

REDEVELOPMENT AGENCY

OF THE CITY OF OAKLAND

AGENDA REPORT

FILED
OFFICE OF THE CITY CLERK
OAKLAND

2008 APR 10 PM 4:40

TO: Office of the City/Agency Administrator
ATTN: Deborah Edgerly
FROM: Community and Economic Development Agency
DATE: April 22, 2008

RE: **Agency Resolution Waiving Competitive Bidding and Awarding a Contract to Rockridge Builders for the 17th Street Entry Project for the Oakland Ice Center in an Amount Not-to-Exceed \$190,000**

SUMMARY

A resolution has been prepared authorizing the Agency Administrator, or her designee, to award a construction contract in an amount not to exceed \$190,000 to Rockridge Builders for the modification of an existing emergency exit from the Oakland Ice Center (OIC) into an alternate entrance to the facility (the "Project"). On May 1, 2007, Council approved Agency Resolution No. 2007-0037 C.M.S. to award a construction contract to Rockridge Builders in an amount not to exceed \$159,390. Rockridge Builders was the lowest responsible bidder of four total bidders in January 2007, and its bid exceeded the City's Local/Small Local Business Program requirements.

Though Rockridge Builders was prepared to execute a contract for the Project in May of 2007, staff decided not to proceed with the Project until significant capital repairs and improvements were completed at the OIC during the summer of 2007. Since these capital repairs and improvements were critical to continued operation of the OIC, staff wanted to be certain that they could be completed within the \$300,000 budget allocated for them pursuant to Agency Resolution No. 2007-0059 C.M.S., as approved by the Council on July 3, 2007. These capital repairs were successfully completed in September 2007 for approximately \$287,000.

Because of an approximately \$20,000 increase in material and labor costs since January 2007, Rockridge Builders' bid is no longer valid. As a result, staff is recommending that the Agency waive the competitive bidding process and award the contract to Rockridge Builders in an amount not to exceed \$190,000.

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Staff believes that its recommendation is in the Agency's best interest for a number of reasons:

- Further bidding is not likely to yield a significantly more competitive price, and it is highly likely that a new bidding process will result in overall higher bid prices than those received in January 2007.
- It is critical to avoid further delay in completing the Project to improve safety and security for customers of the OIC, many of whom regularly enter and exit the facility after midnight.
- Timely completion of the Project is necessary to assist San Jose Arena Management LLC (SJAM) efforts to make the Rotunda Parking Garage available to OIC patrons.

FISCAL IMPACT

The resolution will authorize a \$190,000 construction contract for the Project with Rockridge Builders. Funds for payment of this contract are available in two OIC capital improvement accounts. The first is Redevelopment Agency 1989 Bonds Fund (9516), Capital Improvement Projects – Economic Development Organization (94800), Buildings: Additions Account (57212), Oakland Ice Center Project (P131210). The second is Central District Tax Allocation Bond Fund (9533), Capital Improvement Projects – Economic Development Organization (94800), Buildings: Additions Account (57212), Oakland Ice Center Project (P131230). The first \$89,192.64 of Project expense will be paid from Central District Tax Allocation Bond Fund (9533) and the remainder of Project expense up to \$101,396 will be paid from the 1989 Bonds Fund (9516).

BACKGROUND

Over the past four years, the OIC has experienced a steady loss of easily-accessible affordable parking, which is critical to its successful operation. In 2004, the Oakland School for the Arts (OSA) relocated to a space that covered over half of the nearly block-long parking lot directly across from the main entrance to the OIC on 18th Street. In September 2006, 35 of the then 45 remaining parking spaces directly behind the Fox Theater were lost, as well as 25 metered spaces on 18th Street, to accommodate construction staging for the renovation of the Fox Theater. In the summer of 2007, the last 15 parking spaces in the remainder of the lot across 18th Street, and another 20 spaces on San Pablo Avenue, were lost so that OSA portables could be relocated in order to vacate space for construction of the Fox Courts affordable housing project. Another 20 parking spaces licensed to the Agency for use by the OIC during evenings and weekends in a lot adjacent to the east end of the OIC became available in September 2007 when the final extension of that license expired.

It was envisioned when the OSA, Fox Courts and Fox Theater projects were being planned that the 350-space Rotunda garage at 17th Street and San Pablo Avenue would provide an alternative to the on-street and off-street parking that would be lost to the OIC over the course of

development of these projects. The Rotunda garage was completed and opened for business in February 2006. In September 2006, Agency staff negotiated with the owner of the Rotunda garage to extend operating hours from 7 pm to 11 pm on Monday through Thursday, and 8 am to 7 pm on Saturday to accommodate patrons of the OIC. Having direct access to the OIC from 17th Street will make it more convenient and safer for patrons to utilize the Rotunda garage. SJAM, current manager of the OIC, has been able to negotiate a continuation of extended parking hours at the Rotunda garage to accommodate OIC patrons.

In December 2006, with the assistance of Public Works Agency staff, the Redevelopment Agency advertised for bids for the Project. The Project was and is still proposed to include:

1. Replacement of the existing metal exit doors with glazed aluminum doors at both ends of a small vestibule behind the existing exit.
2. Fabrication and installation of a metal and glass canopy and supports at the exterior of the new entrance with lighting underneath.
3. Fabrication and installation of three metal blade signs with uplighting atop the exterior canopy.

On January 22, 2007, the City Clerk received four bids for the Project. Alde Construction, which is located in South San Francisco, submitted the apparent low bid in the amount of \$119,880, but further examination of this bid by the City's Contract Compliance Division revealed that Alde Construction's bid had no local and small local business enterprise participation, and therefore was not in compliance with the City and Redevelopment Agency's Local and Small Local Business Enterprise Program (L/SLBE), which requires at least 20 percent local and small local business enterprise participation. Alde Construction was in compliance with the City's Equal Benefits Ordinance (EBO). Rockridge Builders of Oakland was the second lowest bidder, submitting a bid in the amount of \$159,390 that was fully compliant with both the L/SLBE program and the EBO ordinance. In fact Rockridge Builders' bid listed small and small local business enterprise participation of 77 percent. Rodan Builders, Inc. of Belmont and Bay Construction Company of Oakland were the other two firms submitting bids of \$202,000 and \$209,900 respectively. Both Rodan Builders' and Bay Construction's bids were EBO compliant, but neither of their bids was compliant with the City's L/SLBE program reporting zero percent small and small/local business enterprise participation. This information was verified by the Contract Compliance and Employment Services Division of the City Administrator's Office.

PROJECT DESCRIPTION

The Project will begin with the removal of the existing metal emergency doors and replacement of those doors with glazed aluminum storefront doors. A second set of glazed aluminum doors will be installed at the end of a small vestibule just inside the OIC to create a small holding area. A key pad and remote release will be installed on the new inner door and a security camera mounted within the vestibule to allow regular patrons to let themselves in during certain hours,

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and OIC staff at the main north entrance of the facility to monitor the new alternate entry and remotely admit patrons. An approximate 16 feet long curved glass and steel canopy will be erected over the new entry. Three 3-by 8-foot metal blade signs announcing the OIC will be attached to the top of the three canopy support columns. The signs and canopy will be lighted for evening visibility (See Attachment A).

KEY ISSUES AND IMPACTS

Completion of the Project will make it easier and safer for patrons of the OIC to utilize alternate parking options, including the Rotunda garage, as more parking options disappear on the north side of the OIC. SJAM has extended hours of operation of the OIC because of increased demand, and it is common for many patrons to regularly enter or exit the facility after midnight. Industry experts agree that close affordable parking is a critical factor in the successful operation of an ice skating facility. It is expected that the new entry will be primarily used during evening hours and on weekends when usage of the OIC is at peak levels.

The Project has already been seriously delayed because of the need to complete more critical capital repairs to the twin ice rinks and refrigeration systems at the OIC last year. Further delay resulting from initiating a brand new bidding process is not justified for the following reasons:

1. Is not likely to yield a significantly more competitive price because even with the increase in Rockridge Builders' new bid price to \$190,000, it is at least \$12,000, or 6 percent, less than the next lowest bid of \$202,000 submitted in January 2007.
2. It is highly likely that a new bidding process at this time will result in overall higher bid prices than those received last year with the lowest bid potentially exceeding Rockridge Builders' new price.
3. It is critical to avoid further delay in completing the Project to improve safety and security for customers of the OIC, many of whom enter and exit the facility after midnight.
4. Timely completion of the Project to provide safe and secure access to the Rotunda Garage and other available parking on the south side of the OIC is becoming more urgent as SJAM continues to increase patronage while the availability of parking near the main 18th Street entry to the OIC remains drastically reduced because of three major development projects. SJAM has been able to negotiate a continuation of extended parking hours at the Rotunda garage to accommodate OIC patrons.

The estimated duration of the construction work is 50 working days from the date of the Notice to Proceed. With approval of this resolution, it is anticipated that the new entry could be completed by July 2008. The construction contract specifies \$500 in liquidated damages per calendar day if the contract completion time is exceeded.

SUSTAINABLE OPPORTUNITIES

Economic: The Project will provide subcontracting opportunities for several small local businesses.

Environmental: The contractor will be required to complete a job site waste reduction and recycling plan for construction of the Project.

Social Equity: The Project will make it easier for Oakland residents to participate in and enjoy the various recreational activities at the OIC.

DISABILITY AND SENIOR CITIZEN ACCESS

The new entry on 17th Street is designed to be accessible to disabled persons.

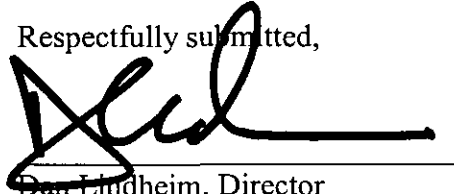
RECOMMENDATION (S) AND RATIONALE

It is recommended that the City Administrator, or her designee, be authorized to waive competitive bidding for the Project and award a construction contract for the Project to Rockridge Builders in an amount not to exceed \$190,000. Rockridge Builders exceeded the City's L/SLBE requirements, there are sufficient funds available to construct the Project, and re-bidding of the Project is not expected to produce an appreciably lower responsive bid that would justify the cost and delay incurred by re-bidding the Project.

ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends approval of the attached Redevelopment Agency resolution waiving the competitive bidding process and re-awarding a construction contract to Rockridge Builders in an amount not to exceed \$190,000 for construction of a 17th Street entry to the Oakland Ice Center.

Respectfully submitted,



Dan Lindheim, Director
Community and Economic Development Agency

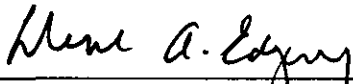
Reviewed by:
Gregory Hunter, Deputy Director
Economic Development and Redevelopment, CEDA

Jens Hillmer, Economic Development Coordinator
Downtown Redevelopment, CEDA

Prepared by:
John Quintal, Economic Development Analyst
Downtown Redevelopment, CEDA

Attachment A: Nighttime Rendering of New Entry Exterior

APPROVED AND FORWARDED TO THE
COMMUNITY AND ECONOMIC
DEVELOPMENT COMMITTEE:



Office of the City/Agency Administrator

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OAKLAND ICE CENTER
17th STREET ENTRANCE

ELS
ARCHITECTURE AND URBAN DESIGN
2040 Addison Street Berkeley, CA 94704
510.549.2929 510.843.3304 fax

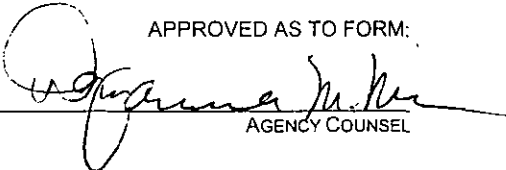


April 12, 2007

FILED
OFFICE OF THE CITY CLERK
OAKLAND

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APPROVED AS TO FORM:


AGENCY COUNSEL

REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND

RESOLUTION NO. _____ C.M.S.

AGENCY RESOLUTION WAIVING COMPETITIVE BIDDING AND AWARDING A CONTRACT TO ROCKRIDGE BUILDERS FOR THE 17TH STREET ENTRY PROJECT FOR THE OAKLAND ICE CENTER IN AN AMOUNT NOT-TO-EXCEED \$190,000.00

WHEREAS, on May 2, 1997, the Agency acquired ownership of the twin-rink ice skating facility located at 519 – 18th Street known as the Oakland Ice Center (OIC) following the default by the original owner of the OIC on an Agency loan to construct the OIC; and

WHEREAS, pursuant to Agency Resolution No. 97-12 C.M.S., the Redevelopment Agency is authorized to enter into contracts necessary to manage and operate the OIC; and

WHEREAS, Agency Resolution No. 07-0037 C.M.S. was approved on May 1, 2007 authorizing the Agency Administrator to reject all bids and award a construction contract for modification of the 17th Street entry to the OIC in accord with Specification No. G84040 (the "Project") to Rockridge Builders, the lowest, responsible, responsive bidder, in an amount not to exceed \$159,390; and

WHEREAS, a contract with Rockridge Builders was negotiated but not executed because major renovation and repairs to the OIC, built during the summer and fall of 2007, and minor technical revisions to certain components of the Project design had to be completed before the 17th Street Entry project could commence; and

WHEREAS, due to the time required to complete renovation and repairs before the 17th Street entry project could commence, the City could not require Rockridge Builders to hold bid prices and the cost of various Project materials and labor has increased since Rockridge Builders submitted its low bid in January 2007; and

WHEREAS, it is in the Agency's best interests to waive the competitive bidding process and award the contract to Rockridge Builders, and increase the total contract

amount by up to \$30,610.00, from \$159,390.00 to up to \$190,000.00 for the following reasons:

1. Further bidding is not likely to yield a significantly more competitive price as even with the increase in Rockridge Builders bid price to the maximum of \$190,000, it is still at least \$12,000 or 6 percent less than the next lowest responsive bid (\$202,000) submitted in January 2007,
2. It is highly likely that a new bidding process at this time will result in overall higher bid prices than those received last year, with the lowest bid potentially exceeding Rockridge Builders new price,
3. It is critical to avoid further delay in completing the Project to improve safety and security for customers of the OIC, many of whom enter and exit the facility after midnight,
4. Timely completion of the Project to provide safe and secure access to the Rotunda Garage and other available parking on the south side of the OIC is becoming more urgent as SJAM continues to increase patronage while the availability of parking near the main 18th Street entry to the OIC still remains drastically reduced because of three major development projects; and

WHEREAS, the contract awarded hereunder is of a technical and temporary nature and shall not result in the loss of employment or salary by any person having permanent status in the competitive service; now, therefore, be it

RESOLVED: That pursuant to Oakland Municipal Code 2.04.050.1.5 and the reasons set forth in the Agency Administrator's report accompanying this item, the Agency Board hereby finds and determines that it is in the Agency's best interests to waive competitive bidding for the 17th Street Entry, Oakland Ice Center project (G84040) and so waives the requirement; and be it

FURTHER RESOLVED: That the Agency Administrator is hereby authorized to negotiate and award the contract to Rockridge Builders for Modification of the 17th Street Entry to the Oakland Ice Center in accord with Specification No. G84040 in an amount not-to-exceed one hundred ninety thousand dollars and no cents (\$190,000.00) to cover up to \$30,610.00 in increased materials and labor costs occurring since the contract was originally awarded; and be it

FURTHER RESOVLED, That funding for the Project will be paid from 1989 Bonds Fund (9516), Capital Improvement Projects – Economic Development Organization (94800), Buildings: Additions Account (57212), Oakland Ice Center Project (P131210); and Central District Tax Allocation Bond Fund (9533), Capital Improvement Projects – Economic Development Organization (94800), Buildings: Additions Account (57212), Oakland Ice Center Project (P131230); and be it

FURTHER RESOLVED: That the contractor shall be required to provide performance and payment bonds in an amount sufficient to cover 100% of the contract price; and be it

FURTHER RESOLVED: That the Agency Administrator is authorized to take whatever action is necessary with respect to this contract and the Project consistent with this Resolution and its basic purposes; and be it

FURTHER RESOLVED: That any agreements authorized hereunder, including amendments, modifications, or extensions, shall be approved as to form by the Office of the Agency Counsel and filed with the Agency Secretary.

IN AGENCY, OAKLAND, CALIFORNIA, _____, 2008

PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, BRUNNER, CHANG, KERNIGHAN, NADEL, QUAN, REID, AND
 CHAIRPERSON DE LA FUENTE

NOES-

ABSENT-

ABSTENTION-

ATTEST: _____
 LATONDA SIMMONS
 Secretary of the Redevelopment Agency
 of the City of Oakland