



AGENDA REPORT

TO: Jestin D. Johnson
City Administrator

FROM: Josh Rowan
Director, OakDOT

SUBJECT: Contract Award for MacArthur Smart
City Corridor 1 Project No. 1003981

DATE: October 22, 2024

City Administrator Approval


Jestin Johnson (Nov 7, 2024 15:25 PST)

Date: Nov 7, 2024

RECOMMENDATION

Staff Recommends That The City Council Adopt A Resolution: (1) Rejecting All Bids For The Construction Of The Macarthur Smart City Corridor 1 Project No. 1003981; (2) Waiving Further Advertisement And Bidding;(3) Authorizing The City Administrator To Negotiate With Ray's Electric, The Only Responsive and Responsible Bidder And If Successful, Award The Contract To Ray's Electric In An Amount Not To Exceed Twelve Million And Two Hundred Thousand Dollars (\$12,200,000.00); And (4) If Negotiations With Ray's Electric Are Unsuccessful, The City Administrator Will Award The Contract In The Open Market; All The Above In Accord With Project Plans, Specifications, State Requirements; And (5) Adopting Appropriate California Environmental Quality Act (CEQA) Findings.

EXECUTIVE SUMMARY

Approval of this proposed resolution will reject all bid submissions for the MacArthur Smart City Corridor 1 Project No.1003981 and allow staff to negotiate with the only responsive and responsible bidder. The awarded contract will allow the construction of improvements for mobility, safety, transit operation and access, for pedestrians and bicycles. The project is along MacArthur Boulevard from Lakeshore Avenue to 98th Avenue spanning about 10.5 miles. The second segment, Corridor 2, from Market Street to Oakland Avenue, is 2.5 miles and design completion of Corridor 2 is expected by the end of 2024. The engineers' estimate is \$9,586,278.01. Three bids were received, but all bids exceeded the engineer's estimate, and only Ray's Electric's bid is responsive at 40.63% above the engineer's estimate. After the adoption of the proposed resolution and a successful negotiation, the City Administrator will award the construction contract not to exceed \$12,200,000.00 to Ray's Electric. If the negotiation with Ray's Electric is unsuccessful, the City Administrator will award the contract in the open market. The \$12,200,000.00 estimate is the result of bid analysis and possible changes to bid items.

BACKGROUND / LEGISLATIVE HISTORY

The Alameda County Transportation Commission (ACTC) has programming and allocation authority for regional and local transportation funding programs such as Measure B, Measure BB, Measure F Vehicle Registration Fee, and the Transportation Fund for Clean Air (TFCA) County Program Manager Fund. ACTC consolidates the programming and allocation of fund sources, which are under ACTC's purview, into a single document, the Comprehensive Investment Plan (CIP). This document has a five-year programming horizon and a two-year funding horizon and is adopted every two years.

In the (ACTC)'s 2020 Comprehensive Investment Plan (CIP), funds were recommended for Oakland for the construction and implementation of three (3) projects during Fiscal Years (FY) 2019-20 and 2020-21. The funding source for MacArthur Smart City Project is Measure BB. The recommendations were adopted in Council Resolution [87960 C.M.S.](#) filed November 21, 2019 and allocated to the MacArthur Smart City Corridor and two other projects (Broadway Shuttle Operations and Fruitvale Ave Gap Closure). Allocation for the MacArthur Smart City Project was \$9.50 million out of a total of \$12.059 million. The projects were drawn from the City's adopted CIP, Specific Plans, Bicycle and Pedestrian Plans, and other planning processes. The Measure B/BB matching funds of \$1.231 million was also adopted in the Council Resolution [87960 C.M.S.](#) Funding was not sufficient for the entire MacArthur Boulevard length; therefore, the project was divided into two corridors, 1 and corridor 2. Corridor 1 is currently in the bid-award phase that prompted this resolution. Corridor 2 design completion is expected by the end of 2024.

The project final scope was developed in coordination with the stake holders, advocates and the community along the corridors. For a map and additional detail on project features please refer to **Attachment A**. Currently, staff is seeking Council approval to negotiate with the only responsive and responsible bidder to achieve an affordable bid in accordance with project plans, specifications, necessary revisions, state requirements, and upon successful negotiations, award a construction contract to the responsive and responsible bidder.

Staff Recommends That The City Council Adopt A Resolution: (1) Rejecting All Bids For The Construction Of The Macarthur Smart City Corridor 1 Project No. 1003981; (2) Waiving Further Advertisement And Bidding;(3) Authorizing The City Administrator To Negotiate With Ray's Electric, The Only Responsive and Responsible Bidder And If Successful, Award The Contract To Ray's Electric In An Amount Not To Exceed Twelve Million And Two Hundred Thousand Dollars (\$12,200,000.00); And (4) If Negotiations With Ray's Electric Are Unsuccessful, The City Administrator Will Award The Contract In The Open Market; All The Above In Accord With Project Plans, Specifications, State

Requirements; And (5) Adopting Appropriate California Environmental Quality Act (CEQA) Findings.

The project will extend the existing Intelligent Transportation System (ITS) network with fiber cable to 62 traffic signals along 10.5 miles of MacArthur Boulevard. Improvements will enhance mobility for all modes, including queue jump lanes and transit signal priority for buses; pedestrian, bicycle and vehicle detection for enhanced signal performance; curb ramps & sidewalks for pedestrian accessibility; and communications for remote traffic operations, monitoring and signal maintenance. The existing ITS network includes the following:

- 98th Avenue, from Empire Road to Airport Access Road
- Hegenberger, Road, from Edgewater Drive to Doolittle Drive
- Airport Access Road, from Hegenberger to 98th Avenue
- Edgewater Drive from Hegenberger to 7101 Edgewater Drive
- 7101 Edgewater Drive to 455 7th Street
- Broadway, from 6th Street to 51st Street
- San Pablo Avenue, from 20th Avenue to West MacArthur Blvd
- Telegraph Avenue, from 15th Street to MacArthur Blvd
- Grand Avenue, from Mandel Parkway to Santa Clara Avenue
- 11th Street, from Jackson Street to Broadway
- 12th Street, from Lakeshore Drive to Broadway
- Clay Street, from 15th Street to 17th Street
- 17th Street, from Clay Street to the Emergency Operation Center (EOC)
- Lakeshore Drive, from 12th Street to E. 18th Street
- International Blvd, from Lakeshore Drive to 105th Avenue

ANALYSIS AND POLICY ALTERNATIVES

On May 10, 2024, the City placed an advertisement in East Bay Times inviting construction bids. On June 20, 2024, the Office of City Clerk received three bids in the amounts of \$12,625,787.00, \$13,481,390.00, and \$14,803,185.00, from Phoenix Electric Company, Gruendl Inc. dba Ray's Electric and Tennyson Electric, respectively. The engineers' estimate was \$9,586,278.01, and all bids were higher, as shown in the bid summary, **Attachment B**.

The Department of Work and Employment Standards determined that Phoenix Electric Company and Tennyson Electric did not satisfy the LBE/SLBE requirements and were deemed non-responsive. Ray's Electric is responsive in that it meets all the LBE/SLBE requirements. However, the project budget available could not afford Ray's Electric bid,

which is \$3,895,111.99 (40.63)% above the engineers' estimate. The Contract Compliance Memorandum is shown in **Attachment C**. Staff performed bid analysis and recommended to negotiate with Ray's Electric to achieve a bid award affordable by the project budget, and if negotiation with Ray's Electric are unsuccessful, the City Administrator will award the contract in the open market. The project will advance two of the four Citywide priorities: **holistic community safety** and **vibrant sustainable infrastructure**.

Alternatively, if negotiation with Ray's Electric is unsuccessful, the project could be re-advertised for a second bid invitation. However, there is no guarantee of a better outcome (i.e., a less expensive estimate), and meeting the project funding deadline of July 2027 is a concern. The expected construction period is about two years, and re-advertisement would not favor the funding deadline. The recommendation to reject all bids and negotiate, as stated above, will favor our goal towards meeting the project funding deadline.

FISCAL IMPACT

Approval of these Resolutions will authorize the City Administrator to execute a construction contract as follows:

AMOUNT OF RECOMMENDATION/COST OF PROJECT:

Construction contract not to exceed \$12,200,000.00

SOURCES OF FUNDING:

Construction will be funded by ACTC Comprehensive Investment Plan (CIP) allocation and Measure BB.

- ACTC Allocation in the amount of nine million and five hundred thousand dollars (\$9,500,000.00), Project 1003981, Organization 92270, Expense 57411, Task 8.0, Award 24056, Fund 2214, Program NB33.
- Measure BB local match in the amount of two million, seven hundred thousand dollars (\$2,700,000.00): Project 1003981, Fund 2218.

PUBLIC OUTREACH / INTEREST

The project was drawn from the City's adopted Bicycle and Pedestrian Master Plans, and other specific plans to improve mobility and connectivity within the City, according to the background, legislative history and outreach for the Resolution [87960 C.M.S.](#) November 2019. The pedestrian and bicycle master plans were vetted through various

advocates and communities and advocates during the planning processes. The project scope was closely coordinated with AC-Transit staff, a major stakeholder. Frequent meetings were conducted, so AC-Transit priorities were focused upon. As the project enters the construction phase, impact mitigation will be coordinated to minimize delay and adverse effects on ridership. During construction, schedules and updates will be shared with AC-Transit for advance planning.

There will be additional outreach to the abutting residents in the form of door hangers with information about the project schedule, contact information, and website. Other advocates and stakeholders that, include the Bicycle and Pedestrians Advisory Committee, Oakland Fire Department, Oakland Police Beats, and Council offices, will also be informed and invited to the preconstruction meeting.

COORDINATION

The Office of the City Attorney and the Controller's Bureau have reviewed this report and resolution. Staff coordinated with the following City Departments and stakeholders as listed below:

- OPW Construction Management Division
- OPW Maintenance Division
- Bicyclist and Pedestrian Advisory Commission (BPAC)
- Alameda-Contra Costa Transit District (AC -Transit)
- Oakland Fire Department
- ADA Division

PAST PERFORMANCE, EVALUATION, AND FOLLOW UP

Rays Electric is a local business enterprise with many years of construction history with the City. Performance evaluation for some of the three most recent projects completed for the Department of Transportation is satisfactory.

SUSTAINABLE OPPORTUNITIES

Economic: This project will improve mobility and safety conditions and make MacArthur Blvd, more accessible, and more transit oriented. The improvements will enhance the efficiency and affordability of the transportation network. Reduction in transit delay and travel time will make it more attractive to more prospective riders. The project will install safety features for pedestrians and bicycles. It will construct ADA compliant curb ramps and improve overall access to transit and neighborhoods. It will upgrade the traffic

signal system to sustain traffic and transit signal operation over extended distances by remote control. In addition, the construction contract will create job opportunities for Oakland residents through the City's contracting requirements, as shown in **Attachment C**.

Environmental: The project will provide a safer route for pedestrians, and thereby providing a more attractive alternative mode of transportation to single occupancy vehicles and helping to reduce Oakland's carbon footprint. Furthermore, during construction the project will implement the Best Management Practices for the protection of storm water runoff to prevent pollutants from entering the storm drain systems.

Race & Equity: The Project is in the highest equity priority index zone provided by the 'Map of Priority Neighborhoods' by the City of Oakland's Department of Transportation Race and Equity Team. The project will result in greater mobility, accessibility, and safety for pedestrians, bicycles, transit, and vehicular traffic. It will benefit the seniors and schools in the project area. Persons with disabilities will particularly benefit from the audible signals system built into the traffic signal.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

On a separate and independent basis, this Project and action is exempt from the California Environmental Quality Act (CEQA) pursuant to the following CEQA Guidelines Sections: Section 15162 and 15163 (no further environmental review required); Section 15060(c)(2) (no direct or reasonably foreseeable indirect physical change in the environment); Section 15061(b)(3) (no significant effect on the environment); Section 15183 (projects consistent with a community plan, general plan, or zoning), Section 15301 (existing facilities), Section 15302 (replacement or reconstruction), and Section 15309 (inspections), each of which provides a separate and independent basis for CEQA clearance and when viewed collectively provide an overall basis for CEQA clearance. A copy of the CEQA documentation is provided in **Attachment D**

ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends That The City Council Adopt A Resolution: (1) Rejecting All Bids For The Construction Of The Macarthur Smart City Corridor 1 Project No. 1003981; (2) Waiving Further Advertisement And Bidding;(3) Authorizing The City Administrator To Negotiate With Ray's Electric, The Only Responsive and Responsible Bidder And If Successful, Award The Contract To Ray's Electric In An Amount Not To Exceed Twelve Million And Two Hundred Thousand Dollars (\$12,200,000.00); And (4) If Negotiations With Ray's Electric Are Unsuccessful, The City Administrator Will Award The Contract

In The Open Market; All The Above In Accord With Project Plans, Specifications, State Requirements; And (5) Adopting Appropriate California Environmental Quality Act (CEQA) Findings.

For questions regarding this report, please contact Ade Oluwasogo, Supervising Transportation Engineer, at 510-372-5856.

Respectfully submitted,


Josh Rowan (Nov 6, 2024 14:03 PST)

Josh Rowan
Director, Department of Transportation

Reviewed by:

Megan Wier
Assistant Director
Department of Transportation

Reviewed by:
Amit Salwan, P.E.
Principal Civil Engineer
Department of Transportation

Prepared by:
Ade Oluwasogo, P.E. (CE, T.E.)
Supervising Transportation Engineer
Department of Transportation

Attachments (4):

- A: Location Map
- B: Bid Summary
- C: Contract Compliance Report
- D. CEQA Document