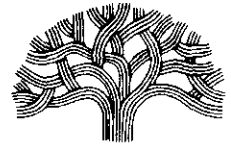


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1 FRANK H. OGAWA PLAZA • OAKLAND, CALIFORNIA 94612

Office of the City Auditor
Roland E. Smith, CPA
City Auditor

(510) 238-3378
FAX (510) 238-7640
TDD (510) 839-6451
www.oaklandauditor.com

DECEMBER 16, 2003

IGNACIO DE LA FUENTE, PRESIDENT
CITY COUNCIL
OAKLAND, CALIFORNIA

PRESIDENT DE LA FUENTE AND MEMBERS OF THE CITY COUNCIL

SUBJECT: RESOLUTION AUTHORIZING AWARD OF A CONSTRUCTION CONTRACT TO BAY CONSTRUCTION COMPANY FOR THE SAN ANTONIO PARK RENOVATION (PROJECT NO. C196510) IN THE AMOUNT OF SIX HUNDRED FORTY-TWO THOUSAND DOLLARS

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. The purpose of our analysis was to evaluate the reasonableness of the proposed resolution. In making our analysis we also obtained and reviewed Engineer's Estimate, as well as the "Notice Inviting Bids" published in the August 27, 2003 edition of the Oakland Tribune.

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

The project consists of (1) renovating the multi-purpose playing field, existing tot lot, and play areas; (2) adding a half basketball court; (3) repairing and resurfacing the community center roof deck; (4) painting the existing rest rooms; (5) modifying the irrigation system; and (6) renovating a portion of the lawn area.

CONTRACTOR SELECTION PROCESS

On October 6, 2003, the City Clerk received four bids for the project, as shown below:

<u>Company</u>	<u>Amount</u>
Kin Wo Construction Company (San Francisco)	\$589,000
Bay Construction Company (Oakland)	\$642,000
J.W. Riley & Sons, Inc. (Oakland)	\$755,900
Cleary Brothers Landscaping, Inc. (Danville)	\$814,726

The Public works Agency recommends that the lowest bid be rejected, because Kin Wo Construction Company failed to achieve the City's Local Business Enterprise/Small Local Business Enterprise goals or demonstrate a good faith effort to attain the goals. The Agency further recommends that the contract be awarded to Bay Construction Company, which was the second lowest bidder.

FISCAL IMPACT

The engineer's estimate for the construction work is \$549,600, and funds totaling \$689,000 are available from the following sources

<u>Description</u>	<u>Amount</u>
Capital Improvement Fund	\$519,000
California Waste Management Board Grant	100,000
Alameda County Source Reduction and Recycling Grant	<u>70,000</u>
Total	<u>\$689,000</u>

There will be no additional operating or maintenance costs as a result of this project.

CONCLUSION

The proposed resolution appears to be reasonable.

Prepared by:

Jack McGinity
Jack McGinity, CPA

Report completion date:
November 12, 2003

Issued by:

Roland E. Smith
Roland E. Smith, CPA
City Auditor