

CITY OF OAKLAND
AGENDA REPORT

2007 MAR 13 9:05

TO: Office of the City Administrator
ATTN: Deborah Edgerly
FROM: Public Works Agency
DATE: March 13, 2007

RE: **Resolution Authorizing The Rejection of Single Bid On The 12th Street Reconstruction Project (C241610), And Formally Re-bid With Return To Council For Award**

SUMMARY

The Council is requested to approve a resolution authorizing the City Administrator to reject the single bid for the 12th Street Reconstruction project (C241610), to allow staff to formally re-bid the project, and to return to Council for award. Funding is available from Measure DD ~ Oakland Trust for Clean Water and Safe Parks Bond, and State Grant funds. The project is located in Council Districts 2 and 3.

Approving the proposed resolution will continue the efforts of the project to meet City Council and Mayor's Goals and Objectives No. 2D – Provide for clean, well-maintained facilities, amenities, parks and recreational facilities.

FISCAL IMPACT

The 12th Street Reconstruction project is identified in the City's Capital Improvement Program (CIP) for 2003-2005.

On November 5, 2002, Oakland voters passed Measure DD (Oakland Trust for Clean Water and Safe Parks), a general obligation bond to fund a variety of parks, clean water protection and youth recreation projects, including the 12th Street Reconstruction project that was funded for \$40,000,000.00. Nine million five hundred thousand dollars were appropriated in Series A with the remaining thirty million five hundred thousand dollars to be appropriated in Series B under Bond Measure DD, *Oakland Trust for Clean Water and Safe Parks, Fund (5320)*, 12th Street Reconstruction project (C241610).

The City also has existing funding of \$2,439,500.00 from the Lake Merritt Path project (C242310) Fund (5320), \$120,000.00 from the Lake Merritt System wide project (C242110) Fund (5320), additional anticipated Grant funding of \$8,000,000.00 from the California Coastal Conservancy, and \$577,900.00 from the Proposition 40-Urban Stormwater Grant. The total funding for the project is \$51,137,400.00.

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The City's construction budget for the project from the various sources of funding is \$40,000,000.00, including contingencies for this contract. Additional grant funding will be requested to cover additional construction escalation costs.

<u>Task</u>	<u>Anticipated Budget</u>
Measure DD Administration	\$2,127,975.00
Public Art	\$638,392.00
Design and Engineering	\$4,700,000.00
Grants & Permit Requirements	\$400,000.00
Project Management & Design Review	\$1,771,033.00
Construction Management	\$1,500,000.00
Construction Contract & Contingencies	<u>\$40,000,000.00</u>
Total Budget	\$51,137,400.00

BACKGROUND

The 12th Street Reconstruction project constitutes one of the largest components of the Measure DD program. There is extensive community support for these projects, as demonstrated by the approval of this Measure by a wide margin.

Over a period of several years, community open houses and stakeholder workshops were conducted as part of a comprehensive planning process to develop a park master plan for the entire Lake Merritt area. The Lake Merritt Master Plan, completed in July 2002, organized many long-term visions for the Lake area into a single, cohesive plan.

A second effort, the Lake Merritt Channel Feasibility Study, prepared for the Port of Oakland in June 2002, included the creation of a computer hydraulic model of the Channel and identified various projects needed to improve water flow, boat navigation, and pedestrian/bike access through the Channel from the Estuary to Lake Merritt.

In November 2002 the voters of Oakland passed Measure DD, the Oakland Trust for Clean Water and Safe Parks. This \$198 million bond measure will fund a variety of projects to improve parks, creeks, and recreation facilities.

Project design on the 12th Street project began in April 2004 and construction documents were completed in late Spring 2006. An extensive outreach effort by PWA and staff from the Contract Compliance Office was undertaken over the summer of 2006 and the bid phase extended to November 20, 2006 to facilitate and enhance the participation of small local contractors.

The mandatory pre-bid meeting was attended by several construction firms with six expressing initial interest in bidding the project as prime contractors. At the end of the bid process, and due in

part to competition from several Caltrans projects and from the Nevada Transportation Department projects, only two prime firms submitted a single bid, as a joint venture.

KEY ISSUES AND IMPACTS

On December 5, 2006, Contract Compliance & Employment Services completed the review of the single bid received for the 12th Street Reconstruction Project (C241610). The prime contractors exceeded the 20% L/SLBE requirement and are in compliance with the Equal Benefit Ordinance (EBO).

<u>Company Name</u>	<u>Engineer's Estimate</u>	<u>Bid Amount</u>	<u>Total L/SLBE</u>	<u>Amount Over Estimate</u>
Gallagher & Burk-R&L Brosamer, Inc.	\$35,999,290.00	\$45,326,041.00	78.26%	\$9,326,751.00

This single bid exceeds the available funds and the Engineer's Estimate. To confirm the legitimacy of the bid, each individual bid item was analyzed and compared to the anticipated market cost, which was prepared by Advanced Resources in Construction Services Ltd., an independent cost estimating firm that considered similar type work. The analysis showed that 90% of the bid items were within or below the anticipated range. The remaining 10%, such as traffic control and excavation related items, exceeded the Engineer's Estimate by a wide margin.

The bid received was significantly over the Engineer's Estimate and over the amount of money available in the project budget. There were no elements of the project that could be reduced or eliminated without significantly decreasing the project benefits.

Staff will evaluate alternatives to decrease the overall costs without modifications to the original scope of the project. In addition, opportunities for additional grant funding to supplement the construction budget will be pursued. One opportunity includes the use of federal funding to replace the grade separation structures under the Highway Bridge Program (HBP) which could provide as much as \$9 million in additional funding. To this end, additional environmental documentation will be prepared to comply with the various NEPA requirements.

PROJECT DESCRIPTION

As described in the Lake Merritt Master Plan, the 12th Street Reconstruction project involves the reconfiguration of the roadways at the south end of Lake Merritt. The existing twelve-lane expressway across the 12th Street dam will be changed into a six-lane tree-lined boulevard with signalized intersections. Adjacent streets, from the intersection of E.18th Street and Lakeshore Avenue around to Oak Street, will be reconfigured. Access to the Kaiser Convention Center and Laney College will be improved. Unsafe and unsightly pedestrian tunnels will be replaced with

at-grade signalized crosswalks. Bicycle lanes will be provided to replace the interim bicycle route implemented during the early phase of this project.

Reducing the width of the roadway will allow for the construction of a large shoreline park with an event plaza, pier, turf areas, bicycle and pedestrian paths, and a public restroom facility. Also, the existing culverts under 12th Street, at the Lake Merritt Channel, will be replaced with attractive clear-spanning pedestrian and vehicular bridges.

In addition to the 12th Street culvert removal, the Lake Merritt Channel Feasibility Study identified other Measure DD funded projects, including the replacement of the 10th Street culverts with a clear-spanning bridge, and enhancement of the bicycle and pedestrian paths and green space along the Channel Park.

SUSTAINABLE OPPORTUNITIES

Economic: The 12th Street Reconstruction project will enhance the physical appearance of the Lake, which will attract more visitors to the neighborhood, providing the potential for further economic development in the area. The project will also provide employment opportunities during construction of the facility. This action will allow Oakland to apply for additional funding to support these benefits.

Environmental: The removal of culverts along the channel will significantly improve the natural tidal circulation into Lake Merritt and enhance water quality, which suffers from low oxygen levels, and wildlife habitat. The proposed design also includes the removal of the existing 12 lanes of paved roadways and concrete walkways to be replaced by a narrow five to six lane tree-lined boulevard designed to create the largest possible open space adjacent to the Lake.

Social Equity: An approximately four-acre shoreline park will be created and will include among the new recreational elements: a plaza, turf areas, multi-use paths, extensive landscaping, bicycle and pedestrian paths, and decorative lighting; in addition, direct pedestrian, bicycle, and boat access from Lake Merritt along the Lake Merritt Channel Park will be included, allowing eventual easy access to the Bay Trail and waterfront and increasing the social connection between these neighborhoods.

DISABILITY AND SENIOR CITIZEN ACCESS

The 12th Street Reconstruction project will include improved access from the Kaiser Convention Center and Laney College to Lake Merritt. Also, the existing pedestrian tunnels will be replaced with at-grade signalized crosswalks. All pathways will be in compliance with the physical access requirements of the Americans with Disabilities Act (ADA), providing equal opportunity and access along Lake Merritt and to the Channel Park.

RECOMMENDATION AND RATIONALE

It is recommended that the City Administrator be authorized to reject the single bid, that staff pursue additional federal funding for applicable portions of the project, that the project be re-advertised and re-bid, and that staff return to the City Council for approval of the award.

ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends that the City Council approve the resolution rejecting the bid and re-bidding the project.

Respectfully submitted,

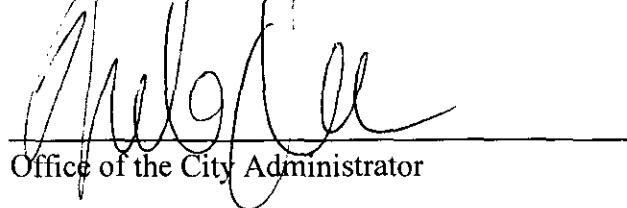


Raul Godinez, II, P.E.
Director, Public Works Agency

Reviewed by:
Michael Neary, P.E.
Assistant Director, Public Works Agency
Design & Construction Services

Prepared by:
Emad Mirsaedi, P.E.
Supervising Civil Engineer
Engineering Design Division

APPROVED AND FORWARDED TO THE
PUBLIC WORKS COMMITTEE:


Office of the City Administrator



Memo

Office of the City Administrator

Contract Compliance & Employment Services Division

To: Gwen McCormick - Contract Administrator Supervisor

From: Dasco Munoz - CC&ES Contract Compliance Officer

Through: Deborah Barnes - CC&ES Manager

CC: Project Manager

Date: December 4, 2006

Re: 12th Street Reconstruction Project

Contract Compliance & Employment Services reviewed one (1) bid received in response to the above referenced project. Below is the outcome of our compliance evaluation for the twenty percent (20%) minimum participation requirement and a preliminary review for compliance with the Equal Benefits Ordinance (EBO).

Company Name	Bid Amount	Proposed Participation							Banked Credits Eligibility	EBO Compliant Y/N
		Total L/SLBE	LBE	SLBE	Trucking	Total Credited	Adjusted Bid Amount	Bid Discounts		
Gallagher & Burk - Brosamer a Joint Venture	\$45,326,041.00	78.26%	67.58%	10.68%	100%	21.36%	\$44,419,520	2%	0%	Y

As noted above, this contractor exceeded the 20% L/SLBE requirement and is in compliance with the Equal Benefit Ordinance (EBO).

Should you have any questions you may contact Dasco Munoz at 238-3970

cc: Contract Compliance File

RECEIVED - 8 11 12 22
 2006 DEC 11 10:11 AM
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Contract Compliance and Employment Services Evaluation Form

Project No.: C241610

Project Name: 12th Street Reconstruction Project

Contractor: Gallagher & Burk

Contractor's Bid Amount: 45,326,041.00

Engineer's Estimate: 35,999,290.00

Over/Under the Engineers Estimate: 9,326,751.00

Bid Discounted Amount: \$2,266,302.05

Discount Points: 5%

Discounted Bid Price: \$43,059,738.95

1. Did the 20% requirements apply? **YES**

2. Did the contractor meet the 20% requirement? **YES**

a) % of LBE **67.58%**

b) % of SLBE **10.68%**

3. Did the contractor meet the Trucking requirement? **YES**

a) % of Local Trucking **100.00%**

4. Did the contractor received bid discount points? **YES**
(If yes, list the points received) **5%**

5. Additional Comments.

This contractor did not list the supply amount for concrete and steel.

6. Date evaluation completed and returned to Contact Admin./Initiating Dept.

12/5/2006

Reviewing Officer:

D. Murphy

Date: 12/5/2006

Approved By:

Deborah Barnes

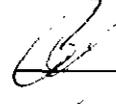
Date: 12/5/06

LBE/SLBE Participation

Bidder 1

Project Name: 12th Street Reconstruction Project

Project No.: C241610		Engineers Est: 35,999,290.00				Under/Over Engineers Estimate: 9,326,751.00				For Tracking Only		
Discipline	Prime & Subs	Location	Cert. Status	LBE	SLBE	Total LBE/SLBE	S/LBE Trucking	Total Trucking	TOTAL Dollars	Ethn.	MBE	WBE
JV PRIME	Gallagher & Burk	Oakland	CB							C		
JV PRIME	R&L Brosamer, Inc.	Oakland	CB	30,633,357.00		30,633,357.00			30,633,357.00	C		
Landscape	RMT Landscape	San Leandro	UB						1,700,000.00	NL		
Striping	Riley Striping	Union City	UB						184,000.00	NL		
Minor Concrete & Minor Structure	MF Maher	Vallejo	UB						2,140,000.00	NL		
Decomposed Granite Paving	RMT Landscape	San Leandro	UB						125,000.00	NL		
Wick Drain	Nifex Corp	Engelwood, Co	UB						120,000.00	NL		
Rubberized Reusrfacing	California Track & Eng.	Fresno	UB						30,000.00	NL		
Construction Area Sign	Schotka Constr.	American Canyon	UB						14,800.00	NL		
Demolition	WC Maloney	Stockton	UB						792,000.00	NL		
Electrical	Ray's Electric	Oakland	CB		3,939,800.00	3,939,800.00			3,939,800.00	C		
Plumbing	Comack Plumbing	Oakland	CB		99,668.00	99,668.00			99,668.00	AA	99,668.00	
Post Tension	AVAR	Campbell	UB						104,400.00	NL		
Rebar	Harris Salinas	Livermore	UB						917,216.00	NL		
Clear & Grub	Heim Bros	Martinez	UB						166,018.00	NL		
Drive Sheet Pile	Blue Iron	West Sacramento	UB						504,000.00	NL		
Driven Pile	Stroer & Graff	Antioch	UB						3,055,782.00	NL		
Trucking	CJC Trucking	Oakland	CB		325,000.00	325,000.00	325,000.00	325,000.00	325,000.00	AA	\$325,000.00	
Trucking	Williams Trucking	Oakland	CB		325,000.00	325,000.00	325,000.00	325,000.00	325,000.00	AA	\$325,000.00	
Irrigation Material (Partial)	Level Construction	Oakland	CB		150,000.00	150,000.00			150,000.00	C		
Project Totals				30,633,357.00	4,839,468.00	35,472,825.00	650,000.00	650,000.00	45,326,041.00		\$749,668.00	
				67.58%	10.68%	78.26%	100%	100%				
Requirements: The 20% requirements is a combination of 10% LBE and 10% SLBE participation. An SLBE firm can be counted 100% towards achieving 20% requirements.				LBE 10%	SLBE 10%	TRUCKING 20%	LBE/SLBE 20%			Ethnicity AA = African American AI = Asian Indian AP = Asian Pacific C = Caucasian H = Hispanic NA = Native American O = Other NL = Not Listed		
Legend LBE = Local Business Enterprise SLBE = Small Local Business Enterprise Total LBE/SLBE = All Certified Local and Small Local Businesses NPLBE = NonProfit Local Business Enterprise NPSLBE = NonProfit Small Local Business Enterprise				UB = Uncertified Business CB = Certified Business MBE = Minority Business Enterprise WBE = Women Business Enterprise								



City Attorney

OFFICE OF THE CITY CLERK

2007 MAR -1 AM 9:06

OAKLAND CITY COUNCIL

RESOLUTION NO. _____ C.M.S.

Introduced by Councilmember _____

RESOLUTION AUTHORIZING THE REJECTION OF SINGLE BID ON THE 12TH STREET RECONSTRUCTION PROJECT (C241610), AND FORMALLY RE-BID WITH RETURN TO COUNCIL FOR AWARD

WHEREAS, on November 20, 2006, one bid was received and opened by the City Clerk for the 12th Street Reconstruction, a Measure DD project; and

WHEREAS, the single bidder, a joint venture of Gallagher & Burke – R&L Brosamer, Inc., and their bid amount of \$45,326,041.00, which exceeds the engineer’s estimate by close to 26%; and

WHEREAS, no other bids were received; and

WHEREAS, the construction budget does not have sufficient funds to cover this bid, and the bid should be rejected and project re-bid; now, therefore be it

RESOLVED: That the City Administrator is authorized to reject the bid; and be it

FURTHER RESOLVED: That the City Administrator is authorized to re-bid the project, and return to Council for award.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 2007

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 Council
of the City of Oakland, California