



# AGENDA REPORT

**TO:** Edward D. Reiskin  
City Administrator

**FROM:** G. Harold Duffey  
Director, Oakland Public  
Works

**SUBJECT:** Citywide Emergency Sanitary Sewer  
Rehabilitation

**DATE:** April 4, 2022

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City Administrator Approval 

Date: Apr 22, 2022

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## RECOMMENDATION

**Staff Recommends That The City Council Adopt The Following Resolutions:**

- 1. Resolution Awarding A Construction Contract To Andes Construction, Inc., The Lowest Responsive And Responsible Bidder, In Accordance With Project Plans And Specifications For Citywide Emergency Sanitary Sewer Rehabilitation (Project No. 1006208) And With Contractor's Bid For An Amount Not To Exceed Five Hundred Twenty-Five Thousand, And Seventeen Dollars (\$525,017.00); And Adopting Appropriate California Environmental Quality Findings.**
- 2. Resolution Awarding A Construction Contract To Andes Construction, Inc., The Lowest Responsive And Responsible Bidder, In Accordance With Project Plans And Specifications For Citywide Emergency Sanitary Sewer Rehabilitation (Project No. 1006209) And With Contractor's Bid For An Amount Not To Exceed Two Million, One Hundred Forty-Seven Thousand, And Eighteen Dollars (\$2,147,018.00); And Adopting Appropriate California Environmental Quality Findings.**

## EXECUTIVE SUMMARY

The Citywide Emergency Sanitary Sewer Rehabilitation Projects are part of the City's ongoing program to reduce stormwater infiltration and inflow into the sanitary sewer system, eliminate sanitary sewer overflows, improve pipe and structure conditions, and increase flow capacity.

Approval of these proposed resolutions will authorize the City Administrator to enter into a construction contract with Andes Construction, Inc. in the amount of \$525,017.00 for the Citywide Emergency Sanitary Sewer Rehabilitation (Project No. 1006208), and to enter into a construction contract with Andes Construction, Inc. in the amount of \$2,147,018.00 for the Citywide Emergency Sanitary Sewer Rehabilitation (Project No. 1006209). Both projects support the sanitary sewer program and the 2014 Sewer Consent Decree.

City Council  
May 3, 2022

## **BACKGROUND / LEGISLATIVE HISTORY**

The Environmental Protection Agency (EPA) mandates the elimination of sanitary sewer overflows during storm events. These Citywide Emergency Sanitary Sewer Rehabilitation projects (Project No. 1006208 and 1006209) are part of the City's annual sanitary sewer rehabilitation program intended to improve the pipe and structure conditions and reduce stormwater infiltration and inflow into the sanitary sewer, which subsequently reduces wet weather peak flows in the sanitary sewer system and eliminates sanitary sewer overflows. These projects contribute to meeting the annual 13-mile sanitary sewer mains rehabilitation under the 2014 Sewer Consent Decree.

1. *Citywide Emergency Sanitary Sewer Rehabilitation (Project No. 1006208)*: The proposed work consists of rehabilitating sanitary sewers and appurtenant structures in the City streets or back yard/side-yard easements. Sanitary sewers rehabilitation work under this contract will be performed on an as-needed basis and as directed by the Engineer through work/task orders. Location will vary city-wide throughout Oakland and will be determined by the Engineer.
2. *Citywide Emergency Sanitary Sewer Rehabilitation (Project No. 1006209)*: The proposed work consists of rehabilitating sanitary sewers and appurtenant structures in the City streets or back yard/side-yard easements. Sanitary sewers rehabilitation work under this contract will be performed on an as-needed basis and as directed by the Engineer through work/task orders. Location will vary city-wide throughout Oakland and will be determined by the Engineer.

## **ANALYSIS AND POLICY ALTERNATIVES**

Adoption of these proposed resolutions will allow the City Administrator or designee to execute two construction contracts with Andes Construction, Inc. for sewer rehabilitation projects as follows:

1. *Citywide Emergency Sanitary Sewer Rehabilitation (Project No. 1006208)*: On January 20, 2022, the City Clerk received two (2) bids for this project in the amount of \$525,017.00 and \$754,825.00 from Andes Construction, Inc. and Pacific Trenchless, Inc., respectively, as shown in **Attachment A1**. Andes Construction, Inc. was deemed the lowest responsive and responsible bidder and is recommended for the award.

Under the proposed contract with Andes Construction, Inc., the Local Business Enterprise/Small Local Business Enterprise (LBE/SLBE) participation will be 99.41 percent, which exceeds the City's 50 percent LBE/SLBE requirement. Trucking participation is 100 percent and exceeds the 50 percent requirement. The contractor is required to have 50 percent of the work hours performed by Oakland residents, and 50 percent of all new hires are to be Oakland residents. The LBE/SLBE information has been verified by the compliance officer of the Department of Workplace and Employment Standards, in **Attachment B1**.

Construction is scheduled to begin in June 2022 and be completed by June 2023. The contract specifies \$500 in liquidated damages per calendar day should the contractor cause the work to be delayed. The project schedule is shown in **Attachment A1**.

The Engineer's estimate for the work is \$495,710.00. The proposed policy action to approve this construction contract supports the sanitary sewer program, maintain compliance with the 2014 Sewer Consent Decree, and supports the City's goals of building a **vibrant and sustainable infrastructure**.

2. *Citywide Emergency Sanitary Sewer Rehabilitation (Project No. 1006209)*: On January 20, 2022, the City Clerk received two (2) bids for this project in the amount of \$2,147,018.00 and \$2,415,700.00 from Andes Construction, Inc. and Pacific Trenchless, Inc., respectively, as shown in **Attachment A2**. Andes Construction, Inc. was deemed the lowest responsive and responsible bidder and is recommended for the award.

Under the proposed contract with Pacific Trenchless, Inc., the Local Business Enterprise/Small Local Business Enterprise (LBE/SLBE) participation will be 91.44 percent, which exceeds the City's 50 percent LBE/SLBE requirement. Trucking participation is 100 percent and exceeds the 50 percent requirement. The contractor is required to have 50 percent of the work hours performed by Oakland residents, and 50 percent of all new hires are to be Oakland residents. The LBE/SLBE information has been verified by the compliance officer of the Department of Workplace and Employment Standards, in **Attachment B2**.

Construction is scheduled to begin in June 2022 and be completed by June 2024. The contract specifies \$500 in liquidated damages per calendar day should the contractor cause the work to be delayed. The project schedule is shown in **Attachment A2**.

The Engineer's estimate for the work is \$1,964,500.00. The proposed policy action to approve this construction contract supports the sanitary sewer program, maintain compliance with the 2014 Sewer Consent Decree, and supports the City's goals of building a **vibrant and sustainable infrastructure**.

The proposed work is of a professional and technical nature and is temporary in nature. The City lacks the equipment and qualified personnel to perform the work, and entering into these contracts will not result in the loss of employment or salary by any person having permanent status in competitive service. The Unions have been informed of these projects, and no comments were received.

## **FISCAL IMPACT**

Approval of Resolution 1 for **Project No. 1006208** authorizes the City Administrator to award a construction contract for an amount not to exceed Five Hundred Twenty-Five Thousand, And Seventeen Dollars (\$525,017.00) for the implementation of the Citywide Emergency Sanitary Sewer Rehabilitation.

Funding for this construction contract is available in Table 1 below.

**Table 1: Resolution 1 Project Funding Sources**

<b>Fund Source</b>	<b>Organization</b>	<b>Project</b>	<b>Amount</b>
<b>3100 – Sewer Service Fund</b>	<b>92244 – Engineer Design: Sanitary Sewer</b>	<b>1006208 – Citywide Emergency Sanitary Sewer Rehabilitation</b>	<b>\$ 525,017.00</b>
<b>Total Funding</b>			<b>\$ 525,017.00</b>

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

Approval of Resolution 2 for Project 1006209 authorizes the City Administrator to award a construction contract for an amount not to exceed Two Million, On Hundred Forty-Seven Thousand, And Eighteen Dollars (\$2,147,018.00) for the implementation of the Citywide Emergency Sanitary Sewer Rehabilitation.

Funding for this construction contract is available in Table 2 below.

**Table 2: Resolution 2 Project Funding Sources**

<b>Fund Source</b>	<b>Organization</b>	<b>Project</b>	<b>Amount</b>
<b>3100 – Sewer Service Fund</b>	<b>92244 – Engineer Design: Sanitary Sewer</b>	<b>1006209 – Citywide Emergency Sanitary Sewer Rehabilitation</b>	<b>\$ 2,147,018.00</b>
<b>Total Funding</b>			<b>\$ 2,147,018.00</b>

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

### **PUBLIC OUTREACH / INTEREST**

Staff provided notice to labor representatives, per the terms and conditions of the current Memorandums of Understanding with Local 21, Service Employee International (SEIU) 1021 and International Brotherhood of Electrical Workers (IBEW).

The legal notices for the solicitation of bids was advertised on December 10, 2021 for Project 1006208 and December 17, 2021 for Project 1006209. The legal notice was advertised in the following news publications with the intent of reaching potential L/SLBE contractors in Black, Indigenous, People of Color (BIPOC) communities and other contractors with applicable experience, license(s) and/or certification(s).

### **News Publications**

- Oakland Tribune/East Bay Times
- Oakland Post
- El Mundo (Spanish Language Publication)
- Korea Times (Korean Language publication)
- World Journal (Chinese Language Publication)
- Daily Pacific Builder (Construction Publication)

Additionally, staff conducted further outreach by sending out notices of the solicitation of bids for Project 1006208 and Project 1006209 through ActiveCampaign.com. ActiveCampaign.com allows for City of Oakland staff to send out notifications through email blasts to numerous interested parties. Organizations receiving solicitation of bids and/or notification through ActiveCampaign.com include, but are not limited to, Oakland African American Chamber of Commerce, National Society of Black Engineers, National Black Contractors Association of California, Bay Area Women's Council, National Association of Black Women in Construction, Inc., Oakland Chinatown Chamber of Commerce, Latino Chamber of Commerce, National Association of Minority Contractors (Northern California Chapter) and Society of Hispanic Professional Engineers. As many as 4,300 organizations received notification for this solicitation of bids from City of Oakland staff.

The solicitation of bids and any addenda for Project 1006208 and Project 1006209 were posted on iSupplier and [www.CIPlist.com](http://www.CIPlist.com). iSupplier is the City of Oakland's approved Procure to Pay online application system. The City of Oakland utilizes this application to source materials such as Request for Proposals (RFP), Request for Qualifications (RFQ), Notice Inviting Bids (NIB), and to collect electronic bids and RFPs online. All registered businesses have full control of their business profile, including staff access and products and services provided. They can apply for Local Business Enterprise certification, view purchase orders and payment status. All registered businesses have immediate access to bids and RFPs electronically at their convenience. iSupplier is administered by City of Oakland's Department Workplace and Employment Standards (DWES). Additionally, City of Oakland staff also posted this solicitation of bids on [www.CIPlist.com](http://www.CIPlist.com), which is a website that is used for posting public sector contracting opportunities. The [www.CIPlist.com](http://www.CIPlist.com) website is free for the public to use and access, and it allows the public to download solicitation of bids and procurement of services documents for free.

Additionally, a pre-bid meeting was publicly conducted on January 14, 2022. At the pre-bid meeting for these projects, Capital Contracts staff provided a brief background regarding the procurement, a representative from Department of Workplace and Employment Standards (DWES) presented their equity program requirements and the project manager discussed the scope of project. The time, date and access information for the meeting was provided in the advertisements, ActiveCampaign.com notice and in the solicitation documents which were posted in iSupplier and [www.CIPlist.com](http://www.CIPlist.com). All of the information provided at the meeting was also provided in the solicitation of bids documents that were publicly posted.

General notices have been sent out to the community about this project. Prior to starting work, individual residents who are affected will be notified of the work schedule, planned activities, and contact information of the Contractor and Resident Engineer/Inspector in charge.

## **COORDINATION**

The work to be done under the contract was coordinated with the OPW Bureau of Maintenance and Internal Service. This report and resolution have been reviewed by the Office of the City Attorney and the Budget Bureau. In addition, DWES provided the compliance analyses of submitted firms.

## **PAST PERFORMANCE, EVALUATION AND FOLLOW-UP**

The Contractor Performance Evaluation for Andes and Pacific Trenchless, Inc. from a previously completed project is satisfactory and is included in **Attachment C**.

## **SUSTAINABLE OPPORTUNITIES**

**Economic:** A functioning sanitary sewer system improves the community and makes Oakland more attractive for residents and businesses. Sewer overflows cause economic hardships and result in stipulated penalties by the EPA between \$100 and \$25,000 per event.

**Environmental:** The improvements to the sanitary sewer system will reduce the possibility of overflows, thereby benefiting the environment.

**Race & Equity:** Implementation of the project will help eliminate sanitary sewer overflows, thereby benefiting all Oakland residents with improved infrastructure, particularly in underserved areas.

## **CALIFORNIA ENVIRONMENTAL QUALITY ACT FINDINGS**

The project and the action being undertaken to implement it are exempt from the California Environmental Quality Act (CEQA) pursuant to the following CEQA Guidelines Sections: Section 15162 and 15163 (no further environmental review required); Section 15060(c)(2) (no direct or reasonably foreseeable indirect physical change in the environment); Section 15061(b)(3) (no significant effect on the environment); Section 15183 (projects consistent with a community plan, general plan, or zoning), Section 15301 (existing facilities), Section 15302 (replacement or reconstruction), and Section 15309 (inspections), each of which provides a separate and independent basis for CEQA clearance and when viewed collectively provide an overall basis for CEQA clearance.

**ACTION REQUESTED OF THE CITY COUNCIL**

Staff Recommends That The City Council Adopt The Following Resolutions:

1. Resolution Awarding A Construction Contract To Andes Construction, Inc., The Lowest Responsive And Responsible Bidder, In Accordance With Project Plans And Specifications For Citywide Emergency Sanitary Sewer Rehabilitation (Project No. 1006208) And With Contractor's Bid For An Amount Not To Exceed Five Hundred Twenty-Five Thousand, And Seventeen Dollars (\$525,017.00); And Adopting Appropriate California Environmental Quality Findings.
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For questions regarding this report, please contact Wen Chen, Acting Wastewater Engineering Management Division Manager, at 510-238-6697.

Respectfully submitted,



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G. HAROLD DUFFEY  
Director, Oakland Public Works

Reviewed by:  
Jimmy Mach, Acting Assistant Director  
Bureau of Design & Construction

Reviewed by:  
Wen Chen, P.E., Acting Division Manager  
Wastewater Engineering Management Division

Attachments (5):

- A1 & A2: List of Bidders and Project Construction Schedule
- B1 & B2: Contracts & Compliance Unit Compliance Evaluation
- C: Contractor Performance Evaluation