project No. C158310

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Contract Compliance & Employment Service reviewed two (2) proposals 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.

Company Name	Bid Amount (if applicable)	Proposed Participation				Total Credited	Preferences	Banked Credits Eligibility	EBO Compliant? Y/N
		Total	LBE	SLBE	Trucking		Bid Discounts		
Andes Construction	\$1,392,433	100%	0%	100%	100%	100%	5%	5	Y
D'arcy & Harty	\$1,632,752	21%	0%	21%	100%	21%	2%	2	Y

As noted above, both bidders exceeded the 20% L/SLBE requirement and are in compliance with the City's EBO policy.

Should you have any questions please feel free to contact Shelley Darensburg at 238-7325.

2005 JUN 10 AM 11:59  
 RECEIVED  
 CONTRACT ADMINISTRATION  
 70

**Contract Compliance and Employment Services Evaluation Form**

**Project No.:** C158310

**Project Name:** Rehabilitation of Sanitary Sewers in the Area Bounded By Vallejo Ave., 67th St., San Pablo Ave., & 59th St. (SUB-BASIN 20-02)

**Contractor:** Andes Construction

**Contractor's Bid Amount:** \$1,392,433

**Engineer's Estimate:** \$1,744,170

**Over/Under the Engineers Estimate:** \$351,737

**Bid Discounted Amount:** \$69,622

**Discount Points:** 5%

**Discounted Bid Price:** \$1,322,811

1. Did the 20% requirements apply?

**YES**

2. Did the contractor meet the 20% requirement?

**YES**

a) % of LBE **0%**

b) % of SLBE **100%**

3. Did the contractor meet the Trucking requirement?

**Yes**

a) % of Local Trucking **100%**

4. Did the contractor receive bid discount points?  
(If yes, list the points received)

**Yes**  
**5%**

5. Additional Comments.

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

**6/10/2005**

**Reviewing**

**Officer:**

*Shelley Darendburg*

**Date:**

**6/10/2005**

**Approved By:**

*Deborah Barker*

**Date:**

**6/10/2005**

## LBE/SLBE Participation Bidder 1

**Project Name:** Rehabilitation of Sanitary Sewers in the Area Bounded By Vallejo Ave., 67th St., San Pablo Ave., & 59th St. (SUB-BASIN 20-02)

Project No.: C158310		Engineers Est: \$1,744,170		Under/Over Engineers Estimate: \$351,737								
Discipline	Prime & Subs	Location	Cert. Status	LBE	SLBE	Total L/SLBE	L/SLBE Trucking	Total Trucking	Total Dollars	For Tracking Only (Self Reported)		
										Ethnic	MBE	WBE
PRIME Saw cutting Trucking	Andes Construction	Oakland	CB		1,367,433	1,367,433			1,367,433	H	1,367,433	
	Bay Line Construction	Oakland	CB		5,000	5,000			5,000	H	5,000	
	Foston Trucking	Oakland	CB		20,000	20,000	20,000	20,000	20,000	AA	20,000	
<b>Project Totals</b>				\$0	\$1,392,433	\$1,392,433	\$20,000	\$20,000	\$1,392,433		\$1,392,433	\$0.00
				0%	100%	100%	100%	100%	100%		100%	
<b>Requirements:</b> 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%					<b>Ethnicity</b> AA = African American A = Asian C = Caucasian H = Hispanic NA = Native American NL = Not Listed		
<b>Legend</b>				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 = Woman Business Enterprise				



**Contract Compliance and Employment Services Evaluation Form**

**Project No.:** C158310

**Project Name:** Rehabilitation of Sanitary Sewers in the Area Bounded By Vallejo Ave., 67th St., San Pablo Ave., & 59th St. (SUB-BASIN 20-02)

**Contractor:** D'arcy & Harty

**Contractor's Bid Amount:** \$1,632,752  
**Engineer's Estimate:** \$1,744,170

**Over/Under the Engineers Estimate:** \$111,418

**Bid Discounted Amount:** \$32,655

**Discount Points:** 2%

**Discounted Bid Price:** \$1,600,097

1. Did the 20% requirements apply?

**YES**

2. Did the contractor meet the 20% requirement?

**YES**

a) % of LBE 0%  
b) % of SLBE 21%

3. Did the contractor meet the Trucking requirement?

**YES**

a) % of Local Trucking 100%

4. Did the contractor receive bid discount points?  
(If yes, list the points received)

**Yes**  
**2%**

5. Additional Comments.

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

**6/10/2005**

**Reviewing**

**Officer:** Shelley Darenburg

**Date:** 6/10/2005

**Approved By:** Herbert Baran

**Date:** 6/10/05

# LBE/SLBE Participation Bidder 2

Project Name: Rehabilitation of Sanitary Sewers in the Area Bounded By Vallejo Ave., 67th St., San Pablo Ave., & 59th St. (SUB-BASIN 20-02)

Project No.: C150310		Engineers Est: 517741170		Under/Over Engineers Estimate: 111,418.00						
Discipline	Prime & Subs	Location	Cert. Status	LBE	SLBE	Total L/SLBE Trucking	L/SLBE Trucking	Total Trucking	Total Dollars	For Tracking Only (Self-Reported)
										Ethnicity MBE WBE
PRIME	D'arcy & Harty	SF	CB						129,752	
Paving, Concrete	S&M Construction	Oakland	CB		60,000	60,000			60,000	
Saw cutting	Owens Concrete Saw	Oakland	CB		50,000	50,000			50,000	
Supplier	General Supply	Oakland	CB		165,000	165,000			165,000	
Trucking	Williams Trucking	Oakland	CB		60,000	60,000			60,000	50,000
<b>Project Totals</b>				\$0	\$335,000	\$335,000	\$60,000	\$60,000	\$1,632,752	\$285,000
				0%	21%	21%	0%	100%	100%	17%
				LBE: 10%	SLBE: 10%					

**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.

**Legend**

- LBE = Local Business Enterprise
- SLBE = Small Local Business Enterprise
- Total LBE/SLBE = All Certified Local and Small Local Businesses
- NPLBE = Non-Profit Local Business Enterprise
- NPSLBE = Non-Profit Small Local Business Enterprise

- UB = Uncertified Business
- CB = Certified Business
- MBE = Minority Business Enterprise
- WBE = Women Business Enterprise

**Ethnicity**  
 AA = African American  
 A = Asian  
 C = Caucasian  
 H = Hispanic  
 NA = Native American  
 NL = Not Listed

# OAKLAND CITY COUNCIL

RESOLUTION No. \_\_\_\_\_

C. M. S. 2005

OFFICE OF THE CITY CLERK  
OAKLAND

INTRODUCED BY COUNCILMEMBER \_\_\_\_\_

Requires two-thirds vote of the Council

2005 JUN 28

PM 3:13

RESOLUTION AUTHORIZING AWARD OF A CONTRACT TO ANDES CONSTRUCTION, INC. FOR THE REHABILITATION OF SANITARY SEWERS IN THE AREA BOUNDED BY VALLEJO AVE., 67<sup>TH</sup> ST., SAN PABLO AVE., & 59<sup>TH</sup> ST. - SUBBASIN 20-02 (PROJECT NO. C158310) FOR THE AMOUNT OF ONE MILLION THREE HUNDRED NINETY-TWO THOUSAND FOUR HUNDRED THIRTY-THREE DOLLARS (\$1,392,433.00)

**WHEREAS**, on May 2, 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 Vallejo Ave., 67<sup>th</sup> St., San Pablo Ave., and 59<sup>th</sup> St.– Subbasin 20-02 (Project No. C158310); 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 Vallejo Ave., 67<sup>th</sup> St., San Pablo Ave., and 59<sup>th</sup> St.– Subbasin 20-02 (Project No. C158310), 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 Vallejo Ave., 67<sup>th</sup> St., San Pablo Ave., and 59<sup>th</sup> St.– Subbasin 20-02 (Project No. C158310) is hereby awarded to Andes Construction, Inc. in accordance with the terms of its bid therefore, dated May 2, 2005 for the amount of One Million Three Hundred Ninety-Two Thousand Four Hundred Thirty-Three Dollars (\$1,392,433.00); 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, \$1,392,433.00, 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, \$1,392,433.00, 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