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FEBRUARY 3, 2004

IGNACIO DE LA FUENTE, PRESIDENT
CITY COUNCIL
OAKLAND, CALIFORNIA

PRESIDENT DE LA FUENTE AND MEMBERS OF THE CITY COUNCIL

SUBJECT: RESOLUTION AUTHORIZING THE CITY MANAGER TO REJECT ALL BIDS FOR THE TEMESCAL POOL RENOVATION PROJECT, TO INFORMALLY RE-BID THE PROJECT, TO NEGOTIATE A CONTRACT, IF NECESSARY, AND TO AWARD A CONSTRUCTION CONTRACT WITHOUT RETURN TO CITY COUNCIL FOR AN AMOUNT NOT TO EXCEED SEVEN HUNDRED AND FIFTY THOUSAND DOLLARS (\$750,000)

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.

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 one (1) week for us to plan, perform and report on our analysis.

SUMMARY

Temescal Pool is a heavily used recreational facility in the summer months. The renovation project consists of (1) replacing the filtration system in the pump room; (2) replacing the existing water piping from the pump room to the pool; (3) installing a new shell lining; (4) replacing pool lights; (5) adding new striping; (6) removing and replacing pool ladders; (7) modifying the men's and women's locker rooms; and (8) other related work.

BID PROCESS

On November 3, 2003, the City Clerk received two bids for the project, as summarized below:

<u>Firm</u>	<u>Amount</u>
Sierra Bay Contractors (Concord)	\$ 791,000
Bay Construction (Oakland)	844,858

The Public Works Agency has rejected both bids, for the following reasons:

- (1) Both firms did not meet the City's Local/Small Local Business program requirements nor did they document a good faith effort.
- (2) Sierra Bay Contractors' bid is 18% over the engineer's estimate of \$670,000 and Bay Construction's bid is 27% over the engineer's estimate.

To ensure that the project will be completed in time for use for summer programs, it is currently being re-bid. All of the bidders on the plan holders list for the initial bid process will be invited to re-bid the project. The new bids are scheduled to be received on January 26, 2004, and the bid results will be reported at the City Council meeting on February 3, 2004.

FISCAL IMPACT

The construction budget for the project is \$800,000, which includes a (5%) contingency. The project is funded from the Measure K, D Series and Measure K Interest. Funds are available under Fund 5014, Project No. C196110 and C196120, Organization 94500, Account 78811.


In accordance with City Policy, an amount of \$25,860 will be set aside within Org. 92290, Account 56918, Project No. C196110, Fund 5014 for Contract Compliance fees.

To allow the project to be completed on time and within budget, staff and the design consultant have revised the scope of work and authorized the use of alternate building materials.

CONCLUSION


The Proposed Resolution appears to be reasonable.

Prepared by:


Jack McGinity, CPA

Report completion date:
January 9, 2004

Issued by:


Roland E. Smith, CPA, CFS
City Auditor