

CITY OF OAKLAND
AGENDA REPORT

OFFICE OF THE CITY CLERK

2006 JUL -8 PM 4:38

TO: Office of the City Administrator
ATTN: Deborah Edgerly
FROM: Office of the City Administrator, Contract Compliance & Employment Services
Division
DATE: June 13, 2006

RE: **Supplemental: Informational Report and Update On the Seismic Retrofitting Project on the Police Administration Building and the Local Hiring Policy and Number of Local Contractors and Local Small Businesses Hired On the Project**

SUMMARY

A contract amendment amends the agreement to construct seismic improvements to the Police Administration Building with Swinerton Builders. It was crafted to address the shortfall of Oakland resident hours and small local business participation that occurred under the original agreement and construction amendment. The contract amendment must be signed by Swinerton Builders, the Director of Public Works Agency, the City Administrator and the City Attorney for form and legality.

FISCAL IMPACT

Swinerton Builders shall pay \$ 523,646.00 to Oakland certified small local businesses for performing commercially useful functions on non-city funded projects. In addition, 9,006.28 local employment hours and 4,735.97 apprenticeship hours must be worked by Oakland residents on non-city funded projects.

BACKGROUND

This is a supplemental report in response to the directive put forward by the Community Economic Development (CED) Committee at the meeting of June 13, 2006, to provide additional information on the agreement under which Swinerton Builders will be required to satisfy SLBE, LEP and Apprenticeship Program monetary and hourly shortfalls that occurred on the Police administration Building project.

KEY ISSUES AND IMPACTS

The attached contract amendment reflects the conditions under which shortfalls on the Police Administration Building project will be satisfied. The shortfall must be satisfied within an eighteen month (18) period to commence June 13, 2006 and end December 31, 2007 with the understanding that the City will undertake enforcement action if the shortfalls are not satisfied within the specified time allowed.

SUSTAINABLE OPPORTUNITIES

Economic: The project generated business tax, sales tax, and other revenues for the City from work on the project.

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Environmental: The project abated significant amounts of hazardous materials during the construction phase. The contractor was required to comply with the City's Recycling and Waste Reduction program for construction projects. In addition, new energy-conserving light fixtures and water-conserving plumbing fixtures were installed.

Social Equity: Employment and local business participation opportunities, as prescribed by City policy, will be enhanced through the proposed agreement with Swinerton Builders.

DISABILITY AND SENIOR CITIZEN ACCESS

The project improves accessibility within the PAB for the disabled and senior citizen communities. On floors affected by construction, restrooms, drinking fountains, public telephones, elevator cabs, and path-of-travel were upgraded in accordance with applicable state accessibility standards and the Americans with Disabilities Act.

RECOMMENDATION (S) AND RATIONALE

This is an informational and update report. No action is required.

ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends that the City Council accept this supplemental report.

Respectfully submitted,



DEBORAH BARNES

Manager, Contract Compliance and Employment Services

Prepared by:

Shelley Darensburg, Contract Compliance Officer

Jonathan Dumas

Local Employment Supervisor

APPROVED AND FORWARDED
TO THE COMMUNITY AND ECONOMIC
DEVELOPMENT COMMITTEE



Office of the City Administrator

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C E D Committee

June 13, 2006

**Amendment No. 1 to the Agreement Between the
City of Oakland and Swinerton Builders for the Police
Administration Building Retrofit Project**

This Amendment No. 1 dated June 13, 2006 amends the original agreement dated January 15, 2004, and Addendum No. 1, dated November 12, 2004, by and between the CITY OF OAKLAND, a municipal corporation (hereinafter "City"), and Swinerton Builders (hereinafter "Contractor") for the Police Administration Building Retrofit Project ("Project").

In accord with the memorandum of understanding signed by the parties, attached hereto, the original Agreement and Addendum No. 1 are amended to extend the time for Contractor to meet City of Oakland Project requirements for the hiring of small local businesses and residents for construction work as follows:

1. Hiring Shortfalls and New Goals

Contractor was required to meet resident hiring goals of the Local Employment Program (LEP) of 50%, hiring goals of the Apprenticeship Program ("Apprentice") of 15%, and business utilization/hiring goals of the Local/Small Local Business Enterprise Program (L/SLBE) of 20% (10% local businesses + 10 % small local businesses) for the Police Administration Building Seismic Upgrade Project ("Project"). Contractor exceeded the minimum 10% LBE requirement but did not meet the 10% SLBE, 50% LEP and 15% apprentice requirements.

Contractor agrees, therefore, to meet the SLBE, LEP and Apprentice hiring and utilization goals established for the Project by the Office of Contract Compliance on a non-city owned or funded construction project approved by the Office of Contract Compliance as follows:

- a. Contractor agrees to hire Oakland-based businesses to perform commercially useful functions in a total amount that equals or exceeds \$523,646.00 for non-city funded construction projects. All businesses hired to satisfy this requirement must be certified as "small local business enterprises" by the City of Oakland in accordance with Oakland's SLBE program.
- b. Contractor agrees to hire Oakland residents to work on non-city funded construction projects for a total number of hours equal to or in excess of 9,006.28 hours.
- c. Contractor agrees to employ Oakland residents in apprenticeship positions for a number of hours equal to or in excess of 4,735.97 on non-city funded construction projects.

2. Additional Time to Meet Hiring Requirements for the Police Administration Building Seismic Upgrade Project

The City agrees that contractor's time for hiring and utilizing SLBEs and residents to satisfy Project SLBE, LEP and apprentice goals is extended for an approximate period of eighteen months (18) months until December 31, 2007.

3. Project Location

Contractor agrees that it will perform all hiring necessary to fully eliminate SLBE, LEP and Apprentice shortfalls that occurred on the Project by hiring and utilizing SLBEs to work in the dollar amount and residents to work the hours specified in section 4 above for contractor's construction project located at 222 Broadway in Oakland, which is a non-city owned and non-city funded project and/or on any other non-city funded Swinerton project constructed during the extended period specified in section 2 above.

4. Compensation

Contractor agrees that it was fully compensated under the original Agreement and Addendum No. 1 for all SLBE, LEP and Apprentice hiring and utilization required for the Project, and further agrees that no additional compensation is due for the hiring, employment and utilization performed under this Amendment.

Except for the period of time to meet City of Oakland SLBE, LEP and Apprentice hiring, employment requirements and modified goals, all other terms and conditions of the original Agreement and Addendum No. 1 shall remain unchanged and in full force and effect, including all City enforcement rights and remedies at law.

CITY OF OAKLAND,
a municipal corporation

SWINERTON BUILDERS

City Administrator's Office Date

Signature Date

Department Head Date

Print Name

Title

Resolution No. _____

Account No.: _____

Business License No.: _____

Approved for form and legality:

City Attorney's Office Date