

OAKLAND CITY COUNCIL
RESOLUTION No. _____ C. M. S.

REVISED

INTRODUCED BY COUNCILMEMBER _____

Requires two-thirds vote of the Council



RESOLUTION AUTHORIZING AWARD OF A CONTRACT TO RAY'S ELECTRIC FOR THE CONSTRUCTION OF BULBOUTS ON GRAND AVENUE (PROJECT NUMBER G170430) IN THE AMOUNT OF THREE HUNDRED THIRTY-FIVE THOUSAND NINE HUNDRED THIRTY DOLLARS (\$335,930)

WHEREAS, on August 25, 2003, one bid was received by the Office of the City Clerk of the City of Oakland for the Construction of Bulbouts on Grand Avenue (Project Number G170430); and

WHEREAS, Ray's Electric is the lowest responsible bidder for the project and has met the LBE/SLBE requirements; and

WHEREAS, the construction contract will be in the amount of \$335,930 and funding is available in the Capital Improvements fund (5500); and

WHEREAS, the City lacks the equipment and qualified personnel to perform the necessary work; and

WHEREAS, the City Council finds and determines that the performance of this contract is in the public interest because of economy; and

WHEREAS, the City Council finds and determines that the performance 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 contract for the Construction of Bulbouts on Grand Avenue (Project Number G170430) is hereby awarded to Ray's Electric, in accordance with the terms of its bid therefore, dated August 25, 2003, for the amount of Three Hundred Thirty-Five Thousand Nine Hundred Thirty Dollars (\$335,930); and be it

FURTHER RESOLVED: That the plans and specifications prepared by the Director of Public Works for this project are hereby approved; and be it

5

PUBLIC WORKS CMTE.

OCT 28 2003

FURTHER RESOLVED: That the amount of the bond for faithful performance, \$335,930, and the amount for a bond to guarantee payment of all claims for labor and materials furnished and for the amount due under the Unemployment Insurance Act, \$335,930, with respect to such work are hereby approved; and be it

FURTHER RESOLVED: That the City Manager is hereby authorized to enter into a contract with Ray's Electric, on behalf of the City of Oakland and to execute any amendments or modifications of said contract within the limitations of the project specifications; and be it

FURTHER RESOLVED: That all other bids are hereby rejected; and be it

FURTHER RESOLVED: That the contract shall be reviewed and approved by the City Attorney and placed on file in 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, _____, 2003

PASSED BY THE FOLLOWING VOTE:

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

NOES-

ABSENT-

ABSTENTION-

ATTEST: _____
CEDA FLOYD
City Clerk and Clerk of the Council
of the City of Oakland, California

5

PUBLIC WORKS CMTE.

OCT 28 2003



1 FRANK H. OGAWA PLAZA • OAKLAND, CALIFORNIA 94612

Office of the City Auditor
Roland E. Smith
City Auditor

(510)238-3378
FAX: (510)238-7640
TDD: (510)839-6451

OCTOBER 28.2003

IGNACIO DE LA FUENTE, PRESIDENT
CITY COUNCIL
OAKLAND, CALIFORNIA

PRESIDENT DE LA FUENTE AND MEMBERS OF THE CITY COUNCIL

SUBJECT: RESOLUTION AUTHORIZING AWARD OF A CONTRACT TO RAY'S ELECTRIC FOR THE CONSTRUCTION OF BULBOUTS ON GRAND AVENUE (PROJECT NUMBER G170430) IN THE AMOUNT OF THREE HUNDRED THIRTY-FIVE THOUSAND NINE HUNDRED THIRTY DOLLARS (\$335,930)

PURPOSE AND SCOPE

In accordance with the Measure H Charter Amendment, which was passed by the voters at the General election of November 5, 1996, we have made an impartial financial analysis of the accompanying Council Agenda Report and Proposed Resolution. The purpose of our analysis was to evaluate the reasonableness of the proposed contract award.

In making our analysis we also obtained and reviewed a copy of the *Notice Inviting Bids*, as advertised in the July 20, 2003 edition of the Oakland Tribune, and held discussions with Public Works Agency staff.

Since the Measure H Charter Amendment specifies that our impartial financial analysis is for informational purposes only, we did not apply Generally Accepted Government Auditing Standards as issued by the Comptroller General of the United States. Moreover, the scope of our analysis was impaired by Administrative Instruction Number 137, effective May 21, 1997, which provides only (1) one week for us to plan, perform and report on our analysis.

SUMMARY

According to the Agenda Report, the proposed work consists of the construction of bulbouts and street medians, which, in general, includes structural excavation and backfill, sidewalk, curb and gutter, drainage, street medians, traffic signal modification, asphalt concrete and traffic control work along Grand Avenue (between Elwood Avenue and Lakeshore Avenue) and along Lake Park Avenue (between Grand Avenue and Lake Park Way).

PROCUREMENT PROCESS

On July 20, 2003, the Oakland Tribune published a *Notice Inviting Bids* for the project, but only one bidder responded:

<u>Company</u>	<u>Amount</u>
Ray's Electric (Oakland, CA)	\$335,930

Since the sole bid of \$335,930 was \$104,985 (or 45 percent) higher than the engineer's estimate of \$230,945, we discussed this matter with Public Works Agency Staff. They told us that (1) the engineer's estimate for the project was based upon the best information that was available at the time; (2) additional work was added at the late stages of project design development; and (3) in retrospect the engineer's estimate could have been higher. Agency staff offered to provide us with a reconciliation of the differences between the engineer's estimate and the sole bid, but we had not received it as of October 17th.

FISCAL IMPACT

Funding for the \$335,930 is available in the Capital Improvements fund (5500); Organization 92242; Construction Contract Account 57411; Project G170430.

CONCLUSION

In the absence of a reconciliation between the engineer's estimate and the sole bid, we draw no conclusion and make no recommendation.

Prepared by:

Jack McGinity
Jack McGinity, CPA

Issued by:

Michael Kilian for
Roland E. Smith, CPA
City Auditor

Report completion date:
October 17, 2003