



AGENDA REPORT

TO: Edward D. Reiskin
City Administrator

FROM: G. Harold Duffey
Director, Oakland Public
Works

SUBJECT: Sanitary Sewer Sub-Basin 83-001
Rehabilitation (Project No. 1004806)

DATE: June 20, 2022

City Administrator Approval 

Date: Jul 7, 2022

RECOMMENDATION

Staff Recommends That The City Council Adopt A Resolution Awarding A Construction Contract To Andes Construction, Inc., The Lowest Responsive And Responsible Bidder, In Accordance With Project Plans And Specifications For Sanitary Sewer Sub-Basin 83-001 Rehabilitation (Project No. 1004806) And With Contractor's Bid For An Amount Not To Exceed Six Million, Eight Hundred Fifty-Two Thousand, And One Hundred Eighty-Five Dollars (\$6,852,185.00); And Adopting Appropriate California Environmental Quality (CEQA) Findings.

EXECUTIVE SUMMARY

The Sanitary Sewer Sub-Basin Rehabilitation Project is part of the City of Oakland (City) ongoing program to reduce stormwater infiltration and inflow into the sanitary sewer system, eliminate sanitary sewer overflows, improve pipe and structure conditions, and increase flow capacity.

The City issued a Notice of Inviting Bids for the Sanitary Sewer Sub-Basin 83-001 Rehabilitation (Project 1004806) on January 14, 2022. The City received two (2) bids on February 17, 2022. Andes Construction, Inc. was deemed the lowest responsive and responsible bidder with a bid of \$6,852,185. The proposed contract meets the Local Business Enterprise/Small Local Business Enterprise (LBE/SLBE) participation requirements.

Approval of the proposed resolution will authorize the City Administrator to enter into a construction contract with Andes Construction, Inc. in the amount of \$6,852,185 for the Sanitary Sewer Sub-Basin 83-001 Rehabilitation (Project No. 1004806). This project supports the sanitary sewer program and the 2014 Consent Decree.

BACKGROUND / LEGISLATIVE HISTORY

In order to repair and replace sewer lines, reduce the amount of inflow and infiltration and reduce discharges into San Francisco Bay during heavy storms and reduce sanitary sewer

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overflows, a Sewer Consent Decree mandated by state and federal regulators took effective on September 22, 2014. To comply with the Consent Decree, the City has implemented a long-term sanitary sewer capital improvement program (CIP) to eliminate sanitary sewer overflows and reduce stormwater infiltration and inflow into the sanitary sewer system. The Sanitary Sewer Sub-Basin 83-001 Rehabilitation (Project No. 1004806) is part of the City's annual sanitary sewer CIP to improve the pipe and structure conditions and reduce stormwater infiltration and inflow into the sanitary sewer system. Subsequently, this improvement will help reducing peak flows during storm events and eliminating sanitary sewer overflows. This project contributes to meeting the annual 13-mile sanitary sewer mains rehabilitation under the 2014 Consent Decree.

The proposed work consists of rehabilitating approximately 20,919 linear feet of existing 8-inch to 21-inch diameter sewer pipes by pipe-expanding, open trench, or cured-in-place-pipe methods, rehabilitating sewer structures, rehabilitating and reconnecting house sewer laterals, and other related work as indicated on the plans and specifications. The work for this project is located as shown in **Attachment A**.

ANALYSIS AND POLICY ALTERNATIVES

On February 17, 2022, the City Clerk received two (2) bids for this project in the amount of \$6,852,185 and \$7,649,605 from Andes Construction, Inc. and Pacific Trenchless, Inc., respectively, as shown in **Attachment B**. Andes Construction, Inc. was deemed the lowest responsive and responsible bidder and is recommended for the award.

Under the proposed contract with Andes Construction, Inc., LBE/SLBE participation will be 89.97 percent, which exceeds the City's 50 percent LBE/SLBE requirement. Trucking participation is 100 percent and exceeds the 50 percent requirement. The contractor is required to have 50 percent of the work hours performed by Oakland residents, and 50 percent of all new hires are to be Oakland residents. The LBE/SLBE information has been verified by the compliance officer of the Department of Workplace and Employment Standards (DWES) in **Attachment C**.

Construction is scheduled to begin in October 2022 and be completed by May 2023. The contract specifies \$1,500 in liquidated damages per calendar day should the contractor cause the work to be delayed. The project schedule is shown in **Attachment B**.

The Engineer's estimate for the work is \$6,400,280. The proposed policy action to approve this construction contract supports the sanitary sewer program, maintains compliance with the 2014 Consent Decree, and supports the City's goals of building a **vibrant and sustainable infrastructure**.

The proposed work is of a professional and technical nature and temporary in nature. The City lacks the equipment and qualified personnel to perform the work, and entering into this contract will not result in the loss of employment or salary by any person having permanent status in competitive service. As noted below, the Unions have been informed of the project, and no comments were received.

Adoption of the proposed resolution will allow the City Administrator to execute a construction contract with Andes Construction, Inc. and proceed with the Sanitary Sewer Sub-Basin Rehabilitation Project. Alternatively, if the proposed resolution is not adopted, the project, as well as compliance with the 2014 Consent Decree, would be delayed.

FISCAL IMPACT

Approval of the resolution authorizes the City Administrator to award a construction contract for an amount not to exceed Six Million, Eight Hundred Fifty-Two Thousand, One Hundred And Eighty-Five Dollars (\$6,852,185.00) for the implementation of the Sanitary Sewer Sub-Basin 83-001 Rehabilitation (Project 1004806).

Partial funding for this construction contract is budgeted in the Fiscal Year 2021-2023. Additional funding is allocated and will be appropriated at the beginning of the Fiscal Year 2023, on July 1, 2022, as shown in Table 1 below.

Table 1: Funding Sources

Fund Source	Organization	Project	Fiscal Year	Amount
3100 – Sewer Service Fund	92244 – Engineer Design: Sanitary Sewer	1004806 – Sanitary Sewer Rehabilitation Sub-Basin 83-001	2022	\$5,029,142.28
3100 – Sewer Service Fund	92244 – Engineer Design: Sanitary Sewer	1004806 – Sanitary Sewer Rehabilitation Sub-Basin 83-001	2023	\$1,823,042.72
Total Funding				\$6,852,185.00

There is no impact on the General Purpose Fund, and no additional funding is requested.

PUBLIC OUTREACH / INTEREST

Staff provided notice to labor representatives per the terms and conditions of the current Memorandums of Understanding with Local 21, Service Employee International (SEIU) 1021, and International Brotherhood of Electrical Workers (IBEW).

The legal notices for the solicitation of bids were advertised on January 14, 2022, for Project 1004806. The legal notice was advertised in the following news publications with the intent of reaching potential LBE/SLBE contractors in Black, Indigenous, People of Color (BIPOC) communities and other contractors with relevant experience, license(s), and/or certification(s).

News Publications

- Oakland Tribune/East Bay Times
- Oakland Post
- El Mundo (Spanish Language Publication)
- Korea Times (Korean Language publication)
- World Journal (Chinese Language Publication)
- Daily Pacific Builder (Construction Publication)

Additionally, staff conducted further outreach by sending out notices of the solicitation of bids for Project 1004806 through ActiveCampaign.com. ActiveCampaign.com is an online based marketing tool that allows for city staff to send out notifications through email blasts to numerous interested parties. Organizations receiving solicitation of bids and/or notification through ActiveCampaign.com include, but are not limited to, Oakland African American Chamber of Commerce, National Society of Black Engineers, National Black Contractors Association of California, Bay Area Women's Council, National Association of Black Women in Construction, Inc., Oakland Chinatown Chamber of Commerce, Latino Chamber of Commerce, National Association of Minority Contractors (Northern California Chapter) and Society of Hispanic Professional Engineers. As many as 4,300 organizations received notification for this solicitation of bids from City of Oakland staff.

The solicitation of bids and any addenda for Project 1004806 were posted on iSupplier and www.CIPlist.com. iSupplier is the City of Oakland's approved Procure to Pay online application system. The City of Oakland utilizes this application to source materials such as Request for Proposals (RFP), Request for Qualifications (RFQ), Notice Inviting Bids (NIB), and to collect electronic bids and RFPs online. All registered businesses have full control of their business profile, including staff access and products and services provided. They can apply for Local Business Enterprise certification and view purchase orders and payment status. All registered businesses have immediate access to bids and RFPs electronically at their convenience. iSupplier is administered by DWES. City of Oakland staff also posted this solicitation of bids on www.CIPlist.com, which is a website that is used for posting public sector contracting opportunities. The www.CIPlist.com website is free for the public to use and access, and it allows the public to download solicitation of bids and procurement of services documents for free.

A pre-bid meeting was publicly conducted on January 25, 2022. At the pre-bid meeting for the project, Capital Contracts staff provided a brief background regarding the procurement, a representative from DWES presented the equity program requirements and the project manager discussed the scope of the project. The time, date, and access information for the meeting were provided in the advertisements, ActiveCampaign.com notice, and the solicitation documents, which were posted in iSupplier and www.CIPlist.com. All of the information provided at the meeting was also provided in the solicitation of bids documents that were publicly posted.

General notices have been sent out to the community about this project. Prior to starting work, individual residents who are affected will be notified of the work schedule, planned activities, and contact information of the Contractor and Resident Engineer/Inspector in charge.

COORDINATION

The work to be done under the contract was coordinated with the OPW Bureau of Maintenance and Internal Service. This report and resolution have been reviewed by the Office of the City Attorney and the Budget Bureau. In addition, DWES provided the compliance analyses of submitted firms.

PAST PERFORMANCE, EVALUATION AND FOLLOW-UP

The Contractor Performance Evaluation for Andes Construction, Inc. from a previously completed project is satisfactory and is included in **Attachment D**.

SUSTAINABLE OPPORTUNITIES

Economic: A functioning sanitary sewer system improves the community and makes Oakland more attractive for residents and businesses. Sanitary Sewer overflows cause economic hardships and result in stipulated penalties by the EPA between \$100 and \$25,000 per event.

Environmental: The improvements to the sanitary sewer system will reduce the possibility of overflows, thereby benefiting the environment.

Race & Equity: Implementation of the project will help eliminate sanitary sewer overflows, thereby benefiting all Oakland residents with improved infrastructure, particularly in underserved areas.

CALIFORNIA ENVIRONMENTAL QUALITY ACT FINDINGS

The project and the action being undertaken to implement it are exempt from the California Environmental Quality Act (CEQA) under 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.

ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends That The City Council Adopt A Resolution Awarding A Construction Contract To Andes Construction, Inc., The Lowest Responsive And Responsible Bidder, In Accordance With Project Plans And Specifications For The Sanitary Sewer Sub-Basin 83-001 Rehabilitation (Project No. 1004806) And With Contractor's Bid For An Amount Not To Exceed Six Million, Eight Hundred Fifty-Two Thousand, One Hundred And Eighty-Five Dollars (\$6,852,185.00); And Adopting Appropriate California Environmental Quality Findings.

For questions regarding this report, please contact Wen Chen, Acting Wastewater Engineering Management Division Manager, at 510-238-3303.

Respectfully submitted,



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Attachments (4):

- A: Project Location Map
- B: List of Bidders and Project Construction Schedule
- C: Contracts & Compliance Unit Compliance Evaluation
- D: Contractor Performance Evaluation

