




AGENDA REPORT

TO: Edward D. Reiskin
City Administrator

FROM: G. Harold Duffey
Director, Oakland Public
Works

SUBJECT: Fire Station No. 10 Dormitory
Renovation Construction Contract
Award

DATE: November 22, 2021

City Administrator Approval 

Date: Dec 7, 2021

RECOMMENDATION

Staff Recommends That The City Council Adopt A Resolution:

- 1. Awarding A Construction Contract In An Amount Not To Exceed One Million Two Hundred Thousand Dollars (\$1,200,000.00) To the Lowest Responsive And Responsible Bidder, For The Construction Of The Fire Station No. 10 Dormitory Renovation Project, In Accordance With The Project Plans And Specifications And Contractor's Bid: Or**
- 2. If No Valid Bids Are Received, Or The Bids Are Deemed Non-Responsive Or Non-Responsible And/Or Exceed The Engineer's Estimate By More Than (10%), The City Administrator May Reject All Bids and Award The Contract, For An Amount Not To Exceed One Million Two Hundred Thousand Dollars (\$1,200,000.00) In The Open Market, Without Return To Council; And**
- 3. Adopting Appropriate California Environmental Quality Act (CEQA) Findings.**

EXECUTIVE SUMMARY

Approval of the proposed resolution will allow for the award and execution of a construction contract in an amount not to exceed one million two hundred thousand dollars (\$1,200,000.00) for the Fire Station No.10 Dormitory Renovation Project. The project is located at 172 Santa Clara Avenue, in Council District 2, as shown in **Attachment A**, Project Location Map. The City issued a Notice Inviting Bids for the project on October 22, 2021, with bids due on November 18, 2021. The Department of Workplace and Employment Standards (DWES) is evaluating the responses. The Oakland Fire Department (OFD) has indicated that there should be no more than eight weeks' time between completion of one fire station renovation and the start of another. Because Fire Station No. 16, currently in construction, is anticipated to be completed in January 2022. City Council approval of this proposed resolution is needed to begin the construction of Fire Station No. 10 by March 2022. Therefore, if no valid bids are received during the current bid process, approval of the proposed resolution will allow the City Administrator to either award to the lowest responsible bidder, or if no such bids are received, reject all bids and award the contract in the open market. This strategy will help ensure that

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Oakland Public Works (OPW) construction will begin by March 2022 and meet OFD's eight-week requirement.

BACKGROUND / LEGISLATIVE HISTORY

In November 2016, Oakland voters passed Measure KK to fund \$600 million of vital infrastructure improvements and Anti-Displacement and Affordable Housing Projects. On May 30, 2017, staff recommended to City Council in the Fiscal Year (FY) 2017-19 Capital Improvement Program (CIP), projects proposed to be funded with Measure KK bond funds. On June 19, 2017, the City Council approved this list of projects for bond funding in Resolution No. 86773 C.M.S. On August 1, 2017, the Measure KK, Series 2017A-1 General Obligation Bond was funded in the amount of \$62,735,000, of which \$3.0 million was allocated for Oakland Public Works (OPW) to manage the "Fire Stations Citywide Renovations-Top Four Priority Stations" project (Fire Stations No. 12, No. 16, No. 10 and No. 15). The fund was appropriated in the FY 2017-19 budget in Fund 5330.

The project scope of work consists of renovating the dormitories and restrooms areas at Fire Station No. 10, which is a two-story building. The work includes, but is not limited to, selected demolition and the addition of new partitions, casework, finishes; updating the entire alerting system; and improvements to existing mechanical, electrical, plumbing, and fire protection systems to approximately 1,000 square feet of existing space. Work also includes alterations to the building reception area, accessible travel path from the building entrance to the project area, accessible parking, and site drainage.

ANALYSIS AND POLICY ALTERNATIVES

Fire Station No.10 is a high priority for the OFD. The project is crucial because it renovates and creates individual dormitory rooms and shower rooms required in modern firehouses, and provides citizens of Oakland with emergency services and supports public safety, including COVID-19 and homeless care response. The design incorporates new building finishes and an upgrade to the entire alerting system throughout the facility.

The Fire Station No.10 Dormitory Renovation Project was advertised for bid on October 22, 2021. Notifications were distributed by several means:

- The City of Oakland's iSupplier system, which includes City certified firms, registered General Contractors, plan rooms, and builder's exchange, totaling over 140 notices
- Printed legal notice in the East Bay Times, Daily Pacific Builder, El Mundo, Oakland Post, The Korea Times, and the World Journal publications
- Posting on CIPlist.com, which distributes to registered plan rooms and builders' exchanges
- Additionally, all on-call construction contractors possessing a contractor's B license were emailed about the contracting opportunity.

On November 18, 2021, the City Clerk received and opened four bids from general contractors for the Fire Station No.10 Dormitory Project. DWES is evaluating the responses. To begin construction by March 2022, staff is seeking approval to award a construction contract award for

minimizing the period between Fire Station No. 16 completion to the targeted eight-week start of Fire Station No. 10 construction.

Bid Analysis

Scenario 1 – Issue Contract to the Lowest Responsive and Responsible Bidder:

If all three conditions are met: 1) OPW's Capital Contracts Division deems a bidder is responsive to the City's Mandatory Bid Process; 2) DWES deems the lowest bidder responsive to the City's Compliance programs; 3) the bid does not exceed the engineer's estimate by more than ten percent (10%) and funding is available, City Administrator will execute the construction contract to the lowest, responsive and responsible bidder.

Scenario 2 – Reject All Bids and Negotiate a Contract on the Open Market:

If all bids are deemed non-responsive to City's compliance requirements and/or non-responsive, including bids exceeding the engineer's estimate by more than ten percent (10%), the City will promptly enter negotiations on the open market that is within the project budget and that meets the City's contract compliance and program requirements. Staff will initiate negotiations with the lowest apparent bidder. If negotiations with the lowest apparent bidder are unsuccessful, staff will begin negotiations with the next lowest apparent bidder.

According to Oakland Municipal Code (OMC) Section 2.04.050, which requires advertising and competitive bidding for contracts that exceed \$50,000; section 2.04.050.I.5 provides an exception to the advertising and competitive bidding requirements upon a finding and determination by the City Council that it is in the best interests of the City to do so. In addition, OMC section 2.04.05.J states that if no valid bids are received after advertising as required, the City Administrator may proceed to hire or have the services performed or purchase the supplies in the open market. Rebidding the project would delay the construction by at least six months and would likely not result in more competitive bids.

In accordance with OMC 2.04.050.I.5, staff recommends that, if necessary, it is in the City's best interest to waive further advertising and competitive bidding. The City will negotiate to secure a contract in the open market within the project budget, which meets the City's contract compliance and program requirements. It may be necessary to revise the project's scope to secure a contract within the available budget.

Although not part of the original scope, the design team is incorporating the OFD's recent request to change the finishes and upgrade the entire alerting system throughout the facility. The upgrades will modernize the alert system and equipment to replace the outdated standard. Because this and other requested changes will affect the bid due date to provide sufficient time for the contractor's review of the scope and bid preparation, it will save the City time and money by addressing the scope as part of this project rather than a separate project. Therefore, an advance authorization is necessary to minimize the duration between completion of Fire Station No.16, currently in construction and anticipated to complete in January 2022, to a target maximum duration of eight weeks to when Fire Station No.10 will begin construction anticipated in March 2022.

OFD and OPW are coordinating the completion of Fire Station No.16, which is currently in construction, and the start of Fire Station No.10. Staff will temporarily move into the newly renovated Fire Station No. 16 for the construction duration of Fire Station No. 10. Staff from Fire Station No.10 will need to remove all equipment, vehicles, and other items from the work areas completely to hand over the site to the contractor for the renovation project.

A smooth transition into the temporary home at Fire Station No.16 is crucial for the sake of public safety and continuity of service. The renovation of Fire Station No. 10 improves living conditions with the necessary updates to the dormitory and shower areas, makes the station more accessible and inviting to citizens through ADA improvements at the entry reception area and parking/path of travel. Fire Station No.10, as with all of the City's fire stations, is integral to the emergency services network and supports public safety, including COVID-19 and homeless care response. Completion of Fire Station No.10 supports the City's goals of holistic community safety and building vibrant, sustainable infrastructure.

FISCAL IMPACT

Approval of this resolution will authorize the City Administrator to award and execute a construction contract for an amount not to exceed one million two hundred thousand dollars (\$1,200,000.00) for the construction of Fire Station 10 Dormitory Renovation project.

Funding for this construction contract is available in the following funding source:

FUNDING SOURCE	AMOUNT
Measure KK (5330); Capital Projects Organization (92270); Buildings Account (57112); Fire Stations CW Renovation Project (1003439); Program (IN06); Award (23253)	\$1,200,000.00
Total Available Funding	\$1,200,000.00

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

PUBLIC OUTREACH / INTEREST

For this construction RFB solicitation, OPW-Project & Grant Management Division (OPW-PGM) worked with OPW-Capital Contracts Division (OPW-CCD) and DWES on public outreach through the enhanced notifications, legal ads, and a pre-proposal meeting.

As part of the enhanced notification and the Capital Contract Equity Initiative for OPW, public outreach engagement includes professional organizations representing women-owned and African American-owned firms, groups were identified in the 2019 Mason Tillman Disparity Study as firms not receiving a proportional amount of contracting dollars from the City of Oakland.

Specifically, OPW-CCD shares notifications with an established disparity outreach list of local women-owned, African American, and other global majority associations such as the National

Association of Women Business Owners and the National Black Contractors Association of California.

The City's iSupplier system also distributed notifications of solicitations to notify Oakland-certified local and non-local professional service providers (e.g., landscape architects, architects, engineers, contractors, and planning firms); regional trade and business groups, including the Oakland Metropolitan Chamber of Commerce, Oakland Black Board of Trade & Commerce, Bay Area Business Roundtable, and the Construction Bidboard. Companies that register in iSupplier wait a few days before receiving access to review proposal requests in this system. If a company enters an North American Industry Classification System (NAICS) code, they are notified about projects with this code.

In addition to iSupplier and the established disparity outreach list, OPW-CCD also utilizes CIPList.com, a free, web-enabled site to announce and distribute solicitations. It is used to push out notifications to plan rooms and builders' exchanges such as ARC North America, Builders Exchange of Alameda County, Contra Costa Builders Exchange, Dodge Data & Analytics, East Bay Blueprint, East Bay Blueprint, iSqFT, Northern California Electrical Construction Industry, Peninsula Builders Exchange, San Francisco Builders Exchange, and Solano-Napa Builders Exchange. Through CIPList.com, any company or entity may register to be automatically notified of all City of Oakland solicitations without restrictions.

Upcoming projects and current projects accepting submissions are on our webpage. As part of our equity initiative, OPW-CCD will partner with the Business Assistance Center to identify grant funding to establish a Contract Assistance Center to help guide contractors with the City's contracting process. Additionally, prior to the start of construction, the immediate neighboring residents and establishments affected by the work will be notified regarding the construction activities and project contact information. Temporary construction fencing, protective mitigation measures, and compliance with the Americans with Disabilities Act (ADA) for temporary sidewalk re-routing shall be implemented to minimize disruptions to the public. Fire Station No.10 will be temporarily closed for approximately five months, and staff will be relocated to Fire Station No.12 during construction.

COORDINATION

The work to be done under this contract has been coordinated with OFD, OPW Building Management and Internal Services Division, Department of Information Technology, Oakland Department of Transportation American with Disabilities Act (ADA) Program Coordinator, and DWES.

The Finance Department has reviewed this report, and the resolution has been reviewed for form and legality by the Office of the City Attorney.

CALIFORNIA ENVIRONMENTAL QUALITY ACT ("CEQA") REVIEW/FINDINGS

The project is exempt from CEQA pursuant to CEQA Guidelines Sections 15268 (Ministerial Projects), 15301 (existing facilities), 15183 (Projects Consistent with a Community Plan, General Plan or Zoning), 15302 (Replacement or Reconstruction), 15303 (Small Structures),

15304(h) (Minor Alterations to Land), and/or 15061(b)(3) (No Significant Effect on the Environment). Each of the above exemptions provides a separate and independent basis for CEQA compliance. If applicable, the City Administrator or designee shall file a Notice of Determination/Notice of Exemption with the Clerk of the County of Alameda.

SUSTAINABLE OPPORTUNITIES

Economic: The project replaces damaged and aged City infrastructure. The contractor will be verified for Local Business Enterprise and Small Local Business Enterprise (LBE/SLBE) participation by DWES. The construction services provided by local firms will result in dollars being spent locally. The contractor will be required to have fifty percent (50%) of the work hours performed by Oakland residents, and fifty percent (50%) of all new hires are to be Oakland residents, which will result in funds being spent locally.

Environmental: The contractor is required to comply with the City's Waste Reduction & Recycling Ordinance. Best Management Practices shall be required to prevent stormwater runoff from the job site during construction.

Race & Equity: The project was identified in the FY2017-19 Budget Cycle, prior to the City's adoption of the Equitable Prioritization Process used for the first time in the FY2019-21 Budget Cycle. Steps have been taken to reach out to contractors in Oakland communities impacted by racial disparities (see Public Outreach/Interest Section).

Fire Station No.10 serves a diverse population and of varying income. As a critical facility in the City's emergency response network, Fire Station No.10 was deemed a high priority facility requiring renovation by the OFD to provide individual dormitory rooms and multiple individual shower rooms required of modern fire stations.

ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends that the City Council adopt a Resolution:

1. Awarding a construction contract in an amount not to exceed one million two hundred thousand dollars (\$1,200,000.00) to the lowest responsive and responsible bidder, for the construction of the Fire Station No. 10 Dormitory Renovation Project, in accordance with the project plans and specifications and contractor's bid; or
2. If no valid bids are received, or the bids are deemed non-responsive or non-responsible and/or exceed the engineer's estimate by more than ten percent (10%), the City Administrator may reject all bids and award the contract, for an amount not to exceed one million two hundred thousand dollars (\$1,200,000.00) in the open market, without return to Council; and
3. Adopting appropriate California Environmental Quality Act (CEQA) Findings.

For questions regarding this report, please contact Henry Choi, Project Manager, at (510) 238-3340.

Respectfully submitted,



G. HAROLD DUFFEY
Director, Oakland Public Works

Reviewed by:
Denise Louie, Acting Assistant Director
Bureau of Design & Construction

Reviewed by:
Calvin Hao, Acting Division Manager
Project & Grant Management Division

Prepared by:
Henry Choi, Capital Improvement Project
Coordinator
Project & Grant Management Division

Attachments (1):

- A. Project Location Map

