

CITY OF OAKLAND
AGENDA REPORT

OFFICE OF THE CITY CLERK
CITY OF OAKLAND

2003 OCT 16 PM 4: 04

To: Office of the City Manager
Attn : Deborah Edgerly
From: Public Works Agency
Date: October 21,2003

Council District: All

Re: SUPPLEMENTAL TO 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)

SUMMARY

This Supplemental Informational Report in response to a request for additional information on the levels of participation achieved by Gallagher and Burke, Inc. on other city projects.

Nine projects were reviewed. The attached chart breaks out the projects by Current and Closed. Of the nine, five are listed as current and four as closed. Of the five current projects, four are active and one (as noted above) is awaiting award. Of the four current projects, three were awarded, as mandated, under the Disadvantaged Business Enterprise (DBE) Program and superceded City policies. Gallagher & Burke met the DBE goals.

The current project awarded under City policies is nearing completion and reported 22% local and small local goals with an estimated 40% local employment.

Of the four closed projects awarded to Gallagher & Burke, a sample of the pay-rolls suggest that the Local Employment Goals were achieved at a rate of 44%. The range of local contractor participation for the four completed projects is 35.19% to 50.15% with the distribution of percentages as follows: 35.19%, 39.46%, 40.14% and 50.15 %. Attachment 1 reflects the summary noted above.

FISCAL. IMPACT

This is an informational report.

BACKGROUND

Between 1999 and 2002, the level of participation on resurfacing contracts under Gallagher & Burk has ranged from 22% **up** to 50.15% with an average of 37.3%. A sample of payroll records suggest an estimated rate of 44% employment of Oakland residents.

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KEY ISSUES AND IMPACTS

The history of participation on resurfacing projects demonstrates that levels of business participation and local employment do not consistently reach the 50% goals.

SUSTAINABLE OPPORTUNITIES

Economic: All public works contracts require prevailing rate of wages. The low bidder has a LBE participation level of 15% and a SLBE participation level of 23.69%. The low bidder has a local trucking participation level of 100%, which meets the City's participation goals.

Environmental: New asphalt pavement contains as much as 15% recycled asphalt. A portion of this project is dedicated to creating a new bike lane on Macarthur Boulevard between Lakeshore and Park. Bike lanes encourage a more active lifestyle and promote the use of alternative transportation and reduce pollution due to automobile use.

Social Equality: Resurfacing of streets is based on street condition and ranking by City's Pavement Management System (PMS).

DISABILITY AND SENIOR CITIZEN ACCESS

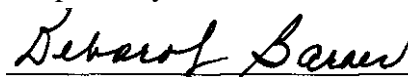
Street resurfacing will eliminate potholes and provide a uniform travel surface for pedestrians using crosswalks.

RECOMMENDATION AND RATIONALE

ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends that the City Council accept this supplemental information.

Respectfully submitted,



Deborah Barnes

Prepared by:
Shelley Darensburg
Contract Compliance Officer

APPROVED AND FORWARDED TO THE
PUBLIC WORKS COMMITTEE



OFFICE OF THE CITY MANAGER

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ATTACHMENT 1

GALLAGHER & BURK
USLBE & LEP PARTICIPATION

Current Projects		Notice to Proceed	Program	USLBE PARTICIPATION	LEP PARTICIPATION
1	Resurfacing Of Certain Streets In The City Of Oakland By The Overlay Method Between The Dates Of September 1, 2003 And August 31, 2003.	Project has not been awarded. Recommendation to award scheduled for Council Meeting of 10/21/03.	50% L/SLBE Program	38.69%	
2	Resurfacing Of Certain Streets In The City Of Oakland By The Overlay Method Between The Dates Of November 1, 2001 And October 31, 2002.	1/15/2002	50% USLBE PROGRAM	22%	40%
3	Rehabilitation of West MacArthur Blvd from West St. to Broadway	10/21/2002	DBE Program	28% DBE	DBE
4	Rehabilitation of 35th Ave and Redwood Rd. from MacArthur Freeway (1580) to Warren Freeway	7/15/2002	DBE Program	19% DBE	DBE
5	The Extension of 3rd Street (From 500 Feet West of Union St. to 7th St.)	9/26/2002	DBE Program	30% DBE	DBE
Closed Projects					
1	Street Rresurfacing 7/1/99 to 6/30/01 - C17100A		50% L/SLBE Program	50.15%	44% estimated
2	Street Resurfacing C17100B - 1999-2000		50% L/SLBE Program	40.14%	44% estimated
3	Street Resurfacing C17100C - 1999-2001		50% USLBE Program	39.46%	44% estimated
4	Street Resurfacing C17100D - 1999-2002		50% L/SLBE Program	35.19%	44% estimated

INTRODUCED BY COUNCIL MEMBER _____
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Requires two-thirds vote of the Council



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)

WHEREAS, funding for street resurfacing has been appropriated in the fiscal year 2002-03 budget using a combination of Municipal Capital Improvement Program, Measure B (County Sales Tax Revenue), and State Traffic Relief Congestion funds; and

WHEREAS, on August 25, 2003, three bids were received by the Office of the City Clerk of the City of Oakland for the Resurfacing of Certain Streets in the City of Oakland by the Overlay Method, between the dates of September 1, 2003 and August 31, 2004 (Project C17180); and

WHEREAS, **Gallagher & Burk, Inc.** is the lowest responsible bidder for the project; and

WHEREAS, there are sufficient funds in Fund 5500, Org. 92480, Account 57411, Project C17180, Fund 2141, Org. 92480, Account 57411, Project C173230, and Fund 2166, Org. 92246, Account 57411, Project G217420 for the construction work; and

WHEREAS, the engineer's estimate for the work is \$1,463,462; and

WHEREAS, the City lacks the equipment and qualified personnel to perform the necessary repairs; and

WHEREAS, the City Council finds and determines that the performance of this contract is in the public interest because of safety and economy; and

WHEREAS, the City Council finds and determines that this contract shall not result in the loss of employment or salary by any person having permanent status in the competitive services; and

WHEREAS That the performance of the services by contract is in the public interest because of economy or performance, 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 the contract for the Resurfacing of Certain Streets in the City of Oakland by the Overlay Method Between the Dates of September 1, 2003 and August 31, 2004 (Project No. C17180) is hereby awarded to **Gallagher & Burk, Inc.**, in accordance with the terms of its bid therefore, dated August 25, 2003 in the amount of One Million, Two Hundred and Forty One Thousand Eight Hundred and Thirty Two and 40/100 Dollars (\$1,241,832.40); and, be it

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FURTHER RESOLVED: That the amount of the bond for faithful performance, \$620,916, and the amount for a bond to guarantee payment of all claims for labor and materials furnished and for amount due under the Unemployment Insurance Act, \$1,241,832, with respect to such work are hereby approved; and be it

FURTHER RESOLVED: That the City Manager is hereby directed to enter into a contract with **Gallagher & Burk, Inc.** on behalf of the City of Oakland and to execute any amendments, extensions or modifications of said agreement, within the limitations of the project specifications; and be it

FURTHER RESOLVED: That all other bids are hereby rejected; and be it

FURTHER RESOLVED: That the Contract shall be reviewed and approved by the City Attorney and placed on file in the Office of the City Clerk; and be it

FURTHER RESOLVED: That the City Clerk is hereby directed to post conspicuously forthwith notice of the above award on the official bulletin board in the Office of the City Clerk; and be it

FURTHER RESOLVED: That the approval of this Resolution requires a two-thirds vote of the Council members.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 20____

PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, BRUNNER, CHANG, NADEL, QUAN, REID, WAN, AND PRESIDENT DE LA FUENTE

NOES-

ABSENT-

ABSTENTION-

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ATTEST: _____

CEDA FLOYD
City Clerk and Clerk of the Council
of the City of Oakland, California