



AGENDA REPORT

TO: Edward D. Reiskin
City Administrator

FROM: David Ferguson
Interim Director, OPW

SUBJECT: Oakland Animal Services HVAC and
EMS Replacement Project
Construction Award

DATE: March 22, 2021

City Administrator Approval

Date: Apr 8, 2021

RECOMMENDATION

Staff Recommends That The City Council:

Adopt A Resolution 1) Awarding A Contract In The Amount Of One Million, Seven Hundred Thirty-Eight Thousand, Six Hundred And Seventy-One Dollars (\$1,738,671.00) To American Air Conditioning, Plumbing and Heating Company, For The Construction Of The Oakland Animal Services Heating Ventilation And Cooling And Energy Management Systems Replacement (Project Number 1003449), In Accordance With Project Plans And Specifications; And

2) Reallocate Six Hundred Seventy-Five Thousand (\$675,000.00) From Fund 5330 Main Library Improvement Project (No. 1003451) To The Oakland Animal Services HVAC And EMS Replacement Project, To Be Reimbursed To The Main Library Improvements Project Upon The Next Measure KK Bond Sale.

EXECUTIVE SUMMARY

The Oakland Animal Services (OAS) Heating Ventilation and Cooling (HVAC) and Energy Management Systems (EMS) Replacement (Project Number 1003449) has been publicly bid twice, once in October 2019 and again in January 2020. All bids received exceeded the available construction budget. With City Council authorization to reject all bids and negotiate a construction contract on the open market for an amount not to exceed \$1,400,000.00 (under Resolution No. 88127), staff entered into negotiations with American Air Conditioning, Plumbing and Heating Company as the lowest apparent bidder to significantly value engineer and reach a construction contract that would not exceed \$1,400,000.00. However, the resulting project would not provide a HVAC and EMS system that would meet the Equitable Climate Action Plan (ECAP) policy requirements nor the full heating and cooling needs of the Oakland Animal Services building.

Approval of the proposed resolution will authorize the City Administrator or Designee, to award a construction contract to American Air Conditioning, Plumbing and Heating Company in an amount not to exceed one million, seven hundred thirty-eight thousand, six hundred and

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seventy-one dollars (\$1,738,671.00) for the implementation of the Oakland Animal Services HVAC and EMS systems replacement project. Furthermore, the proposed resolution will authorize the reallocation of six hundred and seventy-five thousand dollars (\$675,000.00) from the Main Library Improvement Project (10003451) within the Measure KK Fund (5330) to the Animal Shelter Replacement HVAC & Energy project (1003449) to provide the needed additional funding to cover the construction contract. The proposed resolution also authorizes the reimbursement of the \$675,000.00 back into the Main Library Improvements Project (1003451) upon the next immediate Measure KK bond sale.

BACKGROUND / LEGISLATIVE HISTORY

In November 2016, the Measure KK General Obligation Bond was approved by the voters of Oakland to fund \$600 million of vital infrastructure improvements and Anti-Displacement and Affordable Housing Projects. On May 30, 2017, staff recommended to City Council the Fiscal Year 2017-19 Capital Improvement Program (CIP), including projects proposed to be funded with Measure KK bond funds. On June 19, 2017, City Council approved the list of projects for bond funding with Resolution No. 86773 C.M.S., and on August 1, 2017, the Measure KK, Series 2017A-1 General Obligation Bond (the "Bond") was funded in the amount of \$62.735 million, of which \$1,650,000.00 was allocated to the Oakland Animal Services HVAC and EMS Replacement Project. These funds were appropriated in the FY 2017-19 budget.

In October 2019 the Oakland Animal Services (OAS) Heating Ventilation and Cooling (HVAC) and Energy Management Systems (EMS) Replacement (Project Number 1003449) was issued for construction bid. However, all bids were significantly higher than the available construction budget. Prior to issuing for bid a second time, an Availability Analysis conducted by Contract Compliance was completed on January 30, 2020. Based on the Availability Analysis, the city's Local and Small Local Business (L/SLB) requirements were waived. The project was rebid in February 2020. Again, all bids received exceeded the available construction budget.

ANALYSIS AND POLICY ALTERNATIVES

On May 19, 2020, City Council authorized the City Administrator, or Designee, to reject all bids and negotiate a construction contract for the Oakland Animal Services HVAC and EMS Systems Replacement Project on the open market in an amount not to exceed \$1,400,000.00 (under Resolution No. 88127). The City entered into negotiations with American Air Conditioning, Plumbing and Heating Company as the lowest apparent bidder to significantly value engineer and reach a construction contract that would not exceed \$1,400,000.00. Project and Grant Management staff in collaboration with Environmental Services Division Sustainability Program Manager, the contractor and the project design consultant all worked to determine if there was an alternative design that would meet the Equitable Climate Action Plan (ECAP) as well as the available project budget. The Association for Energy Affordability was also engaged. Ultimately, it was determined that the current design is best in terms of meeting the (ECAP) policy requirements and the full heating and cooling needs of the Animal Service facility. Staff then worked to identify an appropriate strategy to fill the funding gap.

The Oakland Animal Services HVAC System replacement project was authorized by City Council on June 19, 2017 with Resolution No. 86773 C.M.S. The project will replace an inefficient, aging, and inappropriately sized HVAC and the associated EMS system to improve cooling and heating this City owned facility. The new HVAC and EMS systems are designed to meet the City of Oakland's Equitable Climate Action Policy (ECAP) requirements.

The proposed resolution will authorize the City Administrator, or Designee, to award a construction contract to American Air Conditioning, Plumbing and Heating Company in an amount of \$1,738,671.00 and the reallocation of Measure KK funds totaling \$675,000.00 would be authorized to fill the construction contract funding gap for the Oakland Animal Services HVAC and EMS Systems Replacement project.

The Measure KK, Main Library Improvements project (1003451) is in the project planning phase. Project and Grants Management staff are working with Library staff to accommodate requested additional scope, pursue potential additional funds, and to finalize the scope of work with the architectural design team. Currently, the Main Library Improvement project is anticipated to be advertised for construction in Spring 2022. The project will require reimbursement prior to the construction contract bid.

FISCAL IMPACT

Funding for this contract is budgeted and available in the following funding sources:

FUND SOURCE	AMOUNT
Measure KK: Infrastructure and Affordable Housing Fund (5330); A Shelter – Rep HVAC & Energy Project (1003449); Engineer Design: Project Management (92270); Structures and Improvements Account (57311); and Project Delivery Program (IN06).	\$1,150,000.00
Measure KK: Infrastructure and Affordable Housing Fund (5330); Main Library Improvements Project (1003451); Engineer Design: Project Management (92270); Structures and Improvements Account (57311); and Project Delivery Program (IN06). To Be Reallocated To: Measure KK: Infrastructure and Affordable Housing Fund (5330); A Shelter – Rep HVAC & Energy Project (1003449); Engineer Design: Project Management (92270); Structures and Improvements Account (57311); and Project Delivery Program (IN06).	\$675,000.00

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

PUBLIC OUTREACH / INTEREST

Oakland Public Works (OPW) has established a Capital Contract Equity Initiative of which public outreach is part. Going forward the outreach engagement will specifically include professional organizations representing women-owned and African American-owned firms. These two groups were identified in the 2019 Mason Tillman Disparity Study as firms not receiving a proportional amount of contracting dollars from the City of Oakland.

OPW-Capital Contracts Division (OPW-CCD) has an established disparity outreach list of local women-owned, African American, and other global majority associations such as the National Association of Women Business Owners and the National Black Contractors Association of California, to distribute the Request for Quote & Request for Bid (RFQ/RFB) to their membership. If future disparities are identified for specific groups, they will be included in this list for additional outreach. OPW will initially contact Oakland-based 1,252 contractors with the appropriate license type from the California State Licensing Board's requesting email address for future notifications. Staff plan to review and update this list every 12 months to ensure the most updated information is available. OPW will review the State's Department of Industrial Relations to cross-reference the current list. Staff will then create an email list of additional Oakland contractors.

For this construction RFQ/RFB solicitation, OPW-Project & Grants Management Division (OPW-PGM) worked with OPW-Capital Contracts Division (OPW-CCD) and Department of Workplace and Employment Standards (DWES) on performing public outreach through the legal ads, enhanced notifications, and a pre-proposal meeting. The project was bid publicly twice as there were no responsive bids submitted for the first bid.

Notifications of solicitations were distributed by several means. The first being City's iSupplier system, which was utilized to notify Oakland-certified local and non-local professional service providers (e.g., landscape architects, architects, engineers, contractors, and planning firms); regional trade and business groups, including the Oakland Metropolitan Chamber of Commerce, Oakland Black Board of Trade & Commerce, Bay Area Business Roundtable, and the Construction Bidboard. Companies that register in iSupplier wait a few days before receiving access to review proposal requests in this system. If a company enters an NAICS code, they are notified about projects with this code.

In addition to iSupplier and the established disparity outreach list of OPW-CCD also utilizes CIPList.com, a free, web-enabled site to announce and distribute solicitations. It is used to push out notifications to plan rooms and builders' exchanges such as ARC North America, Builders Exchange of Alameda County, Contra Costa Builders Exchange, Dodge Data & Analytics, East Bay Blueprint, East Bay Blueprint, iSqFT, Northern California Electrical Construction Industry, Peninsula Builders Exchange, San Francisco Builders Exchange, and Solano-Napa Builders Exchange. Through CIPList.com, any company or entity may register to be automatically notified of all City of Oakland solicitations without restrictions.

The legal notice for the RFP/RFQ was advertised on October 25, 2019 and February 7, 2020. Legal notices were printed in the EastBay Times and Oakland Post. In addition, information about the project was published in El Mundo, San Francisco Chronical, East Bay

Express, World Journal, and the Korea Times publications to supplement and ensure the information reaches Local Business Enterprise and Small Local Business Enterprise (LBE/SLBE) in Black, Indigenous, People of Color (BIPOC) communities with potential contractors/consultant.

Additionally, over 60 mailers were sent to Bay Area HVAC installers possessing the required C-20 license for the second public bid.

OPW-CCD held an outreach/networking/pre-proposal meeting in partnership with the Workplace & Employment Standards Department and the Project Manager on October 31, 2019 and February 11, 2020, with a total of 14 persons and seven firms in attendance, either in the office or virtually. The meeting served a few purposes: to discuss with potential consultants how contracts are established with the City, to make those in attendance aware of possible upcoming work, to allow for opportunities for consultants to network and partner on upcoming work, and to discuss the current RFP solicitation specifically.

Upcoming projects and current projects accepting submissions are on our webpage. As part of our equity initiative, current and next steps contain outreach to engage professional and contractor associations specifically representing women-owned, African American-owned, and other global majority firms. OPW-CCD will collaborate with existing construction/consultant working groups and professional organizations to reduce identified disparities in contracting. Finally, OPW-CCD will partner with the Business Assistance Center to identify grant funding to establish a Contract Assistance Center to help guide contractors with the City's contracting process.

COORDINATION

The work to be contracted has been coordinated with Oakland Animal Services, along with the Contract and Compliance Division, and appropriate divisions within OPW.

This report and the resolution have been reviewed for form and legality by the Office of the City Attorney, the Budget Bureau and the Department of Workplace & Employee Standards

SUSTAINABLE OPPORTUNITIES

Economic: The project will replace the existing inefficient, aging, and inappropriately sized HVAC system to improve cooling and heating at the Oakland Animal Services facility. The contractor will comply with the required City contract compliance programs. The project will contribute to the local economy through the construction contract. In addition, upon completion, the new HVAC system will add value to the City owned facility.

Environmental: The new HVAC and EMS systems will improve the energy efficiency at the Oakland Animal Services building and ensure the proper environment for the well beings of staff, visitors, and animals. Both systems have been designed to meet the City of Oakland's Equitable Climate Action Policy (ECAP) requirements. The contractor is required to comply with the City's Waste Recycling and Re-use Plan (WRRP).

Race & Equity: Oakland Animal Services (OAS) provides services to animals and animal owners across Oakland. The shelter is Oakland's only "open admissions" shelter that accepts homeless, injured, orphaned, unwanted, lost, abandoned, and mistreated animals. The majority of animal intake and field services calls are from two east Oakland zip codes 94605 and 94621. The proposed HVAC and Energy Management System replacement project will allow air quality and temperature-control that will help to prevent the spread of communicable diseases between animals and staff and improve the conditions for the animals housed. The project is part of the continued capital program efforts to update aging facilities and improve City assets to provide equitable access for all community members.

ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends That The City Council Adopt A Resolution 1) Awarding A Contract In The Amount Of One Million, Seven Hundred Thirty-Eight Thousand, Six Hundred And Seventy-One Dollars (\$1,738,671.00) To American Air Conditioning, Plumbing And Heating Company, For The Construction Of The Oakland Animal Services Heating Ventilation And Cooling And Energy Management Systems Replacement (Project Number 1003449), In Accordance With Project Plans And Specifications; And

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For questions regarding this report, please contact Ali Schwarz, Project Manager, at 510-238-7310 or aschwarz@oaklandca.gov.

Respectfully submitted,



David Ferguson
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Reviewed by:
Matthew Lee, P.E., Interim Assistant Director
Bureau of Design & Construction

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Project and Grants Management Division

Attachments (2):

- A: Project Location Map*
- B: Resolution No. 88127 C.M.S.*