

**CITY OF OAKLAND** 2005 APR 14 PM 5:31  
**AGENDA REPORT**

TO: Office of the City Administrator  
ATTN: Deborah Edgerly  
FROM: Public Works Agency  
DATE: April 26, 2005

RE: **RESOLUTION TO REJECT ALL BIDS AS NON-RESPONSIVE, WAIVE FURTHER COMPETITIVE BIDDING AND AUTHORIZE THE CITY ADMINISTRATOR TO INFORMALLY BID OR NEGOTIATE, AWARD AND EXECUTE A CONSTRUCTION CONTRACT, BASED ON REVISED PLANS AND SPECIFICATIONS, WITHOUT RETURN TO COUNCIL FOR THE ASBESTOS AND LEAD-PAINT ABATEMENT PHASE OF THE STUDIO ONE ART CENTER REHABILITATION PROJECT (NO. C244710) IN AN AMOUNT NOT-TO-EXCEED TWO HUNDRED THOUSAND DOLLARS (\$200,000.00)**

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**SUMMARY**

The Council is requested to approve a resolution rejecting all bids, waiving further competitive bidding and authorizing the City Administrator to informally bid or negotiate, award and execute a construction contract, based on revised plans and specifications, without return to Council for the Studio One Art Center Rehabilitation Project – Asbestos and Lead-Based Materials Abatement in an amount not to exceed two hundred thousand dollars (\$200,000.00). Funds are available from Oakland Trust for Clean Water and Safe Parks Bond (Measure DD) for the specified work.

Studio One Art Center is one of the first-series projects identified for funding in Measure DD. The project is consistent with the Mayor and City Council Goal to “Maintain and Enhance Oakland’s Physical Assets” by rehabilitating the historically significant building and providing an updated and accessible facility for public use. The project is located in Council District 1.

**FISCAL IMPACT**

The resolution is required to reject all bids received on March 7, 2005, waive further competitive bidding and authorize informal bidding or negotiation, award and execution of a construction contract, based on revised plans and specifications, to perform hazardous materials abatement for the Studio One Art Center facility. The project budget for the abatement scope is \$200,000.

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Funding for the contract and contingency is available from Measure DD Bond Fund (Fund No. 5320, Project No. C244710, Organization No. 92110, Account No. 54951). Contract Compliance and Public Art fees have been assessed in accordance with Measure DD requirements. Public Art funding is in Project No. C244720 and compliance fee funding is in Project No. C241510.

The scope of the work for this contract is limited to hazardous materials abatement for building asbestos and lead-based materials and related removal/demolition. There is no impact to the operation and maintenance costs of the building as a result of this contract. The Studio One programs and staff will be relocated to alternative program locations prior to the start of contracted work.

## **BACKGROUND**

On July 15, 2003, the City Council passed Resolution No. 77965 C.M.S. approving a Measure DD, Series A, appropriation in the amount of \$10 million for the rehabilitation and upgrade of the Studio One Art Center. In January 2001, Council approved Resolution No. 76209 C.M.S. authorizing the allocation and appropriation of \$473,000 from the State of California Department of Parks and Recreation under the Murray Hayden Grant program for Studio One renovation.

Studio One Art Center is one of the first-series of projects proceeding under the Measure DD funding. The design for the Studio One Art Center is for rehabilitation of the Center including upgrading completely the existing building systems and modernizing the facility for continued use as an art studio. The renovation project is currently in design. The abatement contract is the first step to prepare for the full renovation of the facility. It is anticipated that staff will seek Council approval later in the summer to award the renovation construction contract after the design documents are completed.

## **KEY ISSUES AND IMPACTS**

Lack of Certification: On February 14, 2005, City of Oakland issued a notice inviting bids for the abatement contract. Although adequate interest was expressed for the project at the pre-bid meeting, on March 7, 2005, only two bids were received by the City Clerk for the project. Firms who submitted bids are:

- Sterling Environmental Corporation of Oakland
- Southwest Hazard Control of San Leandro

The engineer's estimate is \$82,000. The bid submitted by Sterling Environmental is within the project budget. Neither of the firms is certified under the City's programs as Local or Small Local Business Enterprises (L/SLBE). Contract Compliance and Employment Services Division

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of the City Administrator's Office has reviewed and analyzed the L/SLBE participation. A summary of the evaluation is shown in "Attachment A".

Sterling Environmental is a local firm and has been certified previously, but has allowed the certification to lapse. It is a certified-local firm under the Port of Oakland and County of Alameda; however, the City does not accept certification from other agencies. Sterling Environmental began the process of certification a few months ago prior to submittal of its bid, but is waiting for approval pending further submittal of additional financial information to Contract Compliance.

Staff will obtain informal bids or negotiate a contract and ensure that the firm selected meets all contracting program requirements prior to execution of the contract.

Project Scope Change: The project scope limited asbestos and lead-based materials abatement to the building interior because the exterior scope was not well defined yet and was to be dictated by the renovation scope of work. Since the submittal of bids, new information has been presented by the design team and environmental consultant that now defines the required exterior asbestos abatement scope. It is now cost efficient to complete the required interior and exterior abatement process at the same time. The estimated total cost to complete the abatement scope is estimated to increase from \$82,000 to \$150,000.

The purpose of abating the existing asbestos and lead-containing material in the building in advance of the renovation construction is to help expedite the project construction schedule and meet funding expenditure deadlines. Since the facility will be vacated by the beginning of April, the abatement process can be completed while construction documents are being finished. In addition, the abatement process will also help expose existing building structure during the related partial demolition of the finishes. The exposed structure will allow the design architect and renovation contractors an opportunity to better understand the existing structure and help minimize ambiguous site conditions during the renovation bidding process. This will reduce the necessity often found in renovation projects of historical buildings to budget for excessive contingency costs for unknown conditions and provide better construction bids.

Waiver of Further Competitive Bidding: In order to complete the project and expend Measure DD Series A funding by the required expenditure deadline of the end of Fiscal Year 2006, the project construction must begin no later than summer of 2005. The hazardous materials abatement process is one of the first steps for the project before proceeding into construction. Re-bidding the abatement work would result in delaying the start of construction until late fall or early winter. The construction schedule would be affected by starting in the rainy season and further delay project completion until well into Fiscal Year 2007, which is beyond Measure DD's deadline of expenditure by Fiscal Year 2006. Missing the expenditure completion deadline would result in a potential rebate of interest earnings by the City to the federal government. Approval to award the contract without return to Council will allow the abatement contract to be awarded and executed next month. A return to Council for award would add six weeks for the

agenda approval process and delay the abatement contract execution into summer 2005, which is the required start date for the facility renovation contract. A project schedule is included as “Attachment B,” illustrating the original planned schedule and the effect re-bidding would have on project completion. Waiving further competitive bidding will expedite the contracting process and provide additional opportunities for bidders to meet the City’s L/SLBE participation and other contract program requirements.

Current Project Status: Since project approval and funding appropriation, the project has completed programming and schematic design phases. The design is scheduled to be completed by end of May 2005 with construction scheduled to begin in summer of 2005. The construction is anticipated to take 14 to 16 months, with re-opening of the facility anticipated in early 2007.

The Office of Parks and Recreation is in the process of temporarily relocating most of their Studio One based programs to the Malonga Casquelourd Center for the Arts (formerly known as the Alice Arts Center) and children’s programs to recreation centers throughout the area. The programs will remain at the temporary locations for a minimum period of 18 months while Studio One is being renovated.

## **PROJECT DESCRIPTION**

The project scope is to remove and abate existing asbestos and lead-based materials and related minor demolition at Studio One Art Center in preparation for the future major renovation. Abatement consists of removal of hazardous materials in ceilings, walls, windows, flooring throughout the interior of the facility and exterior brick wall painted surfaces.

## **SUSTAINABLE OPPORTUNITIES**

Economic: The project will generate jobs for Oakland residents, and business tax, sales tax and other revenues for the City by those contractors and suppliers who work on the project.

Environmental: The abatement project will improve the environment immediately by removing known environmental hazardous materials from the project site and prepare the site for safer renovation. The overall project for Studio One Art Center Rehabilitation is pursuing incorporation of sustainability design and materials that will enhance the physical environment of the renovated facility, improve conservation of natural resources, and improve long-term operation and maintenance of the facility.

Social: Although the social impact of this abatement project is minimal, it is the first step to the complete upgrade of the building that will provide improved studio space for the community and enhance educational opportunities in the arts.

**RECOMMENDATION AND RATIONALE**

It is recommended that the Council approve the resolution to reject all bids submitted on March 7, 2005, as non-responsive and authorize the City Administrator, or her designee, to informally re-bid or negotiate, award, and execute a construction contract, based on revised plans and specifications, for the Studio One Art Center – Asbestos and Lead-based Materials Abatement Project in an amount not-to-exceed \$200,000. The successful contractor will be required to meet all City contracting programs. The project has sufficient funds for the specified contract. The project is the necessary first step to renovating the building.

**ACTION REQUESTED OF THE CITY COUNCIL**

It is requested that the City Council approve the above-described resolution to reject all bids submitted on March 7, 2005, for the Studio One project, waive all further competitive bidding requirements and authorize the City Administrator to informally bid or negotiate, award and execute a construction contract for the Studio One Art Center Asbestos and Lead-based Materials Abatement.

Respectfully submitted,



**RAUL GODINEZ II, P.E.**

Director, Public Works Agency

Reviewed by:

Mike Neary, P.E.

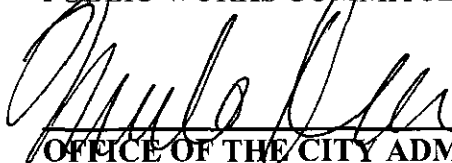
Assistant Director, Public Works Agency

Prepared by:

Lily Soo Hoo, CIP Coordinator

Project Delivery Division

APPROVED AND FORWARDED TO THE  
PUBLIC WORKS COMMITTEE:



**OFFICE OF THE CITY ADMINISTRATOR**

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Deborah Edgerly

Re: Public Works Agency – Studio One Asbestos & Lead Abatement

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Attachments: A – Contract Compliance & Employment Services review of bids  
B – Project Schedule

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**OFFICE OF THE CITY ADMINISTRATOR**  
 Contract Compliance & Employment Services Division

# Memo

ATTACHMENT A

**TO:** Gwen McCormick  
**THROUGH:** Deborah Barnes, CC&ES Manager *Deborah Barnes*  
**FROM:** Vivian Inman *Vivian Inman*  
**CC:** Lily SooHoo  
**DATE:** 21-Mar-05  
**RE:** Studio One

Contract Compliance & Employment Service is in receipt of two bids for the above referenced project. Below, please find a compliance evaluation for the 20% minimum participation requirement and a preliminary review for compliance with the Equal Benefits Ordinance.

Compliance findings for the 20% Local/Small Local Participation Requirement ( in Alphabetical Order)

	Company Name	Bid Amount (If applicable)	Proposed Participation			Preferences			Banked Credits Eligibility	EBO Compliant ? Y/N
			Total	LBE	SLBE	Bid Discounts	Adjusted Bid Amount	Points		
1	Sterling Environmental	\$73,992	0.00%	0.00%	0.00%	N/A	N/A	N/A	N/A	N
2	Southwest Hazard Control	\$140,520	0.00%	0.00%	0.00%	N/A	N/A	N/A	N/A	N

As noted above, both firms failed to meet the 20% requirement. Firms that are not in compliance with the EBO will have to come into compliance prior to contract execution.

Should you have any questions you may contact me at extension 6261.

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**ATTACHMENT B: STUDIO ONE ART CENTER REHABILITATION**  
**Proj. #C198810, C244710, C71910**

ID	Task Name	Start	Finish	2004				2005				2006				2007			
				Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1		
1	ORIGINAL SCHEDULE	Mon 1/26/04	Mon 1/26/04	◆ 1/26															
2	Design Phase of Renovation Project	Mon 1/26/04	Fri 6/3/05	[Solid bar from Q1 2004 to Q2 2005]															
19	Haz. Mat. Abatement (Design, Bid, and Abatement)	Mon 1/3/05	Tue 6/14/05	[Solid bar from Q1 2005 to Q2 2005]															
29	Contractor Pre-qualification Phase for Renovation Project	Fri 3/18/05	Fri 5/20/05	[Solid bar from Q2 2005 to Q3 2005]															
33	Construction Bid to Pre-qualified contractors for Renovation Project	Mon 6/6/05	Tue 8/9/05	[Solid bar from Q3 2005 to Q4 2005]															
40	Construction of Renovation Project	Wed 8/10/05	Tue 10/17/06	[Solid bar from Q4 2005 to Q1 2006]															
41																			
42																			
43																			
44																			
45	REVISED SCHEDULE TO RE-BID HAZ. MAT. ABATEMENT	Mon 1/26/04	Mon 1/26/04	◆ 1/26															
46	Design Phase of Renovation Project	Mon 1/26/04	Fri 6/3/05	[Solid bar from Q1 2004 to Q2 2005]															
47	Haz. Mat. Abatement Rebid	Mon 4/25/05	Mon 10/10/05	[Solid bar from Q2 2005 to Q3 2005]															
56	Construction Bid and award to Pre-qualified Contractors for Renovation Project.	Tue 10/11/05	Wed 12/14/05	[Solid bar from Q4 2005 to Q1 2006]															
57	Construction of Renovation Project	Thu 12/15/05	Wed 2/21/07	[Solid bar from Q1 2006 to Q1 2007]															

Project: STUDIO ONE ART CENTER  
 PROJECT SCHEDULE  
 Date: Updated Mar 2005

Task	[Solid bar]	Project Summary	[Solid bar]
Split	[Dotted line]	External Tasks	[Stippled bar]
Progress	[Solid bar]	External Milestone	◆
Milestone	◆	Deadline	↙
Summary	[Solid bar]		



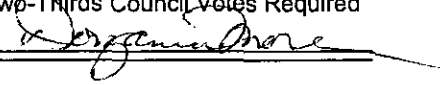
**OAKLAND CITY COUNCIL**

FILED  
OFFICE OF THE CITY CLERK  
OAKLAND

RESOLUTION No. \_\_\_\_\_ C. M. S. 2005 APR 14 PM 5: 31

INTRODUCED BY COUNCILMEMBER \_\_\_\_\_

Two-Thirds Council Votes Required



**RESOLUTION TO REJECT ALL BIDS AS NON-RESPONSIVE, WAIVE FURTHER COMPETITIVE BIDDING AND AUTHORIZE THE CITY ADMINISTRATOR TO INFORMALLY BID OR NEGOTIATE, AWARD AND EXECUTE A CONSTRUCTION CONTRACT, BASED ON REVISED PLANS AND SPECIFICATIONS, WITHOUT RETURN TO COUNCIL FOR THE ASBESTOS AND LEAD-PAINT ABATEMENT PHASE OF THE STUDIO ONE ART CENTER REHABILITATION PROJECT (NO. C244710) IN AN AMOUNT NOT-TO-EXCEED TWO HUNDRED THOUSAND DOLLARS (\$200,000.00)**

**WHEREAS**, on March 7, 2005, two bids were received by the Office of the City Clerk for the Studio One Art Center Rehabilitation – Asbestos and Lead-base Materials Abatement phase; and

**WHEREAS**, the two bids received were non-responsive and did not meet the City’s L/SLBE and local trucking program requirements; and

**WHEREAS**, the original project scope consisted of only interior asbestos and lead-based materials abatement scope and now, based on new information, the scope will be expanded to include exterior asbestos materials abatement; and

**WHEREAS**, there are sufficient funds of \$200,000 available in the project budget for the original and expanded work; and

**WHEREAS**, funding for the contract and contingency are available from the Measure DD Bond (Fund 5320, Project No. C244710, Organization No. 92110, Account No. 57212); and

**WHEREAS**, it is recommended that the City Council waive further competitive bidding in order to meet fund expenditure deadlines as specified by Measure DD Bond; and

**WHEREAS**, the City lacks the equipment and personnel to perform the necessary work and services, and the City Council finds and determines that the performance of work and services is in the public interest because of economy; and

**WHEREAS**, the City Council finds that the services of this contract shall not result in the loss of employment or salary by any person having permanent status in the competitive services; now, therefore, be it

**RESOLVED:** That the Council rejects all bids submitted on March 7, 2005 for the Studio One Art Center Rehabilitation – Asbestos and Lead-base Materials Abatement phase as they are non-responsive; and, be it

**FURTHER RESOLVED:** That, pursuant to Oakland Municipal Code Chapter 2.04, Section 2.04.050.1.5, the City Council finds and determines that it would be in the City’s best interests to waive further competitive bidding in order to meet the funding expenditure closing date, and hereby waives further competitive bidding; and, be it

**FURTHER RESOLVED:** That the City Administrator, or her designee, is hereby authorized to informally bid or negotiate, award and execute a construction contract, based on revised plans and specifications, for the Studio One Art Center – Asbestos and Lead-Based Materials Abatement in an amount not-to-exceed two hundred thousand dollars (\$200,000.00) and to execute any amendments or modifications of said contract within the limitations of the project scope; and, be it

**FURTHER RESOLVED:** That the contractor shall be required to meet all of the City’s contracting programs; and, be it

**FURTHER RESOLVED:** That the contractor shall provide faithful performance bond and payment bond to guarantee payment of all claims for labor and materials furnished and for the amount due under the Unemployment Insurance Act, for one hundred percent (100%) of the contract amount prior to execution of the contract; and, be it

**FURTHER RESOLVED:** That project completion is estimated to be approximately two months after issuance of Notice-to-Proceed; and, be it

**FURTHER RESOLVED:** That the contract shall be reviewed and approved by the Office of the City Attorney and filed with 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, \_\_\_\_\_, 2005

**PASSED BY THE FOLLOWING VOTE:**

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

NOES–

ABSENT–

ABSTENTION–

ATTEST: \_\_\_\_\_  
LaTonda Simmons  
Interim City Clerk and Clerk of the Council