

2010 FEB 25 AM 9:43

**REDEVELOPMENT AGENCY  
OF THE CITY OF OAKLAND  
AGENDA REPORT**

TO: Office of the Agency Administrator  
ATTN: Dan Lindheim  
FROM: Community and Economic Development Agency  
DATE: March 9, 2010

RE: **Agency Resolution Authorizing the Professional Services Agreements with Advanced Resources In Construction Services, Ltd., and the Alley Group Construction Managers to Provide Construction Monitoring Services for Affordable Housing Projects on an As-Needed Basis in an Aggregate Amount Not to Exceed (\$250,000)**

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**SUMMARY**

A resolution has been prepared to authorize the Agency Administrator to enter into as-needed professional services agreements for construction monitoring services for the new construction and rehabilitation of City and Agency funded affordable housing projects in an aggregate amount not to exceed \$250,000 for forty-eight months with the following two firms:

- Advanced Resources in Construction Services, Ltd., Oakland
- The Alley Group Construction Managers with IPA Planning Solutions.

Each contract will be amended with individual agreements as affordable housing development projects begin construction. The Housing Development Services unit of CEDA's Housing and Community Development division will manage the contracts. Approval of this resolution will enable staff to obtain services needed to ensure that funds are spent efficiently and effectively, and to keep them informed of issues and progress throughout the construction process.

**FISCAL IMPACT**

The funds for construction monitoring services are available in the Low Mod Housing Fund (9580), Administration Project (\$64300). Housing Development staff do not generally have the specialized experience required to fully examine construction processes in detail, and the irregular nature and timing of the construction process on various development projects makes it desirable to be able to call on consultants on an as-needed basis.

**BACKGROUND**

In December 2000, the Redevelopment Agency adopted Resolution No. 2000-64 C.M.S., authorizing an expenditure of \$300,000 and the execution of professional services agreements with three local firms, selected from responses to a Request for Proposals (RFP) issued in July 2000 to provide construction monitoring services for affordable housing projects funded by the

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CED Committee  
March 9, 2010

City/Agency. Those contracts were executed in March 2001 for a term of up to 36 months, and expired on January 15, 2004. Upon the expiration of the contracts, the Agency assessed the quality of service each contractor provided, and extended for another 36 months two of the contracts per Agency Resolution No. 2004-28 C.M.S.

Since Housing Development staff found it extremely helpful to engage the services of experienced construction monitors, on October 20, 2009, an RFP for construction monitor specialists was sent to 53 firms and organizations. The RFP was also publicized in the Oakland Tribune on November 1, 2009. A pre-proposal meeting was held on October 27, 2009. By the close of the November 10, 2009, deadline staff received proposals from four consulting firms:

- Advanced Resources in Construction Services Ltd.
- The Alley Group partnered with IPA Planning Solutions
- Armando Vasquez Architecture + Construction Management
- Consolidated CM Inc. partnered with IPA Planning Solutions

## KEY ISSUES AND IMPACTS

CEDA Housing Development is expecting that over forty million dollars in affordable housing funds will be committed in the next three to four years to development projects. The previous construction monitoring firm contracts have expired. Staff has determined that there is a need for new construction monitors in order to provide construction-related expertise for current and future City/Agency funded affordable housing new construction and rehabilitation projects.

Executing contracts with the two firms will help ensure that the City/Agency funds are spent effectively and efficiently. They will keep the City/Agency informed of issues that arise in the construction process, and ensure that costs are within budget, projects proceed on schedule, and that construction is being appropriately completed.

**Selection Process:** The selection process involved two steps, including review of the written proposals by CEDA staff and oral presentations by each of the four consulting firms. The oral presentations were held on December 4<sup>th</sup> and 5<sup>th</sup>, 2009, before a five person panel that included staff from Housing Development, Redevelopment, and Building Services.

Based on the quality of the written proposals and interviews of the consultants, two consulting teams, Advanced Resources in Construction Services Ltd. and The Alley Group Construction Monitors with IPA Planning Solutions, are being recommended to provide as-needed construction monitoring services. (see **Attachment A** for a review of the ranking criteria) These two consulting teams were chosen for their high level of understanding of critical elements of construction and strong background in residential construction monitoring for new construction and rehabilitation projects, and their ability to meet the City's required contracting programs.

**Contract Compliance:** The Contract Compliance & Employment Services Division has determined that Advanced Resources in Construction Services Ltd. and The Alley Group

Construction Monitors with IPA Planning Solutions are in compliance with the 20% Local/Small Local Business Enterprise (L/SLBE) Program requirement. The Contract Compliance Analysis Memorandums are provided in (*Attachment B*).

## **PROGRAM DESCRIPTION**

Each contractor will monitor affordable housing development projects from the time that construction drawings are complete through the end of construction. Included services are:

- Reviewing construction plans and specifications, detailed trade cost breakdowns, and construction contracts;
- Monitoring construction through periodic site visits and payment application reviews; and
- Reviewing any change orders submitted by the Borrowers.

A detailed Scope of Services is attached to this document (*Attachment C*). The maximum aggregate amount of the contracts will not exceed \$250,000. The consultants will provide services on an as-needed basis. The per-project cost is estimated to be in the range of \$10,000 to \$30,000 depending on the size, complexity and duration of the project involved. Based upon workload and the type of construction, staff will enter into individual contract addendum agreements on a per-project basis with each consultant on an as-needed basis. It is proposed that the term of each contract agreement be 48 months. Some housing developments will be starting construction shortly, while others that have recently received funds may not begin construction for another 24 months. The actual construction phase typically takes between 6 to 18 months.

## **SUSTAINABLE OPPORTUNITIES**

**Economic:** The Housing Development programs utilize State and Federal funding sources towards the development of affordable housing in Oakland. After funding has been awarded by the City and/or Agency, construction monitoring ensures that these public funds are spent appropriately during the construction process.

**Environmental:** By developing and rehabilitating properties in already built-up areas, the housing programs reduce the pressure to build on other undeveloped land. In addition, some properties will undergo lead abatement and seismic strengthening during their rehabilitation. Some sites chosen for development or rehabilitation will have hazardous material issues that will be addressed during the development or rehabilitation process. New construction projects are also required to meet or exceed StopWaste.org's Green Points criteria.

**Social Equity:** Affordable housing development promotes social equity through the provision of housing to low-income households as well as special needs populations.

**DISABILITY AND SENIOR CITIZEN ACCESS**

Housing Development is actively working with developers to assure that the required units for people with disabilities are constructed to code and marketed to people with disabilities. Construction monitoring will help ensure that projects meet appropriate code requirements for accessibility for people with disabilities, including seniors.

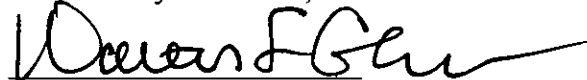
**RECOMMENDATION AND RATIONALE**

It is recommended that the Redevelopment Agency adopt the attached resolution authorizing the execution of as-needed professional services agreements with Advanced Resources in Construction Services Ltd. and The Alley Group Construction Managers in partnership with IPA Planning Solutions. These firms will provide construction monitoring services to affordable residential units funded by the City/Agency. These services will help the City proceed with the expected high volume of affordable housing construction and rehabilitation projects smoothly and effectively, and ensure the efficient use of local funds and quality of development projects.

**ACTION REQUESTED OF THE CITY COUNCIL**

Staff requests approval of the Agency resolution authorizing the Agency Administrator, or his designee, to enter into Professional Services Agreements with Advanced Resources in Construction Services, Ltd., and The Alley Group Construction Managers to provide construction monitoring services for affordable housing projects on an as-needed basis in an aggregate amount not to exceed two hundred and fifty thousand dollars (\$250,000).

Respectfully submitted,




Walter S. Cohen, Director  
Community and Economic Development Agency

Reviewed by: Jeffrey P. Levin, Acting Deputy Director  
Housing and Community Development

Prepared by: Antoinette Pietras and Stephanie Hill  
Housing and Community Development Division

APPROVED AND FORWARDED TO THE  
COMMUNITY AND ECONOMIC  
DEVELOPMENT COMMITTEE

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Office of the Agency Administrator

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March 9, 2010

ATTACHMENTS:

Attachment A: Summary of Ranking Criteria for Construction Monitor Request for Proposals

Attachment B: Contract Compliance Analysis

Attachment C: Scope of Services

**ATTACHMENT A:  
SUMMARY OF RANKING FOR CONSTRUCTION MONITOR REQUEST FOR PROPOSALS**

	<b>Total Points</b>	<b>Advanced Resources in Construction Services, Ltd.</b>	<b>The Alley Group Construction Managers (TAG) &amp; IPA Planning Solutions</b>	<b>Armando Vasquez Architecture + Construction Management</b>	<b>Consolidated CM Inc. &amp; IPA Planning Solutions</b>
<b>PROPOSAL</b>					
I. PRESENTATION AND RESPONSIVENESS <i>Overall Quality, Content, and Organization of Submittal</i>	<b>5</b>	4	3	3	3
II. RELEVANT EXPERIENCE <i>A. Experience in Residential Development Construction Monitoring and Lender Monitoring B. Ability to work with agency staff articulated C. Examples of five developments</i>	<b>20</b>	20	18	18	16
III. PROJECT APPROACH <i>A. Critical elements B. New Construction C. Rehabilitation</i>	<b>5</b>	5	5	3	5
<b>PROPOSAL POINTS</b>	<b>30</b>	<b>29</b>	<b>26</b>	<b>24</b>	<b>24</b>
<b>INTERVIEW*</b>					
I. PRESENTATION	<b>5</b>	3.2	5	3.2	3.8
II. RESPONSIVENESS	<b>5</b>	5	4.2	3.8	4.2
III. EXPERIENCE	<b>15</b>	14.4	12.4	14.2	11.2
IV. AVAILABILITY	<b>5</b>	4.6	4.6	4	4.8
<b>INTERVIEW POINTS</b>	<b>30</b>	<b>27.2</b>	<b>26.2</b>	<b>25.2</b>	<b>24</b>
<b>TOTAL POINTS</b>	<b>60</b>	<b>56.2</b> 94%	<b>52.2</b> 87%	<b>49.2</b> 82%	<b>48</b> 80%

\* Interview points are based upon average scores from the panel.

**ATTACHMENT B:  
CONTRACT COMPLIANCE ANALYSIS  
(see attached)**

# Memo

Department of Contracting and Purchasing  
Social Equity Division



To: Antoinette Pietras, Housing Development Coordinator III  
 From: Vivian Inman, Contract Compliance Officer  
 Through: Deborah Barnes - DCP Director  
 Shelley Darenburg - Sr. Contract Compliance Officer *S. Darenburg*  
 Date: February 2, 2010  
 Re: Construction Monitor Specialist Housing Development Services

The Department of Contracting and Purchasing (DC&P), Division of Social Equity, reviewed two (2) proposals in response to the above referenced project. Below is the outcome of the compliance evaluation for the minimum 20% Local and Small Local Business Enterprise (L/SLBE) participation requirement, and a preliminary review for compliance with the Equal Benefits Ordinance (EBO).

Responsive		Proposed Participation				Earned Credits and Discounts			Banked Credits Eligibility	EBO Compliant? Y/N
Company Name	Original Bid Amount	Total LBE/SLBE	LBE	SLBE	Trucking	Total Credited participation	Preference Points	Adjusted Bid Amount		
Advanced Resources	NA	100%	0%	100%	NA	100%	5	NA	2%	Y
The Alley Group	NA	100%	0%	100%	NA	100%	5	NA	2%	N

**Comments:** As noted above both firms exceeded the minimum 20% Local/Small Local Business Enterprise participation requirement. Firms that are not EBO compliant will have to come into compliance prior to award.

Non-Responsive		Proposed Participation				Earned Credits and Discounts			Banked Credits Eligibility	EBO Compliant? Y/N
Company Name	Original Bid Amount	Total LBE/SLBE	LBE	SLBE	Trucking	Total Credited participation	Earned Bid Discounts	Adjusted Bid Amount		
NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

**Comments:** There were no non-responsive firms.

Should you have any questions, you may contact Vivian Inman at (510) 238-6261.





DEPARTMENT OF CONTRACTING AND PURCHASING

Social Equity Division

PROJECT COMPLIANCE EVALUATION FOR :

Project No.

RE:

Construcion Monitor Specialist Housing Development Services

CONSULTANT/CONTRACTOR:

The Alley Group

Engineer's Estimate:

NA

Contractors' Bid Amount

NA

Over/Under Engineer's Estimate

NA

Discounted Bid Amount:

NA

Amount of Bid Discount

NA

Discount Points:

5 points

- 1. Did the 20% local/small local requirement apply: YES
- 2. Did the contractor meet the 20% requirement YES
  - a) % of LBE participation 0.00%
  - b) % of SLBE participation 100.00%
- 3. Did the contractor meet the Trucking requirement? NA
  - a) Total LBE/SLBE Trucking participation 0.00%
- 4. Did the contractor receive preference points? Yes
  - (If yes, list the points received) 5 points
- 5. Additional Comments.
- 6. Date evaluation completed and returned to Contract Admin./Initiating Dept.

2/2/2010

Date

Reviewing Officer:

*Victoria James*

Date: 2/2/2010

Approved By

*Shelley Darenborg*

Date: 2/10/10

## LBE/SLBE Participation The Alley Group

Project Name: Construction Monitor Specialist Housing Development Services

Project No.:		Engineer's Estimate				Under/Over Engineers Estimate:						
Discipline	Prime & Subs	Location	Cert. Status	LBE	SLBE	Total	S/LBE	Total	TOTAL	For Tracking Only		
						LBE/SLBE	Trucking	Trucking	Dollars	Ethnic	MBE	WBE
PRIME Consultant	The Alley Group IPA	Oakland	CB		90%	90%			90%	AA	90%	
		Oakland	CB		10%	10%			10%	AP	10%	
<b>Project Totals</b>				0%	100%	100%	0%	0%	100%		100%	
<b>Requirements:</b> The 20% requirements is a combination of 10% LBE and 10% SLBE participation. An SLBE firm can be counted 100% towards achieving 20% requirements.				LBE 10%	SLBE 10%	TRUCKING 20%	LBE/SLBE 20%			<b>Ethnicity</b> AA = African American AI = Asian Indian AP = Asian Pacific C = Caucasian H = Hispanic NA = Native American O = Other NL = Not Listed MO = Multiple Ownership		
<b>Legend</b>	LBE = Local Business Enterprise SLBE = Small Local Business Enterprise Total LBE/SLBE = All Certified Local and Small Local Businesses NPLBE = NonProfit Local Business Enterprise NPSLBE = NonProfit Small Local Business Enterprise				UB = Uncertified Business CB = Certified Business MBE = Minority Business Enterprise WBE = Women Business Enterprise							



DEPARTMENT OF CONTRACTING AND PURCHASING

Social Equity Division

PROJECT COMPLIANCE EVALUATION FOR :

Project No.NA

RE: Construction Monitor Specialist Housing Development Services

CONSULTANT/CONTRACTOR: Advanced Resources, Ltd.

<u>Engineer's Estimate:</u>	<u>Contractors' Bid Amount</u>	<u>Over/Under Engineer's Estimate</u>
NA	NA	NA
<u>Discounted Bid Amount:</u>	<u>Amount of Bid Discount</u>	<u>Preference Points</u>
NA	NA	5 points

- 1. Did the 20% local/small local requirement apply: YES
- 2. Did the contractor meet the 20% requirement YES
  - a) % of LBE participation 0%
  - b) % of SLBE participation 100%
- 3. Did the contractor meet the Trucking requirement? NA
  - a) Total LBE/SLBE Trucking participation 0%
- 4. Did the contractor receive preference points? YES
  - (If yes, list the points received) 5 points
- 5. Additional Comments.
- 6. Date evaluation completed and returned to Contract Admin./Initiating Dept.

2/2/2010

Date

Reviewing Officer:

*Vivian Chan*

Date: 2/2/2010

Approved By

*Shelley Darenobring*

Date: 2/10/10

## LBE/SLBE Participation Advanced Resources

Project Name: Construction Monitor Specialist Housing Development Services

Project No.:		Engineer's Estimate				Under/Over Engineers Estimate:						
Discipline	Prime & Subs	Location	Cert. Status	LBE	SLBE	Total LBE/SLBE	S/LBE Trucking	Total Trucking	TOTAL Percentage	For Tracking Only		
										Ethnic	MBE	WBE
PRIME	Construction, Project Management	Advanced Resources, Ltd.	CB		100%	100%			100%	C		
<b>Project Totals</b>				0%	100%	100%	0%	0%	100%		0%	0%
<b>Requirements:</b> The 20% requirements is a combination of 10% LBE and 10% SLBE participation. An SLBE firm can be counted 100% towards achieving 20% requirements.				LBE 10%	SLBE 10%	TRUCKING 20%	LBE/SLBE 20%			<b>Ethnicity</b> AA = African American AI = Asian Indian AP = Asian Pacific C = Caucasian H = Hispanic NA = Native American O = Other NL = Not Listed MO = Multiple Ownership		
<b>Legend</b>				LBE = Local Business Enterprise				UB = Uncertified Business				
				SLBE = Small Local Business Enterprise				CB = Certified Business				
				Total LBE/SLBE = All Certified Local and Small Local Businesses				MBE = Minority Business Enterprise				
				NPLBE = NonProfit Local Business Enterprise				WBE = Women Business Enterprise				
				NPSLBE = NonProfit Small Local Business Enterprise								

## ATTACHMENT C SCOPE OF SERVICES

The services to be performed by Consultant shall consist of services requested by a designated representative of the City, including (but not limited to) the following:

1. Consultant shall monitor the disbursement of the direct costs of construction funds for loans to project sponsors ("Borrowers") administered by CEDA that increase, improve or preserve the City of Oakland's supply of low and moderate income housing. The projects are hereinafter collectively known as "Projects".

Consultant shall:

- A. Make periodic site visits. Consultant will conduct at least one monthly site visit for each Project. In the event that more than one (1) site visit per Project per month is required, prior authorization shall be obtained from the City in writing. Consultant will also provide the following written reports and information.
    - i. Review, determine and confirm that the progress of construction has been completed in a satisfactory manner as well as in substantial accordance with the construction plans and specifications and in reasonable compliance with the Borrowers' updated progress charts and Construction Schedules as submitted.
    - ii. Provide digital photographs of the projects taken on each site visit.
    - iii. Review the construction contractors' monthly Applications for Payment for conformance with percentage of completion.
  - B. Review any change orders submitted to CEDA by the Borrowers, and provide CEDA with recommendations as to whether such change orders and the costs thereof are reasonable.
  - C. Review final construction close-out documents and requests for retention payment.
2. Consultant shall perform other duties related to the construction monitoring of housing development projects including, (but not limited to):
    - A. Additional construction monitoring site visits beyond the number set forth hereinbefore, with the prior approval of the City.
    - B. Conducting preliminary cost estimates and work write-ups of projects under review for financing to determine project feasibility.
      - i. Work write-ups and cost estimates shall be submitted in a format outlined by the City prior to the start of the project. The timeframe for completion of each work write-up and cost estimate shall be mutually agreed upon prior to the commencement of such work. Such review may include, at the option of

## ATTACHMENT C SCOPE OF SERVICES

the City, review of preliminary schematic drawings and specifications from which an estimate of potential development costs will be required.

- C. Review of construction plans and specifications, detailed trade cost breakdowns, and construction contracts for CEDA administered projects, as requested by CEDA staff.

This review shall be summarized in an initial report containing the following information:

- i. A brief narrative and statistical description of the project (e.g. gross and net areas, number of units, etc.).
- ii. Consultant's opinions, comments, and recommendations regarding all expert documents relevant to the construction of the projects, including (but not limited to) soils reports, and architectural, structural, mechanical, electrical, and plumbing plans and specifications; which review shall seek to examine the overall completeness, internal consistency, and constructability of the documents and identify potential problems and difficulties in the design and use of specified materials and systems that:
  - a. might present ambiguities for potential bidders;
  - b. might contravene accepted good practices of construction;
  - c. might create delays in carrying out the intended scope of the contract documents;
  - d. would be contrary to the best interest of the Borrower and the intended use of the project, including interfacing with existing facilities.
- iii. For those projects requiring such, review of the adequacy of existing utilities and their presence in relation to the property, and their adequacy to service the entire project.
- iv. Review of the project construction schedule, including the completion date and estimated construction period.
- v. Consultant's opinion regarding the adequacy of the Borrower's cost breakdowns, cost allowances and the proposed contingency reserve.
- vi. Review of the consistency of the Borrower's costs with the costs and construction contracts which are submitted to the City.

FILED  
OFFICE OF THE CITY CLERK  
OAKLAND

2010 FEB 25 AM 9:44

Approved as to form and legality

  
Agency Counsel

## REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND

Resolution No. \_\_\_\_\_ C.M.S.

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**AGENCY RESOLUTION AUTHORIZING PROFESSIONAL SERVICES AGREEMENTS WITH ADVANCED RESOURCES IN CONSTRUCTION SERVICES, LTD., AND THE ALLEY GROUP CONSTRUCTION MANAGERS TO PROVIDE CONSTRUCTION MONITORING SERVICES FOR AFFORDABLE HOUSING PROJECTS ON AN AS-NEEDED BASIS IN AN AGGREGATE AMOUNT NOT TO EXCEED \$250,000**

**WHEREAS**, the Agency and the City of Oakland may appropriate over \$40 million in affordable housing funds from the HUD HOME program and the Low and Moderate Income Housing Fund for the development of new construction and rehabilitation of City and Agency funded affordable housing projects in the next four years; and

**WHEREAS**, on October 20, 2009, the City and Agency issued a Request For Proposals for firms interested in providing construction monitor services for these new developments; and

**WHEREAS**, the Agency received four submittals and after review and presentations of the submittals staff selected Advanced Resources In Construction Services, LTD., and The Alley Group Construction Managers to provide construction monitoring services; and

**WHEREAS**, funds in the amount of \$250,000 are available from the Redevelopment Agency Low and Moderate Income Housing Fund (#9580), Administrative Project (S64300); and

**WHEREAS**, the Agency finds that the services provided pursuant to the agreements authorized hereunder are of a professional, scientific or technical nature and are temporary in nature; and

**WHEREAS**, the Agency finds that these agreements 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 Agency hereby authorizes the Agency Administrator or his designee as agent of the Agency to negotiate and enter into professional services agreements with Advanced Resources In Construction Services, LTD., and The Alley Group Construction Managers to provide construction management services for City or Agency funded affordable housing projects in an aggregate amount for both agreements of \$250,000; and be it

**FURTHER RESOLVED:** That entering into the agreements with Advanced Resources In Construction Services, LTD., and The Alley Group Construction Managers shall be conditioned on verification from the Department of Contracting and Purchasing that all Agency contracting requirements have been met; and be it

**FURTHER RESOLVED:** That the funds for these agreements are budgeted and available from the Low and Moderate Income Housing Fund's Administration Projects; and be it

**FURTHER RESOLVED:** That the aggregate amount expended for the contracts for the two firms shall not exceed \$250,000, and the Agency Administrator is authorized to allocate contract amounts between the contracts authorized herein in his discretion within the authorized aggregate maximum; and be it

**FURTHER RESOLVED:** That the Agency Administrator or his designee is hereby authorized to approve any subsequent amendments to or extensions of said agreements with the exception of those related to an increase in total compensation or the allocation of additional funds, provided that such amendments or extensions shall be filed with the Agency Secretary; and be it

**FURTHER RESOLVED:** That all documents shall be reviewed and approved for form and legality by Agency Counsel prior to execution, and copies of the executed agreements will be placed on file with the Agency Secretary; and be it

**FURTHER RESOLVED:** That the Agency Administrator or his designee is hereby authorized to take any other actions with respect to the agreements consistent with this Resolution and its basic purposes.

IN AGENCY, OAKLAND, CALIFORNIA, \_\_\_\_\_

**PASSED BY THE FOLLOWING VOTE:**

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

NOES -

ABSENT -

ABSTENTION -

ATTEST:

\_\_\_\_\_  
LATONDA SIMMONS  
Secretary of the Redevelopment Agency  
of the City of Oakland, California