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# MEMORANDUM

**TO:** HONORABLE MAYOR & CITY COUNCIL

**FROM:** Josh Rowan  
Director, Oakland Department of Transportation

**SUBJECT:** Citywide Curb Ramps 2024-2025  
(Project 1006308) Bid Results

**DATE:** January 16, 2025

City Administrator  
Approval

Date:

## INFORMATION

This informational memorandum implements a City Council directive to provide the City Council, the Mayor's Office, City staff, and the community with a summary of the bid results and compliance analysis for Citywide Curb Ramps 2024-2025 (Project No. 1006308).

## GENERAL OVERVIEW

On March 19, 2024, City Council pre-authorized the City Administrator to execute a construction contract not to exceed three million, three-hundred and ten thousand dollars, (\$3,310,000.00) with the lowest, responsible, and responsive bidder, for Citywide Curb Ramps 2024-2025 (Project No. 1006308) ([Resolution No. 90155](#)). The City Council also found and resolved that it was in the best interest of the City to waive the City's Local/Small Local Business Enterprise (L/SLBE) program utilization requirements. As directed in Resolution No. 90155, this informational memo summarizes the bid results and compliance analysis of the bids received.

Following Council approval of Resolution No. 90155, staff proceeded to advertise and bid on Project 1006308. The project was advertised in *EL Mundo*, *Oakland Post*, *The Oakland Tribune*, *The Korean Times (S.F.)*, and *World Journal*. Following an informational pre-bid meeting on May 2, 2024, four bids were opened on June 13, 2024:

**Table 1: Project 1006308 Bid Results and L/SLBE Participation<sup>1</sup>**

| Contractor                    | Location      | Local Business Participation | Small/Very Small Participation | Bid            |
|-------------------------------|---------------|------------------------------|--------------------------------|----------------|
| Rosas Brothers                | Oakland       | 84.7%                        | 0.0%                           | \$2,295,000.00 |
| Spenco                        | San Ramon     | 0.2%                         | 0.0%                           | \$2,761,250.00 |
| McGuire & Hester <sup>2</sup> | Oakland       | 1.9%                         | 0.0%                           | \$3,043,850.00 |
| R&S Construction              | San Francisco | 0.7%                         | 0.0%                           | \$3,148,150.00 |

<sup>1</sup> Participation estimated by Department of Transportation based on stated participation and certification status of primes and subcontractors at bid opening.

<sup>2</sup> Subsequent to this bid opening, McGuire & Hester has been recertified as a Local Business Enterprise.

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All bids were deemed responsive and responsible. Rosas Brothers Construction was determined to be the lowest, responsive, and responsible bidder and was awarded a contract in the amount of \$2,295,000.00. The Department of Workplace and Employment Standards (DWES) does not perform L/SLBE compliance analysis for projects in which L/SLBE requirements are waived. Therefore, **Table 1** provides an OakDOT staff assessment of the L/SLBE participation that was achieved on each bid.

### **ANALYSIS**

With the agenda report accompanying Resolution No. 90155, staff provided findings to support a recommendation to waive the City's L/SLBE requirements on Project 1006308. When compared to other Bay Area jurisdictions' curb ramp project bid results, staff found Oakland receives fewer bids per project and pays more per curb ramp. Oakland's L/SLBE requirements require 50% local participation, with 25% required participation from small or very small local businesses. Unlike pavement rehabilitation or streetscape projects with various scopes of work, curb ramp projects do not typically have significant subcontracting opportunities.

Overall, staff found that waiving L/SLBE requirements on Project 1006308 resulted in more bids and lower costs. This finding is based on an assessment of the bid results for Project 1006308 compared to another citywide curb ramp and sidewalks project (Project 1006302), also bid in summer 2024. For Project 1006302, L/SLBE requirements were reduced from 50% to 20% of total L/SLBE participation, with a minimum of 10% small/local participation. Based on community concern about fully waiving L/SLBE requirements and project grant deadline requirements, staff proceeded to bid 1006302 with the reduced requirement rather than seek Council approval for a full waiver.

**Table 2** provides a summary of the two projects, including the L/SLBE requirements, the number of responsive bids received, and key unit prices. Project 1006308, which waived L/SLBE requirements, received four bids. Project 1006302, which reduced the requirement to 20%, received one bid—also less than the previous Oakland average of 2.3 bids per project.

**Table 2: Comparison of Projects by L/SLBE Requirements**

| Project | L/SLBE Requirement<br>(Total / Minimum SLBE) | # Bids Received | Low Bid Curb Ramp Unit Price | Low Bid Sidewalk Unit Price |
|---------|----------------------------------------------|-----------------|------------------------------|-----------------------------|
| 1006308 | 0% / 0%                                      | 4               | \$6,800                      | \$19.00                     |
| 1006302 | 20% / 10%                                    | 1               | \$10,000                     | \$25.50                     |

Evaluating unit prices by L/SLBE requirement is a key comparison. Overall, comparing low bidders' unit prices on the two projects, curb ramps cost \$3200 more per ramp on the project with L/SLBE requirements (**Table 2**). For sidewalk replacements, the difference was \$6.50 more per square foot. The difference in unit costs equates to an estimated savings of \$840,000 in having waived the L/SLBE requirements on Project 1006308.

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Comparing all bid results across the two projects, the low bid on Project 1006308 (which waived L/SLBE participation) was 14% under the engineer's estimate (**Table 3**). Conversely, the low bid on Project 1006302 (which reduced but did not fully waive L/SLBE participation and only had 1 bidder) was 21% over the engineer's estimate.

**Table 3: Comparison to Engineer's Estimate**

| Project | Contractor       | Submitted Bid  | % Over or Under Estimate |
|---------|------------------|----------------|--------------------------|
| 1006308 | Rosas Brothers   | \$2,295,000.00 | -14%                     |
| 1006308 | Spencon          | \$2,761,250.00 | 3%                       |
| 1006308 | McGuire & Hester | \$3,043,850.00 | 14%                      |
| 1006308 | R&S Construction | \$3,148,150.00 | 17%                      |
| 1006302 | McGuire & Hester | \$4,193,950.00 | 21%                      |

Notably, McGuire & Hester submitted bids for both Project 1006308 and Project 1006302. McGuire & Hester's increased small/very small participation on 1006302 was achieved by including a very small local subcontractor to perform a portion of the sidewalk replacement scope. The subcontractor was not included on McGuire & Hester's bid for Project 1006308, which had no L/SLBE requirement. McGuire & Hester's price per curb ramp was the same on both projects (\$10,000 each), but their unit price for sidewalk replacement increased from \$20.00 to \$25.50 per square foot with required L/SLBE participation. Project 1006302 had 100,000 square feet of sidewalk replacement. With 100,000 square feet of work, the difference between \$20 per square foot and \$25.5 totals \$550,000 more for the same quantity of work. Based on the bid submitted by McGuire & Hester for Project 1006302, the subcontractor will perform only \$370,388 on the contract. This indicates there is a \$180,000 surcharge that the prime has applied to recover the administration of a subcontractor.

**Table 4: Unit Prices and L/SLBE Participation by Contractor and By Project**

| Project | Contractor       | Total L/SLBE | Small/Very Small LBE | Unit Cost Curb Ramp | Unit Cost Sidewalk (SF) |
|---------|------------------|--------------|----------------------|---------------------|-------------------------|
| 1006308 | Rosas Brothers   | 84.7%        | 0.0%                 | \$6,800.00          | \$19.00                 |
| 1006308 | Spencon          | 0.2%         | 0.0%                 | \$7,900.00          | \$22.00                 |
| 1006308 | McGuire & Hester | 1.9%         | 0.0%                 | \$10,000.00         | \$20.00                 |
| 1006308 | R&S Construction | 0.7%         | 0.0%                 | \$7,500.00          | \$25.00                 |
| 1006302 | McGuire & Hester | 21.3%        | 19.7%                | \$10,000.00         | \$25.50                 |

Overall, staff found a 30% decrease in the number of bids, a 20% cost increase for sidewalk repair, and a 32% increase for curb ramp replacement when L/SLBE participation is required. Staff presents this analysis in light of the annual curb ramp and sidewalk program budgets, which are \$1M each.

Concurrent with this memo writing, amendments to the L/SLBE program are being evaluated by the City Council. Changes include (1) removal of headquarter requirements; (2) modification of the definition of "substantial presence"; and (3) clarifying amendments for program administration. The benefit of these amendments are that some existing locally-based firms may be re-certified as local businesses. However, staff have not documented any small or very small local firms performing curb ramp and sidewalk work that have bid on City of Oakland projects

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during the past 10 years that lost certification due to the 2021 L/SLBE rule changes (Ordinance No. 13640 and No. 13647) and would be newly re-certified. McGuire & Hester was not a certified local business at the time of their bids on Project 1006302 and Project 1006308; as of this memorandum, they have been recertified as a Local Business Enterprise. As an LBE, however, they would still have needed to subcontract some portion of Project 1006308 in order to meet minimum SLBE participation requirements.

No recommendations are made by staff with this informational memorandum.

Respectfully submitted,



Josh Rowan (Feb 3, 2025 19:02 PST)

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