



# AGENDA REPORT

TO: HONORABLE CITY COUNCIL

FROM: Henry L. Gardner

SUBJECT: **Public Improvement Project Overview at the former Oakland Army Base**      DATE: December 1, 2014

COUNCIL DISTRICT: 3

## RECOMMENDATION

Staff recommends the City Council accept:

**An Informational Report on the Status of the Public Improvement Project Overview at the former Oakland Army Base (Project)**

## EXECUTIVE SUMMARY

This quarterly informational report provides a general update on major construction activity for the Project with a focus on the overall project schedule, construction sequencing, and jobs policy performance inclusive of local hire, local/small local contracting, and project safety.

## ANALYSIS

### *Advancement*

#### *Project Schedule & Sequence*

The Design-Build Contract will deliver public infrastructure to support vertical development, including public infrastructure to the property line of each development area. We currently have three developers in place under a Lease Disposition and Development Agreement (California Capital & Investment Group, Oakland Maritime Support Services and Prologis). We currently have two developers in place under Exclusive Negotiation Agreements (CWS and CASS). Staff has delivered a draft Development and Disposition Agreement to CWS. Delivery of a Draft DDA with CASS is pending. The various required scopes of work have been phased based on a

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number of variables, constraints and opportunities which are directly tied to the Design-Build Contract Guaranteed Maximum Price.

As part of the Mid-Project Budget Revision, the City, its agent, California Capital and Investment Group and the Design-Builder have agreed to revise the interim completion dates for each of the interim milestones. Table 1 provides a comparison of the original interim completion dates as provided for in Exhibit E to the Standard Form of Agreement between Owner and Design-Builder (the "Contractual Dates") and the Mid Project Budget Revision dates. As previously noted, each of the interim milestones shown in Table 1 below is inclusive of all the related infrastructure improvements for each milestone component.

<b>TABLE 1- UPDATED SCHEDULE AND MILESTONE / PHASES</b>		
INTERIM MILESTONE	GMP INTERIM COMPLETION DATES <sup>1</sup>	MID PROJECT BUDGET REVISION <sup>2</sup> ESTIMATES
1. Maritime Street	December 31, 2017	September 2017
2. West Burma Road	January 30, 2018	April 2016
3. Wake Avenue	October 31, 2016	January 2017
4. East Burma Road	May 30, 2015	June 2015
5. Rail Between Wake Avenue and Grand Avenue	May 31, 2015 (assumes resolution of the BNSF Easement)	July 2015
6. Completion of Public Improvements	January 30, 2018	September 2017
7. Central Gateway	October 2016	Deferred <sup>3</sup>
8. East Gateway CE-1	October 2016	July 2016
9. East Gateway CE-2	October 2016	TBD
10. North Gateway	May 2017	July 2016
11. West Gateway	January 2018	June 2015
12. Ancillary Maritime Site	May 2017	July 2016

<sup>1</sup> GMP Interim Completion Dates 09/19/2013

<sup>2</sup> Mid Project Budget Revision Re-sequenced Dates 12/3/14

<sup>3</sup> Central Gateway deferred under MPBR as a result of extra-ordinary environmental and geotechnical remediation costs resolution pending additional grant funding

*AMS Site*

The City and OMSS entered into a lease disposition and development agreement (LDDA) on July 30, 2014. The AMS Site is temporarily encumbered by an interim truck parking lot, interim Caltrans parking lot for bicyclist and pedestrians coming to visit the new bridge, in addition to a materials handling and crushing facility that is needed until all roadway components are

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materials handling and crushing facility that is needed until all roadway components are completed. The development team is currently analyzing the potential to deliver this site sooner than what is shown in Table 3 above. This effort is currently impacted by the BNSF issues raised earlier in this report.

### *North Gateway*

The North Gateway is comprised of two potential development parcels which include one for California Waste Solutions (CWS) and one for CASS, Inc. The CWS development parcel are currently encumbered by the relocated OMSS truck parking facility and laydown area for construction and deconstruction purposes, including staging and storage for the deconstructed timber and materials from the 800 series warehouses. The CWS development pad/area is encumbered by a DTSC required soil dewatering facility and laydown area for construction and deconstruction purposes. The development team is also currently analyzing the potential to deliver this site sooner than what is shown in Table 3 above. This effort is currently impacted by the BNSF issues raised earlier in this report.

### *Construction Jobs Policy*

Jobs are considered one of the most important community benefits that result from redevelopment of the former Oakland Army Base. After significant community input, the City instituted a Construction Jobs Policy as a means of achieving the benefit. The Construction Jobs Policy contains Council-directed policies concerning the local hire process and percentage requirements for the Project, implemented by contractor and trade. The Developer has negotiated a separate Construction Jobs Policy for its vertical development. Implementation of the City's Construction Jobs Policy is in effect and an on-going work in progress. This section of the report provides an overview of the Project's current local hire and local contracting percentages from October 21, 2013 through November 30, 2014.

### *Local Hire*

The Construction Jobs Policy local hire percentage requirements are for each construction trade a contractor performs Army Base Public Improvements construction work: A) at least 50% of the Project work hours will be performed by Oakland residents, B) at least 20% of the Project work hours will be performed by apprentices, and C) of the 20% of work hours performed by apprentices, 25% of the apprentice hours will be performed by disadvantaged workers who are Oakland residents. Table 2 below provides an overview of the Project's local hire percentage as of November 30, 2014. In addition, **Attachment A** provides the local hire percentages by contractor and by trade. Contractors shall demonstrate compliance with the Construction Jobs Policy by either following the hiring process or satisfying the percentage requirements.

Table 2 shows the local hours through November 30, 2014 (for details see *Attachment A*). Please note that City Contract Compliance includes Disadvantaged Workers as a category, based on zip codes within a targeted employment area. Staff has reviewed the Army Base Design-Build Contractor's data, which identifies Disadvantaged Workers by street address and zip code, to generate the percentages as listed in Table 2 below.

<b>TABLE 2 – HIRING AND REFERRALS (PERCENT OF CONSTRUCTION HOURS)</b>			
<b>City of Oakland Policy Goals</b>	<b>Project</b>		
	<b>Goals</b>	<b>As of November 30, 2014</b>	<b>Current Delta</b>
Residents	50%	50.12%	12%
Apprentices	20%	21.9%	1.9%
<i>Disadvantaged Workers*</i>	25%	36.5%	11.50%

*\*Pursuant to the Contracting Policy, Disadvantaged Workers on the Army Base Public Infrastructure Project are recorded and reported as a subset of the Apprentice hours. The policy requires 20% of the hours worked on the project go to apprentices. As a result 25% of the Apprentice 20% of hours needs to be Disadvantaged Workers.*

*Local / Small Local Contracting*

The Design-Build Contract is subject to City Council Ordinance 13101 C.M.S. regarding Local/ Small Local Business Enterprise established a requirement for combined total of 50% Oakland businesses (local/small local business enterprise), including a 25% local business requirement and 25% small local business requirement. Because this is a design-build contract, the primary compliance numbers will be reported as total contract amount and the construction and professional services as subsets of those figures.

Table 3 below provides a summary of the Project's current professional services and construction contracting percentages as of November 30, 2014.

<b>TABLE 3 – PROFESSIONAL SERVICES AND CONSTRUCTION CONTRACTING LOCAL /SMALL LOCAL BUSINESS ENTERPRISE (CONTRACTING)</b>			
<b>City Ordinance No. 13101 Policy Goals</b>	<b>Project</b>		
	<b>Total Contracting Goal</b>	<b>Total Contracting</b>	<b>Current Delta</b>
Combined L/SLBE	50%	85%	35%
Local Business Enterprise (LBE)	25%	52%	27%
<i>Small Local Business Enterprise (SLBE)</i>	25%	33%	8%
<i>Very Small Local Business Enterprise (SLBE)*</i>	-	8%	-
<i>Local Business Enterprise of Locally Produced Goods (LBE-LPG)*</i>	-	3%	-
<i>Local Trucking</i>	50%	100%	50%

*\*This is the double counted participation and included in the SLBE participation percentage*

The status provided represents a snapshot in time. The project percentages above capture design-build professional services contracts and construction contracts currently in place. The majority of the construction contracting work has been through first tier contractors who are by in large LBE's able to carry the requisite insurance and past experience with previous work of a similar nature. The City's Construction Manager and the Design-Build Contractor anticipate an increase in SLBE participation as the Project progresses and expect two or more small businesses to grow as a result of this opportunity. As in past practice, the small local designation stands through the life of the project. Additional contractors will be engaged as construction advances. A breakout of LBE/SLBE participation for Master Plan, Bridging, Design-Build Professional Services and Design-Build Construction is included as **Attachment B**.

*Site Safety*

Site safety is a priority for any project, especially a project of the size and scope of the Army Base Public Infrastructure Project. The information in Table 6 is categorized as Current Period (November 14, 2014 to November 21, 2014) and Project to Date (October 25, 2013 to November 21, 2014). If a worker were to suffer an injury and was required to stay away from work for a period of time, this would be categorized as Days Away (DA). If a worker were reassigned during the injury period because the injury does not allow the worker to complete its normal work, but does allow for lighter, less strenuous work, this would be categorized as Restricted Time (RT).

<b>TABLE 4 – SITE SAFETY</b>		
	<u>Current Period</u>	<u>Project to Date</u>
Recordable Incidents	0	2
Days Away or Restricted Time	0	1
First Aid Cases	0	2
Workforce Orientations	15	866

To date, the project has been extremely safe, with only 2 recordable incidents during ten months of heavy construction work.

### **PUBLIC OUTREACH/INTEREST**

This item did not require any additional public outreach other than the required posting on the City's website.

### **COORDINATION**

This action has been coordinated with City Contract Compliance Office, City Attorney's Office and California Capital & Investment Group (City's Agent). The Budget Office has also reviewed this report.

### **SUSTAINABLE OPPORTUNITIES**

**Economic:** The development of the former Army Base has the potential to create thousands of construction and permanent jobs for Oakland residents and multi-million dollar contracting opportunities for local businesses. The project will generate millions of dollars in new tax revenue to the City's General Purpose Fund. The Army Base Public Infrastructure Project sets the stage for various Army Base developments including: implementation of the City's BCDC 15-acre truck parking and truck services facility and relocation of California Waste Solutions (CWS) and CASS, Inc (CASS) out of West Oakland which would open up large areas of West Oakland for higher uses, such as retail and research and development flex offices, which would generate tax revenue, and create career path jobs for Oakland residents.

**Environmental** The project will use, to the greatest extent possible, best management practices that not only reduce health and safety impacts to local residents, but also aim towards improving air quality, safe pedestrian and bike access, reduced water usage, and use alternative energy options to the extent they are commercially viable to reduce green-house gas emissions. The Army Base Public Infrastructure Project replaces 70-year old obsolete and failing infrastructure with modern, standard infrastructure. Relocating CWS and CASS closer to Port would reduce

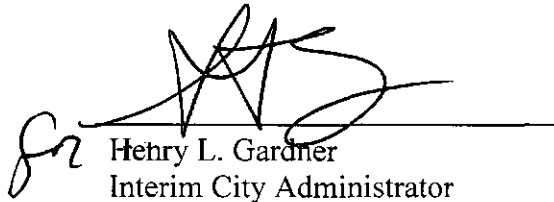
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the impact of truck traffic on West Oakland residents. And creation of the long-term, 55-year truck parking and truck services facility will keep certain amounts of Port truck traffic in the Port area and will reduce the impact of truck traffic on West Oakland residents.

**Social Equity:** The comprehensive package of Army Base Master Developer and Public Infrastructure Community Benefits addresses the City's commitment to social equity by way of jobs for local residents, contracts for local businesses, and quality of life improvements for West Oakland residents. Implementation of the Project's Community Benefits package have led to the establishment of the West Oakland Job Resource Center as a place for residents to learn and prepare for careers in the building and construction trades, as well as a resource for Army Base contractors and employers as it relates to the Construction Jobs Policy hiring process. Completion of the Infrastructure Project will also allow long-term implementation of the City's BCDC 15-acre truck parking and truck services facility and relocation of CWS and CASS out of West Oakland which would open up large areas of West Oakland for higher uses, such as retail and research and development flex offices.

For questions regarding this report, please contact John Monetta, Project Manager I, at (510) 238-7125.

Respectfully submitted,



Henry L. Gardner  
Interim City Administrator

Attachment A: Local Hire  
Percentages by Contractor and by  
Trade

Attachment B: Breakout of  
LBE/SLBE Participation

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# OAKLAND ARMY BASE WORKFORCE REPORT BY CRAFT

Requirement 1: 50% Craft by Craft to be worked by an Oakland Resident

Requirement 2: 20% Craft by Craft to be worked by an Apprentice (No Local Requirement)

Requirement 3: 25% of the 20% Apprentice Hours to be worked by an Oakland Disadvantaged Apprentice

Craft	All Employee Hours	Oakland Hours and Percentage	All Apprentice Hours and Percentage	Oakland Disadvantaged Apprentice Hours and Percentage	Oakland Apprentice Hours and Percentage
ASBESTOS REMOVAL WORKER (LABORER)	15,312.75	8,881.50 58.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%
BUILDING / CONSTRUCTION INSPECTOR AND FIELD SOILS AND MATERIAL TESTER	4,035.50	0.00 0.00%	8.00 0.20%	0.00 0.00%	0.00 0.00%
CARPENTER AND RELATED TRADES	1,071.50	787.50 73.50%	139.00 12.97%	0.00 0.00%	139.00 12.97%
DRIVER (ON/OFF-HAULING TO/FROM CONSTRUCTION SITE)	3,157.43	383.60 12.15%	0.00 0.00%	0.00 0.00%	0.00 0.00%
ELECTRICAL UTILITY LINEMAN	2,681.50	0.00 0.00%	262.00 9.77%	0.00 0.00%	0.00 0.00%
ELECTRICIAN	9,727.00	4,876.50 50.13%	1,415.00 14.55%	1,271.00 89.82%	1,415.00 14.55%
FIELD SURVEYOR	1,273.00	325.50 25.57%	332.50 26.12%	60.50 18.20%	106.00 8.33%
IRON WORKER	505.00	265.50 52.57%	129.00 25.54%	0.00 0.00%	129.00 25.54%
LABORER AND RELATED CLASSIFICATIONS	90,706.50	57,261.00 63.13%	20,509.00 22.61%	7,129.50 34.76%	16,309.75 17.98%
LANDSCAPE MAINTENANCE LABORER	163.00	94.50 57.98%	0.00 0.00%	0.00 0.00%	0.00 0.00%
OPERATING ENGINEER (HEAVY & HIGHWAY WORK)	51,600.75	19,182.25 37.17%	13,721.00 26.59%	4,844.00 35.30%	7,708.50 14.94%
OPERATING ENGINEER (LANDSCAPE CONSTRUCTION)	1,592.00	434.00 27.26%	0.00 0.00%	0.00 0.00%	0.00 0.00%
PARKING AND HIGHWAY IMPROVEMENT PAINTER (LABORER)	132.00	17.00 12.88%	0.00 0.00%	0.00 0.00%	0.00 0.00%
PLUMBER	33.75	0.00 0.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%
TEAMSTER	2,698.95	0.00 0.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%



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Craft	All Employee Hours	Oakland Hours and Percentage	All Apprentice Hours and Percentage	Oakland Disadvantaged Apprentice Hours and Percentage	Oakland Apprentice Hours and Percentage
TRAFFIC CONTROL/LANE CLOSURE (LABORER)	60.00	0.00 0.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%
Grand Total	184,750.63	92,508.85	36,515.50	13,305.00	25,807.25
Total Percentage		50.07%	21.90%	36.44%	15.48%

All Employee Wages \$6,305,124.31

Oakland Wages and Percentage \$2,803,196.10 44.46%

Oakland Disadvantaged Wages and Percentage \$305,011.01 4.84%

Non-Apprenticeable Hours

Asbestos Hours 15,312.75

Teamster Hours 2,698.95

Total 18,011.70

**LOCAL AND SMALL LOCAL PARTICIPATION FOR THE MASTER PLAN,  
BRIDGING AND HORIZONTAL INFRASTRUCTURE CONSTRUCTION  
CONTRACTS FOR THE OAKLAND ARMY BASE**

California Capital Investment Group and Turner/Goodfellow-Top Grade/Flatiron

**PROFESSIONAL SERVICES AND CONSTRUCTION CONTRACTING LOCAL  
/SMALL LOCAL BUSINESS ENTERPRISE (CONTRACTING)**

	Project		
	Total Contracting Goal	Total Contracting	Current Delta
<b>City Ordinance No. 13101 Policy Goals</b>			
Combined L/SLBE	50%	85%	35%
Local Business Enterprise (LBE)	25%	52%	27%
<i>Small Local Business Enterprise (SLBE)</i>	25%	33%	8%
<i>Very Small Local Business Enterprise (VSLBE)*</i>	-	8%	-
<i>Local Business Enterprise of Locally Produced Goods (LBE-LPG)</i>	-	3%	-
<i>Local Trucking</i>	50%	100%	50%

California Capital Investment Group

**HORIZONTAL INFRASTRUCTURE CONSTRUCTION CONTRACTS**

	Project		
	Total Contracting Goal	Total Contracting	Current Delta
<b>City Ordinance No. 13101 Policy Goals</b>			
Combined L/SLBE	50%	84.8%	34.8%
Local Business Enterprise (LBE)	25%	54.2%	29.2%
<i>Small Local Business Enterprise (SLBE)</i>	25%	28.1%	3.1%
<i>Very Small Local Business Enterprise (VSLBE)*</i>	-	6.5%	-
<i>Local Business Enterprise of Locally Produced Goods (LBE-LPG)</i>	-	2.6%	-
<i>Local Trucking</i>	50%	100%	50%

California Capital Investment Group

**MASTER PLAN AND BRIDING PHASES**

	Project		
	Total Contracting Goal	Total Contracting	Current Delta
<b>City Ordinance No. 13101 Policy Goals</b>			
Combined L/SLBE	50%	68.3%	18.3%
Local Business Enterprise (LBE)	25%	32.7%	7.7%
<i>Small Local Business Enterprise (SLBE)</i>	25%	35.6%	10.6%
<i>Very Small Local Business Enterprise (VSLBE)*</i>	-	0.6%	-

*\*This is the double counted participation and included in the SLBE participation percentage*