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OCTOBER 7, 2003

IGNACIO DE LA FUENTE, PRESIDENT
CITY COUNCIL
OAKLAND, CALIFORNIA

PRESIDENT DE LA FUENTE AND MEMBERS OF THE CITY COUNCIL

SUBJECT: RESOLUTION AUTHORIZING AWARD OF A CONSTRUCTION CONTRACT TO GALLAGHER AND BURK, INC. FOR REHABILITATION OF CERTAIN STREETS IN THE CITY OF OAKLAND BY THE OVERLAY METHOD BETWEEN THE DATES OF SEPTEMBER 1, 2003 AND AUGUST 31, 2004, IN THE AMOUNT OF \$1,241,832.40 (PROJECT NO. C17180)

PURPOSE AND SCOPE

In accordance with the Measure H Charter Amendment, which was passed by the voters at the General election of November 5, 1996, we have made an impartial financial analysis of the accompanying Council Agenda Report and Proposed Resolution. The purpose of our analysis was to evaluate the reasonableness of the proposed resolution.

In making our analysis we also discussed various matters with Public Works Agency staff.

Since the Measure H Charter Amendment specifies that our impartial financial analysis is for informational purposes only, we did not apply Generally Accepted Government Auditing Standards as issued by the Comptroller General of the United States. Moreover, the scope of our analysis was impaired by Administrative Instruction Number 137, effective May 21, 1997, which provides only seven (7) calendar days for us to plan, perform and report on our analysis.

SUMMARY

The project consists of the resurfacing of approximately 7.9 centerline miles of streets, as shown on Attachment B to the Agenda Report. On August 25, 2003, the City Clerk received three bids for the project, as shown below:

<u>Company</u>	<u>Amount</u>
Gallagher & Burk, Inc. (Oakland)	\$1,241,832
Granite Construction Co.(Watsonville)	\$1,578,746
McGuire & Hester (Oakland)	\$1,279,951

FISCAL IMPACT


The engineer's estimate for the construction work is \$1,463,364, and the construction contract will be in the amount of \$1,241,832.40. Funds are available from the following sources

<u>Fund</u>	<u>Organization</u>	<u>Account</u>	<u>Project</u>	<u>Amount</u>
2141	92480	57411	C173230	\$ 870,000
5500	92480	57411	C17180	531,867
2166	92480	57411	G217420	<u>61,497</u>
Total				<u>\$1,463,364</u>


CONCLUSION

The proposed resolution appears to be reasonable.

Prepared by:


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Issued by:


Roland E. Smith, CPA
City Auditor

Report completion date:
September 16, 2003