

CITY OF OAKLAND
AGENDA REPORT

FILED
OFFICE OF THE CITY CLERK
OAKLAND

2008 NOV -7 AM 3:51

TO: Office of the City/Agency Administrator
ATTN: Dan Lindheim
FROM: Community and Economic Development Agency
DATE: November 18, 2008

RE: Resolution Rejecting All Bids For The Demolition Of Unsafe Structures Located At 2621, 2631, And 2633 Wallace Street Project, Authorizing Re-Bid Of The Project, Waiving Advertising, And Authorizing The City Administrator Or Designee To Award The Construction Contract In A Not-To-Exceed Amount Of \$200,000.00 For The Demolition Of Unsafe Structures Located At 2621, 2631, And 2633 Wallace Street Project To The Lowest Responsible, Responsive Bidder, Or To Negotiate With The Bidders If Bids Are Deemed Non-Responsive Or Non-Responsible, Without Return To Council

SUMMARY

A resolution has been prepared rejecting all bids for the Demolition of Unsafe Structures Located at 2621, 2631, and 2633 Wallace Street project, authorizing re-bid of the project, waiving advertising, and authorizing the City Administrator or designee to award the construction contract in a not-to-exceed amount of \$200,000.00 for the demolition of Unsafe Structures Located at 2621, 2631, and 2633 Wallace Street project to the lowest responsible, responsive bidder, or to negotiate with the bidders if bids are deemed non-responsive or non-responsible, without return to Council.

The City Council previously waived advertising and authorized the City Administrator to directly solicit bids for demolition of the unsafe structures on Wallace Street in Resolution No. 81550. Contract authorization was capped at \$200,000.00. Bids received on September 29, 2008 were found non responsive. To expedite the project, plans and specifications were revised and the work has been rebid. The project is expected to start in late November 2008.

FISCAL IMPACT

Funds for the demolition project has been appropriated into City Financial System (Entity 1), Oakland Redevelopment Agency Fund (7780), Central City East Organization (88699), Contingency Account (54011), Demolition of Unsafe Structures Located At 2621, 2631, And 2633 Wallace Street Project (P353210) and Central City East Program (SC18). The mirror project is from the Oakland Redevelopment Agency (Entity 5), Wallace Street project (S353110), and Central City East Fund (9543).

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BACKGROUND

The abandoned buildings located at 2621, 2631, and 2633 Wallace Street continue to be a life safety hazard to adjacent property owners and a blight to the neighborhood. The foundations of these buildings suffered major damage during a slope failure in the winter of 2001/2002 and have been recommended for demolition as soon as possible to remove the risk of overturning onto the properties on 14th Avenue.

KEY ISSUES AND IMPACTS

The City Council previously waived advertising and authorized the City Administrator to directly solicit bids from contractors for the Wallace Street demolitions in Resolution No. 81550 C.M.S. The City received three bids for the demolition project on September 29, 2008. The lowest bid for \$125,798.00 was rejected due to the bidder's failure to meet the City's Small Local Business Enterprise requirements. The other two bids of \$218,500.00 and \$238,300.00 exceeded the award limit of \$200,000.00 authorized by the City Council as well as the engineer's estimate of \$173,000.00. Staff has determined that it is in the City's best interest to reject all bids and re-bid the project in order to commence work by late November. Minor changes were made to the demolition plan to reduce construction costs. Notification of the opportunity to bid on this project will be limited to Certified Local & Small Local Businesses with Class A & C-12 Contractor Licenses.

This project will remove a continuous threat of impending danger to the neighborhood.

SUSTAINABLE OPPORTUNITIES

Economic: Demolition of the unsafe and abandoned residential structures located at 2621, 2631, and 2633 Wallace Street should help stabilize or enhance the adjacent surrounding property values if and when new development occurs.

Environmental: Demolition of unsafe and abandoned residential structures will accommodate the subsequent City's plan to stabilize the failed slope as stated in previous-Resolution.

Social Equity: The subsequent stabilization of the failed slope will result in the lifting of the occupancy restrictions from three homes on E. 14th Avenue which were also affected by the 2001/2002 slide.

DISABILITY AND SENIOR CITIZEN ACCESS

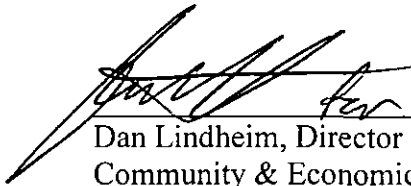
There are no known direct impacts to seniors and people with disabilities.

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ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends adopting the resolution rejecting all bids for the Demolition of Unsafe Structures Located at 2621, 2631, and 2633 Wallace Street project, authorizing re-bid of the project, waiving advertising, and authorizing the City Administrator or designee to award the construction contract in a not-to-exceed amount of \$200,000.00 for the demolition of Unsafe Structures Located at 2621, 2631, and 2633 Wallace Street Project to the lowest responsible, responsive bidder, or to negotiate with the bidders if bids are deemed non-responsive or non-responsible, without return to Council.

Respectfully submitted,



Dan Lindheim, Director
Community & Economic Development Agency

Reviewed by:

Michael Neary, P.E., Deputy Director, CEDA -
Department of Engineering & Construction

Prepared by:

Kevin Kashi, P.E., Civil Engineer, CEDA - Department of
Engineering and Construction

APPROVED AND FORWARDED
TO THE CITY COUNCIL:



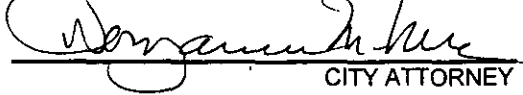
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APPROVED AS TO FORM AND LEGALITY


CITY ATTORNEY

OAKLAND CITY COUNCIL

RESOLUTION No. _____ C.M.S.

RESOLUTION REJECTING ALL BIDS FOR THE DEMOLITION OF UNSAFE STRUCTURES LOCATED AT 2621, 2631, AND 2633 WALLACE STREET PROJECT, AUTHORIZING RE-BID OF THE PROJECT, WAIVING ADVERTISING, AND AUTHORIZING THE CITY ADMINISTRATOR OR DESIGNEE TO AWARD THE CONSTRUCTION CONTRACT IN A NOT-TO-EXCEED AMOUNT OF \$200,000.00 FOR THE DEMOLITION OF UNSAFE STRUCTURES LOCATED AT 2621, 2631, AND 2633 WALLACE STREET PROJECT TO THE LOWEST RESPONSIBLE, RESPONSIVE BIDDER, OR TO NEGOTIATE WITH THE BIDDERS IF BIDS ARE DEEMED NON-RESPONSIVE OR NON-RESPONSIBLE, WITHOUT RETURN TO COUNCIL

WHEREAS, since February 8, 2002, the abandoned buildings located at 2621, 2631, and 2633 Wallace Street have been red-tagged by the City, deemed unsafe and in substandard condition and a blight, and should be demolished due to impending danger to the neighborhood which started with a landslide that happened during the 2001/2002 winter storms; and

WHEREAS, the City Council waived advertising and authorized the direct solicitation of bids and hiring of the lowest responsible bidder to demolish the unsafe buildings on Wallace Street in Resolution No. 81550 C.M.S. and the City received three bids for the demolition project on September 29, 2008; and

WHEREAS, the lowest bidder, \$125,798.00, failed to meet the City's Small Local Business Enterprise requirements and the other two bidders, \$218,500.00 and \$238,300.00, exceeded the Council authorized contract limit of \$200,000.00 as well as the engineer's estimate of \$173,000.00; and

WHEREAS, it is in the City's best interest to reject all bids, revise plans and specifications and re-bid the project to expedite commencement of the project by late November; and

WHEREAS, the continuous threat of impending danger to the neighborhood from these abandoned unsafe buildings remains unchanged; and

WHEREAS, the City Administrator has determined that this contract is of a technical and temporary nature, shall not result in the loss of employment or salary by any person having permanent status in the competitive service and is in the public interest because of economy or better performance; and

WHEREAS: Funds for the demolition project has been appropriated into City Financial System (Entity 1), Oakland Redevelopment Agency Fund (7780), Central City East Organization (88699), Contingency Account (54011), Demolition of Unsafe Structures Located At 2621, 2631, And 2633 Wallace Street Project (P353210) and Central City East Program (SC18). The mirror project is from the Oakland Redevelopment Agency (Entity 5), Wallace Street project (S353110), and Central City East Fund (9543); now, therefore, be it

RESOLVED: That the City Administrator or designee is authorized to reject all bids for the Demolition of Unsafe Structures Located at 2621, 2631, and 2633 Wallace Street project, to revise plans and specifications and re-bid the project waiving advertising and to award the construction contract in a not-to-exceed amount of \$200,000.00 for said demolition to the lowest responsible, responsive bidder, or to negotiate with the lowest bidder if bids are deemed non-responsive or non-responsible, without return to council; and be it

FURTHER RESOLVED: That the successful contractor shall be required to meet all City contracting policies; and be it

FURTHER RESOLVED: That the plans and specifications for this project are approved and the successful contractor shall provide proper performance and payment bonds for one hundred percent of the contract price; and be it

FURTHER RESOLVED: That the City Council finds that this contract is of a technical and temporary nature, shall not result in the loss of employment or salary by any person having permanent status in the competitive service and is in the public interest because of economy or better performance; and be it

FURTHER RESOLVED: That the City Administrator is authorized to execute any amendments or modifications of said contract with the contractors within the limitations of the scope of work, plans, and specifications; and be it

FURTHER RESOLVED: That the contracts shall be reviewed and approved by the City Attorney for form and legality and placed on file in the Office of the City Clerk.

IN AGENCY, OAKLAND, CALIFORNIA, _____, 20_____

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, BRUNNER, CHANG, KERNIGHAN, NADEL, QUAN, REID, and PRESIDENT DE LA FUENTE

NOES -

ABSENT -

ABSTENTION -

ATTEST: _____

LaTonda Simmons
City Clerk and Clerk of the City Council
of the City of Oakland, California