



AGENDA REPORT

TO: Edward D. Reiskin
City Administrator

FROM: David Ferguson
Interim Director, Public
Works

SUBJECT: Sanitary Sewer Sub-basin
Rehabilitation

DATE: December 28, 2020

City Administrator Approval

Date: Jan 6, 2021

RECOMMENDATION

Staff Recommends That The City Council Adopt A Resolution Awarding A Construction Contract To Andes Construction, Inc., The Lowest Responsive And Responsible Bidder, In Accordance With Project Plans And Specifications For Sanitary Sewer Rehabilitation Sub-Basin 81-201 (Project No. 1003201) And With Contractor's Bid For An Amount Not To Exceed Three Million One Hundred Fifty Thousand Seven Hundred Thirty Dollars (\$3,150,730.00).

EXECUTIVE SUMMARY

The Sanitary Sewer Sub-basin Rehabilitation Project is part of the citywide program to eliminate wastewater surcharges/overflows, improve pipe conditions, and increase flow capacity.

Approval of this resolution will authorize the City Administrator or designee to enter into a construction contract with Andes Construction, Inc. in the amount of \$3,150,730.00 for the Sanitary Sewer Rehabilitation Sub-Basin 81-201 (Project No. 1003201). This project supports the sanitary sewer program and the 2014 Sewer Consent Decree.

BACKGROUND / LEGISLATIVE HISTORY

The Environmental Protection Agency (EPA) mandates the reduction of sanitary sewer overflows during storm events. The Sanitary Sewer Rehabilitation Sub-Basin 81-201 (Project No. 1003201) is part of the City's annual sanitary sewer rehabilitation program intended to improve the pipe and structure conditions, reduce wet weather peak flows in the sanitary sewer system, and is required under the 2014 Sewer Consent Decree.

The proposed work consists of rehabilitating approximately 15,408 linear feet of existing 8-inch to 15-inch diameter sewer pipes by pipe-expanding, open trench or cured-in-place pipe method; rehabilitating sewer structures; reconnecting and rehabilitating house sewer connections, and other related work as indicated on the plans and specifications. The work for this project is located, as shown in **Attachment A**.

City Council
January 19, 2021

ANALYSIS AND POLICY ALTERNATIVES

Adoption of the resolutions will allow the City Administrator or designee to execute a construction contract with Andes Construction, Inc. On November 5, 2020, the City Clerk received three (3) bids for this project in the amount of \$3,150,730.00, \$3,336,930.00, and \$3,721,663.20, from Andes Construction, Inc., Pacific Trenchless, Inc., and D-Line Constructors, Inc., respectively, as shown in **Attachment B**. Andes Construction, Inc. was deemed the lowest responsive and responsible bidder and is recommended for the award.

Under the proposed contract with Andes Construction, Inc., the Local Business Enterprise/Small Local Business Enterprise (LBE/SLBE) participation will be 91.41 percent, which exceeds the City’s 50 percent LBE/SLBE requirement. Trucking participation is 100 percent and exceeds the 50 percent requirement. The contractor is required to have 50 percent of the work hours performed by Oakland residents, and 50 percent of all new hires are to be Oakland residents. The LBE/SLBE information has been verified by the Contract Compliance Office of the Department of Workforce And Employment Standards, in **Attachment C**.

Construction is scheduled to begin in April 2021 and should be completed by December 2021. The contract specifies \$500 in liquidated damages per calendar day should the contractor cause the work to be delayed. The project schedule is shown in **Attachment B**.

The Engineer’s estimate for the work is \$3,478,690.00. Staff has reviewed the submitted bids for the work and has determined that the bid is responsive and reasonable for the current construction market condition.

FISCAL IMPACT

Approval of this resolution authorizes the City Administrator to award a construction contract to Andes Construction, Inc. for an amount not to exceed three million one hundred fifty thousand seven hundred thirty dollars (\$3,150,730.00) for Sanitary Sewer Rehabilitation Sub-Basin 81-201. Fund for the construction contract is available in the following funding sources:

Table 1: Funding Sources

<u>Fund Source</u>	<u>Organization</u>	<u>Project</u>	<u>AMOUNT</u>
3100 – Sewer Service Fund	92244 – Engineer Design: Sanitary Sewer	1003201 – Sanitary Sewer Rehabilitation Sub-basin 81-201	\$1,799,801.00
3100 – Sewer Service Fund	92244 – Engineer Design: Sanitary Sewer	1005412 – Sanitary Sewer Rehabilitation Sub-basin 81-201	\$1,350,929.00
Total Funding			\$3,150,730.00

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

PUBLIC OUTREACH / INTEREST

Staff provided notice to labor representatives, per the terms and conditions of the current Memorandums of Understanding with Local 21, Service Employee International (SEIU) 1021, and International Brotherhood of Electrical Workers (IBEW).

A legal advertisement was formally advertised in six (6) newspapers in various languages, including the Daily Pacific Builder, El Mundo, The Korea Times (S.F.), East Bay Times, Oakland Post, and World Journal. The City's web-based procurement system iSupplier and CIPlist.com was utilized to distribute the documents available free of charge online.

General notices have been sent out to the community about this project. Prior to starting work, individual residents who are affected will be notified of the work schedule, planned activities, and contact information of the Contractor and Resident Engineer/Inspector in charge.

COORDINATION

The work to be done under the contract was coordinated with the Oakland Public Works (OPW) Bureau of Maintenance and Internal Service. This report and resolution have been reviewed by the Office of the City Attorney and the Budget Bureau. In addition, the Department of Workplace and Employment Standards provided the compliance analyses of submitted firms.

PAST PERFORMANCE, EVALUATION AND FOLLOW-UP

The Contractor Performance Evaluation for Andes Construction, Inc. from a previously completed project is satisfactory and is included in **Attachment D**.

SUSTAINABLE OPPORTUNITIES

Economic: A functioning sanitary sewer system improves the community and makes Oakland more attractive for residents and businesses. Sewer overflows cause economic hardships and result in stipulated penalties by the EPA between \$100 and \$25,000 per event.

Environmental: The improvements to the sanitary sewer system will reduce the possibility of overflows, thereby benefiting the environment.

Race & Equity: Implementation of the Project will eliminate wastewater surcharges and overflows, thereby benefiting all Oakland residents with decreased sewer overflows and improved infrastructure.

ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends That The City Council Adopt A Resolution Awarding A Construction Contract To Andes Construction, Inc., The Lowest Responsive And Responsible Bidder, In Accordance With Project Plans And Specifications For The Sanitary Sewer Rehabilitation Sub-Basin 81-201 (Project No. 1003201) And With Contractor's Bid For An Amount Not To Exceed Three Million One Hundred Fifty Thousand Seven Hundred Thirty Dollars (\$3,150,730.00).

For questions regarding this report, please contact Jimmy Mach, Wastewater Engineering Management Division Manager, at 510-238-3303.

Respectfully submitted,



DAVID FERGUSON
Interim Director, Oakland Public Works

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Prepared by:
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Wastewater Engineering Management Division

Attachments (4):

- A: Project Location Map
- B: List of Bidders and Project Construction Schedule
- C: Contracts & Compliance Unit Compliance Evaluation
- D: Contractor Performance Evaluation