



# AGENDA REPORT

**TO:** Edward D. Reiskin  
City Administrator

**FROM:** Ryan Russo  
Director, OakDOT

**SUBJECT:** Contract for Disposal of Asphalt and  
Concrete for In-House Paving  
Operations

**DATE:** March 23, 2022

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City Administrator Approval 

Date: May 26, 2022

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## RECOMMENDATION

Staff Recommends That The City Council Adopt The Following Pieces Of Legislation:

**Resolution:**

- (1) Amending And Increasing The Contract With Argent Materials In An Amount Not To Exceed One Million Dollars (\$1,000,000) Until June 30, 2023, With An Option To Extend The Agreement For An Additional Two-Year Period In An Amount Not To Exceed One Million Dollars (\$1,000,000) For A Total Not To Exceed Contract Amount Of Two Million Dollars (\$2,000,000) Over Four (4) Years;**
- (2) Waiving Advertising, Bidding And The Local And Small Local Business Participation Requirements; And**
- (3) Adopting Appropriate California Environmental Quality Findings**

**And**

**Resolution:**

- (1) Amending And Increasing The Existing Contract With Right Away Redy Mix In An Amount Not To Exceed One Million Dollars (\$1,000,000); And Extending The Term By One Additional Year To March 31, 2024;**
- (2) Waiving Advertising, Bidding And The Local And Small Local Business Participation Requirements; And**
- (3) Adopting Appropriate California Environmental Quality Findings**

## **EXECUTIVE SUMMARY**

With the passage of Oakland's Affordable Housing and Infrastructure Bond (Measure KK) in 2016, the Department of Transportation (OakDOT) has significantly expanded its in-house paving operations. Since 2017, new in-house paving staff positions have been created and filled, and the City has purchased new paving equipment to support ambitious in-house paving mileage goals.

The subject resolutions would address key elements of OakDOT's in-house paving operations: 1) materials disposal of weathered asphalt and broken concrete, and 2) supply of ready-mixed concrete. Approval of the resolutions are needed to approve an increase in the materials disposal contract with Argent Materials, an Oakland firm, and with Right Away Redy Mix. Argent Materials is certified as a Locally Produce Goods/Local Business Enterprise (LPG/LBE); Right Away Redy Mix is headquartered in San Jose and has a plant in Oakland.

## **BACKGROUND / LEGISLATIVE HISTORY**

In September 2021, City Council approved the Fiscal Year (FY) 2021-23 Capital Improvement Plan (CIP). The CIP funded the paving program at \$57.5M per year using Measure KK General Obligation Bond funds. Measure KK was approved by the voters of Oakland in November 2016 to fund \$600M of vital infrastructure maintenance improvements, including \$350M for streets and sidewalks.

In December 2021, City Council approved the 5-Year Paving Plan (5YP) (Resolution No. 88975 C.M.S.), identifying 350+ miles of pavement rehabilitation and preventative maintenance citywide to be completed within five years, including an in-house mileage total goal of 64 miles.

Since the passage of Measure BB and Measure KK, the City expanded its in-house capacity by budgeting for new equipment and two new street repair crews. OakDOT now maintains a fully staffed in-house paving crew that performs street paving year-round.

## **ANALYSIS AND POLICY ALTERNATIVES**

The recommended actions of extending previous competitive procurement processes advance the Citywide priorities of: **Vibrant, Sustainable Infrastructure**, as the purchase contracts directly support paving of streets and construction of sidewalk; and **Responsive, Trustworthy Government**, by making transparent previous open, competitive procurement processes.

Argent Materials

On May 19, 2021, the City issued Specification No. 21-745-00/RFQ 262661-2, seeking qualified suppliers to provide for the disposal of asphalt and concrete debris, retail supply of paving materials, including cold patch asphalt concrete (mainly for pothole repairs), drain rock and decomposed granite for parks maintenance uses. The RFQ was sent to ten (10) prospective

vendors, posted on the City's web page, and advertised in the City's official newspaper in accordance with Oakland Municipal Code (OMC) 2.04.050.

On May 24, 2021 the RFQ period closed. The City received one bid proposal from Argent Materials (Oakland). Staff from the Department of Transportation evaluated the submittal and found that it represented reasonable market pricing. A contract in the amount of \$250,000 (the maximum amount allowable contracting authority for the City Administration without Council approval) was executed in June 2021, as it was projected that this amount would be sufficient for a two-year period. However, the amount of in-house paving performed in the past year surpassed all previous benchmarks, and as a result the amount of asphalt and concrete disposal far exceeded what was anticipated, and as a result, the contract capacity needs to be extended.

As a local business enterprise, Argent Materials is recommended for contract amendment. The proposed contract values reflect these recommendations, with Argent Materials recommended for a purchasing contract term not to exceed \$1,000,000 per year for two years (June 2021 to June 2023). In addition, staff is recommending authorization to extend the contract for an additional two-year period for up to \$1,000,000 for a total of \$4,000,000 over a four-year period (i.e. June 2021 to June 2025).

#### Right Away Redy Mix

On March 3, 2020 the City issued a Request for Qualifications (RFQ) No. 185504-2 seeking qualified suppliers to provide concrete materials. Eleven suppliers were identified and invited to submit qualifications, and March 18, 2020 was designated as the deadline for submittals. Only Right Away Redy Mix submitted a proposal and was subsequently awarded a contract for \$250,000, which was projected to be sufficient; however, the pace of concrete work has far exceeded initial projections and an increase of contract authority to \$1,000,000 is proposed for council approval to keep concrete construction work proceeding without delay.

### **WAIVER OF ADVERTISING AND COMPETITIVE BIDDING AND OF LOCAL AND SMALL LOCAL BUSINESS ENTERPRISE PARTICIPATION REQUIREMENTS**

Oakland Municipal Code (OMC) section 2.04.050 requires advertising and competitive bidding for contracts for the purchase of services, supplies or combination required by the City in any one transaction which exceeds \$50,000, and the award to the lowest responsible, responsive bidder if award is made.

Additionally, the Local and Small Local Enterprise (LBE/SLBE) Program requires that there be 50% LBE/SLBE participation in City contracts for the purchase of services, supplies or combination thereof pursuant to Oakland's Local and Small Local Business Enterprise Program guidelines adopted by Ordinance No. 13647 C.M.S.

However, the Council may waive the City's SLBE requirements for the purchase of products and professional services due to a lack or limited availability of SLBEs or LBEs pursuant to Part I of Oakland's Local and Small Local Business Enterprise Program guidelines adopted by Ordinance No. 13647 C.M.S. Neither the proposed contractor or staff have been able to identify

any or a limited availability of SLBEs that can provide the products or perform the services that are required under this contract;

### **FISCAL IMPACT**

Funds are available for the purchase of paving materials in the FY 2021-23 Budget in Fund 5332 Measure KK, Organization 92246 Engineer Design Streets and Structures, Account 57411 Street Construction, and Project No. 1005420. Similar budget is anticipated to be available through FY 2025.

### **PUBLIC OUTREACH / INTEREST**

Street repaving, sidewalk repair and curb ramp construction are top priorities for Oaklanders, and a significant public outreach process was performed toward the adoption of the 5YP.

The bid requests for the services were disseminated using both the City's web-based procurement system, iSupplier, as well as through a formal advertisement in the East Bay Times (formerly the Oakland Tribune).

### **COORDINATION**

The procurement of these purchasing contracts was performed by the Department of Workplace and Employment Standards. In addition, the Office of City Attorney and Budget Bureau has reviewed this report and resolution.

### **SUSTAINABLE OPPORTUNITIES**

**Economic:** Implementation of the proposed contract for materials and disposal will ensure continuous upkeep and safety to the City's roadway infrastructure. Additionally, one of the suppliers is verified for Local Business Enterprise and Small Local Business Enterprise (LBE/SLBE) participation by the Department of Workplace and Employment Standards. Material supply provided by local firms will result in dollars being spent locally.

**Environmental:** The City has a goal of using recyclable materials within asphalt concrete construction to the greatest extent possible and recycling grinding from asphalt paving whenever possible.

**Race & Equity:** Paving work supported by the approval of this resolution will follow the racial equity framework of the adopted 5-Year Paving Plan.

**CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)**

The actions in this report are not considered a project under CEQA; therefore, CEQA review is not applicable.

**ACTION REQUESTED OF THE CITY COUNCIL**

**Adopt A Resolution:**

- (4) Amending And Increasing The Contract With Argent Materials In An Amount Not To Exceed One Million Dollars (\$1,000,000) Until June 30, 2023, With An Option To Extend The Agreement For An Additional Two-Year Period In An Amount Not To Exceed One Million Dollars (\$1,000,000) For A Total Not To Exceed Contract Amount Of Two Million Dollars (\$2,000,000) Over Four (4) Years;**
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- (6) Adopting Appropriate California Environmental Quality Findings**

**And**

**A Resolution:**

- (4) Amending And Increasing The Existing Contract With Right Away Redy Mix In An Amount Not To Exceed One Million Dollars (\$1,000,000); And Extending The Term By One Additional Year To March 31, 2024;**
- (5) Waiving Advertising, Bidding And The Local And Small Local Business Participation Requirements; And**
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For questions regarding this report, please contact Wladimir Wlassowsky, Interim City Engineer, at [wwlassowsky@oaklandca.gov](mailto:wwlassowsky@oaklandca.gov).

Respectfully submitted,



[Ryan Russo \(May 26, 2022 16:06 PDT\)](#)

Ryan Russo, Director  
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