



AGENDA REPORT

TO: Edward D. Reiskin
City Administrator

FROM: David Ferguson
Interim Director, Public
Works

SUBJECT: Fire Station No.16 Dormitory
Renovation Construction Contract
Award

DATE: December 22, 2020

City Administrator Approval

Date: Jan 5, 2021

RECOMMENDATION

Staff Recommends That City Council Adopt A Resolution Authorizing The City Administrator Or Designee To:

- 1) Award A Construction Contract In An Amount Not To Exceed One Million One Hundred Thousand Dollars (\$1,100,000.00) To The Lowest Responsive And Responsible Bidder, For The Construction Of The Fire Station No. 16 Dormitory Renovation Project, In Accordance With The Project Plans And Specifications And Contractor's Bid; Or**
- 2) If No Valid Bids Are Received, Or The Bids Are Deemed Non-Responsive Or Non-Responsible And/Or Exceed The Engineer's Estimate By More Than Ten Percent (10%), The City Administrator, Or Designee, May Reject All Bids And Award The Contract, For An Amount Not To Exceed One Million One Hundred Thousand Dollars (\$1,100,000.00) In The Open Market, Without Return To Council.**

EXECUTIVE SUMMARY

Approval of this resolution will award and execute a construction contract with the lowest, responsive, and responsible bidder, in an amount not to exceed One Million One Hundred Dollars (\$1,100,000.00) for the Fire Station No. 16 Dormitory Renovation Project. The project is located at 3600 13th Avenue, in Council District 5, as shown in **Attachment A**. The City issued a Notice Inviting Bids for the Fire Station No. 16 Renovation project on November 13, 2020, and bids were due on December 17, 2020. Staff is seeking Council approval to award the contract in January 2021 and begin construction in March 2021. The Oakland Fire Department (OFD) indicated that there should be no more than eight weeks maximum between the time Fire Station No. 12, which is currently in construction, is completed to when Fire Station No. 16 should begin. If no valid bids are received that allow City to immediately move forward into construction, approval of the resolution will allow the City Administrator, or designee, to reject bids and award the contract in the open market. This strategy will also enable staff to move expeditiously through the contracting process to meet OFD's eight-week requirement.

City Council
January 12, 2021

BACKGROUND / LEGISLATIVE HISTORY

In November 2016, Measure KK General Obligation Bond was approved by the voters of Oakland to fund \$600 million of vital infrastructure improvements and Anti-Displacement and Affordable Housing Projects. On May 30, 2017, staff recommended to City Council in the Fiscal Year (FY) 2017-19 Capital Improvement Program (CIP), projects proposed to be funded with Measure KK bond funds. On June 19, 2017, the City Council approved this list of projects for bond funding in Resolution No. 86773 C.M.S. On August 1, 2017, the Measure KK, Series 2017A-1 General Obligation Bond (the "Bond") was funded in the amount of \$62.735 million, of which \$3.0 million was allocated for the Fire Stations Citywide Renovations-Top Four Priority Stations. The fund was appropriated in the FY 2017-19 budget in Fund 5330.

The project scope of work consists of renovating the dormitories and restroom areas at Fire Station No. 16, located at 3600 13th Avenue. The work includes, but is not limited to, selected demolition and the addition of new partitions, casework, finishes, and upgrade of the entire alerting system, improvements to existing mechanical, electrical, plumbing, and fire protection systems to approximately 1300 square feet of existing space. Work also includes alterations to the building reception area, accessible travel path from building entrance to project area, accessible parking, and site drainage.

Fire Station No. 12 was approved by City Council for a construction contract through Resolution No. 87956 C.M.S. on December 10, 2019. The Notice to Proceed was issued on March 11, 2020. On March 18, 2020, Alameda County issued a Shelter in Place Order, and construction shut down. The impacts of COVID on the project progress have been significant with labor and materials and are still affecting the project completion date. However, it is anticipated that the contractor could complete the project by February 1, 2021. In consideration of the Fire Department's eight-week targeted maximum between completion of Fire Station No. 12 and the start of construction of Fire Station No.16, an expedited Council award authorization is needed for subsequent construction contract execution, building department submittals required by the contractor for building permit issuance, and the ultimate start of construction by March 29, 2021.

ANALYSIS AND POLICY ALTERNATIVES

This project is crucial because it renovates and creates individual dormitory rooms and shower rooms, required in modern firehouses and provides citizens of Oakland with emergency services and supports public safety, including COVID and homeless care response. The design team is also incorporating the Fire Department's recently requested changes to building finishes and is upgrading the entire alerting system throughout the facility, which was not part of the original scope. To allow the contractor sufficient time to review the scope and provide a bid, staff is seeking approval of the contract award to minimize the period between Fire Station No. 12 completion to the targeted eight-week start of Fire Station No. 16 construction.

Fire Station No.16 is a high priority project for the Oakland Fire Department. The Fire Station No.16 Dormitory Renovation Project was advertised for bid on November 13, 2020. Notifications were distributed by several means:

- the 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 East Bay Times, 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
- Additionally, all on-call construction contractors possessing a contractor's B license were emailed about the contracting opportunity

On December 17, 2020, the City Clerk will receive and open bids from general contractors for the Fire Station No. 16 Dormitory Renovation Project.

Bid Analysis

Scenario 1 - Issue Contract to the Lowest Responsive and Responsible Bidder:

If all three conditions are met: 1) OPW's Capital Contracts Division deems a bidder is responsive to the City's Mandatory Bid Process; 2) City Administrator's Department of Workplace and Employment Standards deems the lowest bidder responsive to the City's Compliance programs; 3) the bid does not exceed the engineer's estimate by more than ten percent (10%) and funding is available, City Administrator, or Designee, will execute the construction contract to the lowest, responsive and responsible bidder.

Scenario 2 – Reject All Bids and Negotiate a Contract on the Open Market:

If all bids are deemed non-responsive to City's compliance requirements and/or non-responsive, including bids exceeding the engineer's estimate by more than ten percent (10%), City will promptly enter negotiations on the open market that is within the project budget and that meets the City's contract compliance and program requirements. Staff will initiate negotiations with the lowest bidder that met the City's local requirements. If negotiations with the lowest bidder are not successful, staff will begin negotiations with the next lowest bidder.

According to 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. Rebidding the project would delay the construction start by at least six months and would likely not result in more competitive bids.

Thus, in accordance with OMC 2.04.050.I.5, staff recommends that, if necessary, it is in the City's best interest to waive further advertising and competitive bidding. The City will negotiate to secure a contract in the open market within the project budget, which meets the City's contract compliance and program requirements. It may be necessary to revise the project's scope to secure a contract within the available budget.

FISCAL IMPACT

Approval of this resolution will authorize the City Administrator to award and execute a construction contract for an amount not to exceed one million one hundred thousand dollars (\$1,100,000.00) for the construction of the Fire Station No. 16 Dormitory Renovation project.

Available funding for this construction contract is available in the following funding source:

FUNDING SOURCE	AMOUNT
Measure KK (5330); Capital Projects Organization (92270); Buildings Account (57211); Fire Stations CW Renovation Project (1003439); Program (IN06); Award (23253)	\$1,100,000.00
Total Available Funding	\$1,100,000.00

There is no impact to the General Purpose Fund, and no additional funding is requested.

PUBLIC OUTREACH / INTEREST

The project was publicly bid on November 13, 2020. OPW Project & Grants Management Division engaged OPW Capital Contracts Division and the City Administrator's Workplace & Employment Standards Department for assistance with the bid process. Notifications were distributed by several means:

- The 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 East Bay Times and Daily Pacific Builder.
- In addition, information about the project was published in El Mundo, Oakland Post, The Korea Times, and the World Journal publications to supplement and ensure the information reaches Local Business Enterprise and Small Local Business Enterprise (LBE/SLBE) in Indigenous, Black, People of Color (IBPOC) communities with potential contractors in these communities.
- posting on CIPlist.com, which distributes to registered plan rooms and builders' exchanges
- Additionally, all on-call construction contractors possessing a contractor's B license were emailed of the contracting opportunity

The City hosted a voluntary pre-bid conference call on December 1, 2020, attended by 20 callers. The City and Fire Department hosted a voluntary pre-bid site walk on December 2, 2020, attended by 16 people. Areas of work were viewed and described to the attendees.

Prior to the start of construction, the immediate neighboring residents and establishments affected by the work will be notified regarding the construction activities and project contact information. Temporary construction fencing, protective mitigation measures, and compliance with the Americans with Disabilities Act (ADA) for temporary sidewalk re-routing shall be implemented to minimize disruptions to the public. The Fire Station No. 16 will be temporarily

closed for approximately five months, and staff will be relocated to the completed Fire Station No. 12 during construction.

As required by the City's standard specifications, a project sign, four feet by eight feet, and containing project contact information as well as the two nearest Fire Stations, will be posted by the contractor.

COORDINATION

The work to be done under this contract has been coordinated with Oakland Fire Department, Oakland Public Works Building Management and Internal Services Division, Department of Information Technology, Oakland Department of Transportation American with Disabilities Act (ADA) Program Coordinator, and the City Administrator's Department of Workplace and Employment Standards.

Oakland Fire Department and Public Works are coordinating the completion of Fire Station No. 12, which is currently in construction, and the start of Fire Station No. 16. Staff will move into the newly renovated Fire Station No. 12 temporarily for the construction duration of Fire Station No. 16. Staff from Fire Station No. 16 will need to remove all equipment, vehicles, and other items from the work areas completely to hand over the site to the contractor for the renovation project.

A smooth transition into the temporary home at Fire Station No. 12 is crucial for the sake of public safety and continuity of service. The renovation of Fire Station No. 16 improves living conditions with the necessary updates to the dormitory and shower areas, makes the station more accessible and inviting to citizens through ADA improvements at the entry reception area and parking/path of travel. Fire Station No. 16, as with all of the City's fire stations, are integral to the network of emergency services and supports public safety, including COVID and homeless care response. Further, during outreach conducted during the Capital Improvement Program planning process, Latinx community members stated that the project would bring a "sense of pride and care to the area."

Although not part of the original scope, the design team is also incorporating the Fire Department's recent request to change the finishes and upgrade the entire alerting system throughout the facility. The upgrades will modernize the alert system and equipment to replace the outdated standard. Because this and other requested changes will affect the bid due date in order to provide sufficient time for the contractor's review of the scope and bid preparation, it will save the City time and money by addressing the scope as part of this project rather than a separate project. Therefore, an advance authorization is necessary to minimize the duration between completion of Fire Station No. 12, currently in construction and anticipated to complete on February 1, 2021, to a target maximum duration of eight weeks to when Fire Station No. 16 will begin construction anticipated on March 29, 2021.

The Finance Department has reviewed this report, and the resolution has been reviewed for form and legality by the Office of the City Attorney.

SUSTAINABLE OPPORTUNITIES

Economic: The project replaces damaged and aged City infrastructure. The contractor will be verified for Local Business Enterprise and Small Local Business Enterprise (LBE/SLBE) participation by the City Administrator's Workplace and Employment Standards Department. The construction services provided by local firms will result in dollars being spent locally. The contractor will be required to have fifty percent (50%) of the work hours performed by Oakland residents, and fifty percent (50%) of all new hires are to be Oakland residents, which will result in funds being spent locally.

Environmental: The contractor is required to comply with the City's Waste Reduction & Recycling Ordinance. Best Management Practices shall be required to prevent stormwater runoff from the job site during construction.

Race & Equity: The project was identified in the FY17-19 Budget Cycle, prior to the City's adoption of the Equitable Prioritization Process used for the first time in the FY19-21 Budget Cycle. Steps have been taken to reach out to contractors in Oakland communities impacted by racial disparities (see Public Outreach/Interest Section).

Fire Station No. 16 serves a diverse population and of varying income. As a critical facility in the City's emergency response network, Fire Station No. 16 was deemed a high priority facility requiring renovation by the Oakland Fire Department to provide individual dormitory rooms and multiple individual shower rooms required of modern fire stations.

In a CIP budget cycle outreach meeting, Latinx community members asked about the Fire Station No. 16 project and mentioned that its completion would bring pride to the community. This community will be kept informed through updates from the CIP outreach meetings consisting of OPW's CIP communications team and the Department of Race & Equity staff.

ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends that City Council adopt a Resolution Authorizing the City Administrator or Designee:

- 1) Award a construction contract in an amount not to exceed one million one hundred thousand dollars (\$1,100,000.00) to the lowest responsive and responsible bidder, for the construction of the Fire Station No.16 Dormitory Renovation Project, in accordance with the project plans and specifications and contractor's bid; or
- 2) If no valid bids are received, or the bids are deemed non-responsive or non-responsible and/or exceed the engineer's estimate by more than ten percent (10%), the City Administrator, or Designee, may reject all bids and award the contract, for an amount not to exceed one million one hundred thousand dollars (\$1,100,000.00) in the open market, without return to Council.

For questions regarding this report, please contact Denise Louie, Project Manager, at (510) 238-3682.

Respectfully submitted,


DAVID FERGUSON
Interim Director, Public Works

Reviewed by:

Matthew Lee, P.E., Interim Assistant Director
Bureau of Design & Construction

Prepared by:

Denise Louie, Architect (HI), Project Manager
Project & Grants Management Division

Attachments (1):

A. *Project Location Map*