




AGENDA REPORT

TO: Edward D. Reiskin
City Administrator

FROM: Ryan Russo
Director, OakDOT

SUBJECT: As-Needed Pavement Rehabilitation
Services

DATE: August 28, 2020

City Administrator Approval 

Date: Oct 6, 2020

RECOMMENDATION

Staff Recommends That The City Council Adopt:

A Resolution Awarding A Construction Contract To 1) Gallagher & Burk, The Lowest Responsive And Responsible Bidder, And Waiving Advertising And Competitive Bidding And Authorizing the City Administrator To Negotiate And Award Construction Contracts to 2) McGuire & Hester 3) Teichert Construction And 4) O.C. Jones & Sons, The Second, Third, And Fourth Lowest Responsive And Responsible Bidders, Provided That All Meet The Contractor's Bid Schedule Of The Lowest Bid of Gallagher & Burk, For As-Needed Pavement Rehabilitation Services In Accord With The Project Plans And Specifications And The Lowest Bid in An Amount Not To Exceed Twelve Million, Six Hundred And Eighty-Six Thousand, Two Hundred Dollars (\$12,686,200.00); Each.

EXECUTIVE SUMMARY

Approval of this resolution will authorize the City Administrator or designee to execute construction contracts with Gallagher & Burk, McGuire & Hester, Teichert Construction, and O.C. Jones & Sons, each in the amount of \$12,686,200.00, each for As-Needed Pavement Rehabilitation Services. Contract award is stipulated on each contractor matching the lowest bid. This contract capacity will support the completion of the Department of Transportation's 2019 3-Year Paving Plan.

BACKGROUND/LEGISLATIVE HISTORY

In May 2019, City Council approved the 3-Year Paving Plan (3YP) (Resolution No. 87673 C.M.S.), identifying 100+ miles of pavement rehabilitation and preventative maintenance citywide to be completed within three years. In June 2019, City Council approved the Fiscal Year (FY) 2019-21 Capital Improvement Plan (CIP). The CIP funded the paving program at \$35M 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.

Historically, most contracted paving work in the City of Oakland has been bid through construction contracts that specify particular street segments. For the past two years, the City of Oakland has implemented its paving projects primarily using on-call contracts instead. On-call contracts lock in unit pricing for multiple projects, and projects are assigned on a task order basis. This is helpful, as staff can estimate exactly how much a particular project will cost, versus going to open market where costs may be higher than estimated. As-needed contracts also reduce peaks and valleys in design staff output. Rather than loading a year's worth of paving plans into 6 months out of the year, paving occurs 9-10 months of the calendar year.

The City of Oakland maintains on-call construction contracts to support a number of construction programs, including sidewalk repair and curb ramps; sewer cleaning; electrical work; and signage and striping. As with other City of Oakland on-call construction contracts, once the contracts are awarded, staff will develop task orders to deliver repaving projects on an as-needed basis. This will allow contract repaving efforts to be scheduled more continuously throughout the paving season, will provide staff with flexible construction schedules, and will enable the City to take advantage of various opportunities that are difficult to plan for, such as utility coordination.

Finally, in addition to contracted paving work, OakDOT maintains a fully staffed in-house paving crew that performs 3YP paving year-round. In the first year of the 3YP, OakDOT's in-house forces completed 7.5 miles of paving. In the second and third years of the 3YP, OakDOT has set a goal for in-house forces to complete 16 miles each year.

ANALYSIS / POLICY ALTERNATIVES

On August 13, 2020, the City received four bids, from Gallagher & Burk, McGuire & Hester, Teichert Construction, and O.C. Jones & Sons in the amounts of \$12,686,200; \$12,867,000; \$14,120,250; and \$14,824,775, respectively. The engineer's estimate was \$12,954,700. The lowest bid (Gallagher & Burk, \$12,686,200) was 2.07% under engineer's estimate. Additionally, the low bid unit price for asphalt concrete (the largest cost driver of a paving project) represents a 12.75% decrease in from the lowest bid received on the 2019 paving on-call.

Staff's proposal would enable the City to award four on-call paving contracts at once, providing the needed contract capacity to complete the 3YP and reducing need for additional bidding processes.

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 an award is made. However, OMC Title 2, Chapter 2.0, Article I, Section 2.04.050.I 5 provides an exception to this advertising and competitive bidding requirement when specifically authorized by the City Council after a finding and determination that it is in the best interests of the City.

Staff requests that the City Council find and determine that it is in the best interests of the City to waive advertising and competitive bidding based on the following basis:

- Unit prices will be frozen at the 2020 competitively-bid contract amounts, representing a cost advantage for the City versus new unit prices on the open market.

- Meeting the City's ambitious paving mileage goals is a challenge and contractor availability are key to completing highly anticipated mileage in all Council districts and plan areas.
- The City is proposing awards for all contractors that submitted bids to execute this work, so long as they meet the lowest bidder's unit prices.

It is in the best interest of the City to approve the proposed resolution and waive further advertising and competitive bidding per the OMC Section 2.04.050.I.5, to increase the contract and complete the remainder of the 3-year plan for the reasons stated above.

The four proposed one-year as-needed contracts will provide capacity to repave 50-60 centerline miles of City streets, depending on the street width and pavement treatment. The work includes pavement rehabilitation, pavement reconstruction, base repair, crack sealing, micro surfacing, speed bump installation, sidewalk repair, curb ramp construction, traffic striping, and other related work as indicated in the bid schedule.

Under the proposed contracts with each firm, the Local Business Enterprise/Small Local Business Enterprise (LBE/SLBE) participation exceeds the City's 50% LBE/SLBE requirement. Trucking participation also exceeds the City's 50% requirement. The LBE/SLBE information has been verified by Contracts and Compliance Division of the City Administrator's Office, Contracts and Compliance Division and is shown in **Attachment A**.

Construction is anticipated to begin in early 2021.

FISCAL IMPACT

Since this set of on-call construction contracts represents a proactive plan to bring on resources that are projected to be needed, the specific funding codes are not yet identified. Overall these services will be needed for delivery of repaving projects citywide funded by local, regional, state, and federal sources, such as Measure B, Measure BB, Measure KK, and various other grant sources as appropriated in Fiscal Year (FY) 19-21 budget adopted by the City Council. The majority of the funding, however, will come from Measure KK. The approval of these resolutions will not result in additional appropriation of funds.

PAST PERFORMANCE, EVALUATION AND FOLLOW-UP

The Contractor Performance Evaluations for McGuire & Hester and for Gallagher & Burk, Inc., from previously completed projects were satisfactory and are included as **Attachment B**. The City has not awarded recent contracts to OC Jones and Teichert Construction.

PUBLIC OUTREACH/INTEREST

Street repaving is one of the top priorities for Oaklanders, and a significant public outreach process was performed toward the adoption of the 3YP.

The bid request for this project was 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). Additionally, staff provided notice to labor representatives, per the terms and conditions of the current Memorandums of Understanding with the International Federation of Professional & Technical Engineers (IFPTE) Local 21, Service Employees International Union (SEIU) 1021 and International Brotherhood of Electrical Workers (IBEW) 1245 prior to the formal issuance of the bid request.

Prior to starting construction, residents and businesses affected by the work will be notified regarding the construction schedule and planned activities.

COORDINATION

The work to be done under these contracts was coordinated with Oakland Public Works (OPW) Project Delivery Division and the Department of Workplace and Employment Standards. In addition, the Office of City Attorney and Budget's Bureau has reviewed this report and resolution.

SUSTAINABLE OPPORTUNITIES

Economic: All construction contracts require the payment of prevailing wage rates, which offer a livable wage for workers and contribute to an improved quality of life. Streets in good condition may indirectly improve the business climate. The contractors are verified for Local Business Enterprise and Small Local Business Enterprise (LBE/SLBE) participation by the Department of Workplace and Employment Standards. The construction services provided by local firms will result in dollars being spent locally.

Environmental: The contractors will be required to make every effort to use best management practices for the protection of storm water runoff during construction. Additionally, recyclable materials will be used within the concrete and asphalt concrete construction materials to the greatest extent possible. Grindings from asphalt paving will be recycled whenever possible.

Race & Equity: These construction contracts will implement the adopted 3-Year Paving Plan which incorporated social equity as a prioritization metric for local streets paving, ensuring that underserved communities are prioritized for paving investment. Additionally, the more than 100 miles of streets as part of the 3-Year Plan will receive accessibility improvements including curb ramp improvements, sidewalk repairs, and crosswalk marking upgrades, further extending the impact of the equity framework of the 3YP.

ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends That The City Council Adopt A Resolution Awarding A Construction Contract To 1) Gallagher & Burk, The Lowest Responsive And Responsible Bidder, And Waiving Advertising And Competitive Bidding And Authorizing the City Administrator To Negotiate And Award Construction Contracts to 2) McGuire & Hester 3) Teichert Construction And 4) O.C. Jones & Sons, The Second, Third, And Fourth Lowest Responsive And Responsible Bidders, Provided That All Meet The Contractor's Bid Schedule Of The Lowest Bid of Gallagher & Burk, For As-Needed Pavement Rehabilitation Services In Accord With The Project Plans And Specifications And The Lowest Bid in An Amount Not To Exceed Twelve Million, Six Hundred And Eighty-Six Thousand, Two Hundred Dollars (\$12,686,200.00); Each.

For questions regarding this report, please contact Sarah Fine, Complete Streets Paving Program Manager, (510) 238-6241.

Respectfully submitted,



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Department of Transportation

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Attachments (2):

- A: Contracts & Compliance Unit Compliance Evaluation*
- B: Contractor Performance Evaluation*