



# AGENDA REPORT

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

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

**SUBJECT:** Construction Award for Holly Mini  
Park Renovation

**DATE:** August 29, 2022

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City Administrator Approval 

Date: Sep 7, 2022

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## **RECOMMENDATION**

**Staff Recommends That City Council Adopt A Resolution: (1) Waiving Further Advertising and Bidding; (2) Authorizing The City Administrator To Award A Construction Contract In An Amount Not To Exceed Eight Hundred Fifty Thousand Dollars (\$850,000.00) For The Holly Mini Park Renovation Project (Number 1004866); And (3) Adopting Appropriate California Environmental Quality Act (CEQA) Findings.**

## **EXECUTIVE SUMMARY**

The City issued a Notice of Inviting Bids for Holly Mini Park Renovation, Project Number 1004866 (Project) on January 4, 2022, with four bids received on April 7, 2022. However, all four bidders were deemed non-responsive due to failing to meet the minimum 50% Local and Small Local Business Enterprise (L/SLBE) trucking participation requirement and significantly exceeding the Engineer's Estimate of \$608,140.00. Approval of this resolution will reject all bids, waive further advertising and competitive bidding per the Oakland Municipal Code (OMC) Section 2.04.050.I.5, and authorize the City Administrator or designee to negotiate, award, and execute a construction contract on the open market in an amount not to exceed \$850,000.00. The contractor will be required to comply with all City programs such as L/SLBE requirements, as reviewed by the Department of Workforce and Employment Standards.

## **BACKGROUND / LEGISLATIVE HISTORY**

Holly Mini Park, located at 9830 Holly Street in Council District 7 as shown in **Attachment A: Project Location Map**, was constructed nearly 60 years ago and over time, has fallen into a state of disrepair and does not meet current safety standards. The Project will improve The scope includes, but is not limited to renovating and replacing outdated, broken play equipment, picnic tables and benches; replacing the tot lot with new safety surfacing and ensuring Americans with Disability Act (ADA) requirements for the park are met; and to install new landscaping and lighting.

In November 2016, the Measure KK General Obligation Bond was approved by the voters of Oakland to fund \$600 million of vital infrastructure improvements. The Holly Mini Park Renovation Project was one of the projects approved by the City Council for bond funding with Resolutions No. 87981 C.M.S., 89020 C.M.S., on December 1, 2019, and February 1, 2022, respectively. In addition to Measure KK funds, staff received authorization to use Proposition 68

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grant funds per Resolution No. 88927 C.M.S dated December 7, 2022, Measure HH funds per Resolution No. 87759 C.M.S dated June 24, 2019, and gift of funds per Resolution No. 87573 C.M.S. dated March 21, 2019 to close additional funding gaps for this Project. On July 12, 2022, the City Council approved the Fiscal Year 22-23 Midcycle Budget authorizing additional funding and allocating a total of Eight Hundred Sixty-Nine Thousand Seven Hundred One Dollars and Sixty-Nine Cents. (\$869,701.69).

Parks and Recreation Advisory Commission (PRAC) endorsed the Project on January 31, 2019.

### **ANALYSIS AND POLICY ALTERNATIVES**

The Holly Mini Park Renovation Project was advertised for bid on January 4, 2022, and on April 7, 2022, the City Clerk received four bids. The bid summary is shown as follows:

Company	Base Bid	Bid Alternate No. 1	Bid Alternate No. 2	Bid Alternate No. 3	Bid Alternate No. 4	Bid Total
<b>Engineer's Estimate</b>	<b>\$608,140.00</b>	<b>(\$5,750.00)</b>	<b>\$12,000.00</b>	<b>\$10,000.00</b>	<b>\$10,000.00</b>	<b>\$634,390.00</b>
Beliveau Engineering Contractors, Inc.	\$750,000.00	\$7,000.00	\$5,000.00	\$7,000.00	\$15,000.00	\$784,000.00
Bay Construction	\$840,000.00	\$35,000.00	\$17,000.00	\$12,000.00	\$35,000.00	\$939,000.00
Stockbridge General Contracting, Inc.	\$861,890.00	<b>(\$2,860.00)</b>	\$8,500.00	<b>(\$3,095.00)</b>	9,300.00	\$873,735.00
Wickman Development & Construction	\$1,193,000.00	\$15,000.00	\$12,000.00	\$8,000.00	\$25,000.00	\$1,253,000.00

The City's Department of Workplace and Employment Standards, Contracts and Compliance Unit established that all four bidders are non-responsive as shown on **Attachment B: Compliance Analysis**, dated May 24, 2022. All bids failed to meet the minimum 50% L/SLBE trucking participation requirement and are also significantly over the construction budget for this project.

OMC Section 2.04.050.I.5 provides an exception to the advertising and competitive bidding requirements upon a finding and determination by the City Council that it is in the best interests of the City to do so. Staff recommends rejecting all bids and waiving further advertising and competitive bidding and authorizing the City Administrator to negotiate and execute a construction contract for the project up to an amount of \$850,000.00 in the open market, and to negotiate and authorize changes to scope of the project. Construction must be completed by

June 30, 2024 to meet Prop 68 grant expenditure and expiration deadlines. The current construction environment also reflects higher than usual escalation for general construction. A rebid of this Project would not guarantee lower pricing or generate more interest in the Project; therefore, it is in the City's best interest to start negotiations with the apparent lowest contractor to execute a contract as soon as possible that meets the City's available project funding, fulfill Prop 68 grant expenditure requirements and meets the City's L/SLBE contract compliance program requirements.

Staff will begin negotiations with the apparent lowest bidder. If funding constraints arise, staff will begin discussions to understand the contractor's costs and where the differences lay in scope line items to determine if there are any cost items to be reduced through better understanding of the scope or the cost margin. The next step will be to consider potential scope modifications in collaboration with the client department, the Oakland Parks, Recreation and Youth Development Department, but maintain as much of the Project scope as possible without affecting operational use and develop a priority list of alternates that can be modified or reduced. If a price cannot be reached with contractors that attended the pre-bid meeting, staff will engage in discussions with other local willing and qualified contractors to gauge interest in the project.

Approval of the proposed resolution would advance City Council's priority policies for vibrant, sustainable infrastructure and holistic community safety by updating outdated unsafe play structures, improve path of travel that conforms to ADA requirements and improves safety with new park lighting.

### **FISCAL IMPACT**

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

<b>FUND SOURCE</b>	<b>AMOUNT</b>
Measure HH: Sugar-Sweetened Beverage Distribution Tax Fund (1030); Holly Street Mini Park Project (1004866); Project Management Organization (92270); Landscaping Improvements Account (57112); and Project Delivery Program (IN06).	\$160,749.69
Measure KK: Infrastructure and Affordable Housing Fund (5332); Holly Street Mini Park Project (1004866); Project Management Organization (92270); Landscaping Improvements Account (57112); and Project Delivery Program (IN06).	\$350,000.00
Proposition 68 – Per Capita Program Grant Fund (2134); Holly Street Mini Park Project (1004866); Project Management Organization (92270); Landscaping Improvements Account (57112); and Project Delivery Program (IN06).	\$100,952.00
City Midcycle Fund (5510) Holly Street Mini Park Project (1004866); Project Management Organization (92270); Landscaping Improvements Account (57112); and Project Delivery Program (IN06).	\$258,000.00

No additional funding is requested.

### **PUBLIC OUTREACH / INTEREST**

The Holly Mini Park Renovation Project was widely advertised. Oakland Public Works-Project & Grants Management Division (OPW-PGM) worked with Oakland Public Works-Capital Contracts Division (OPW-CCD) and Department of Workplace and Employment Standards to conduct public outreach for the Notice Inviting Bids solicitation through the legal ads, enhanced notifications, and a pre-proposal meeting.

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 Bid board. Companies that register in iSupplier wait a few days before receiving access to review proposal requests in this system. If a company enters a North American Industry Classification System (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 January 4, 2022. Legal notices were printed in the *EastBay Times* and *Oakland Post*. In addition, information about the project was published in *El Mundo*, *Daily Pacific Builder*, *World Journal*, and the *Korea Times* publications to supplement and ensure the information reaches L/SLBE contractors.

OPW-CCD held an outreach/networking/pre-proposal meeting in partnership with the Workplace & Employment Standards Department and the Project Manager on January 11, 2022 with a total of 8 people and four firms in attendance virtually. The meeting served a few purposes: to discuss with potential contractors 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 solicitation specifically.

### **COORDINATION**

The work to be contracted has been coordinated with the Oakland Parks, Recreation and Youth Development Department, Department of Transportation ADA Program, along with the

Department of Workplace & Employee Standards' Contract and Compliance Division, and appropriate divisions within Oakland Public Works.

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 outdated and unsafe infrastructure to prevent future safety related litigation against the City. Upon completion of the Project, the mini park will be a value-added asset to the City that could generate additional revenue for the City and local businesses.

***Environmental:*** The renovation of Holly Mini Park will improve the aesthetic and physical condition of the existing park and provide continued opportunity for healthy play activity for the community. The contractor is required to comply with the City's Waste Recycling and Re-use Plan (WRRP).

***Race & Equity:*** Holly Mini Park provides a safe outdoor space for nearly 12,000 people living within a 0.5-mile radius of the site, which is a population that is primarily Latino (58%) and African American (28%), earning less than \$50,000.00 annually. The proposed park improvement project is part of the continued capital program efforts to update aging infrastructure and improve City assets to provide equitable access for all community members.

### **CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)**

The project is exempt from CEQA pursuant to CEQA Guidelines Sections 15268 (Ministerial Projects), 15183 (Projects Consistent with a Community Plan, General Plan or Zoning), 15302 (Replacement or Reconstruction), 15303 (Small Structures), 15304(h) (Minor Alterations to Land), and/or 15061(b)(3) (No Significant Effect on the Environment). Each of the above exemptions provides a separate and independent basis for CEQA compliance.

**ACTION REQUESTED OF THE CITY COUNCIL**

Staff recommends that City Council adopt a Resolution: 1) Waiving Further Advertising and Bidding ; (2) Authorizing the City Administrator to award a construction contract in an amount not to exceed Eight Hundred Fifty Thousand Dollars (\$850,000.00) for the Holly Mini Park Renovation Project (Number 1004866); And (3) Adopting appropriate California Environmental Quality Act (CEQA) Findings.

For questions regarding this report, please contact Alan Chan, CIP Coordinator, at 510-238-6604 or [achan@oaklandca.gov](mailto:achan@oaklandca.gov) .

Respectfully submitted,



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Attachments (2):

*A: Project Location Map*  
*B: Compliance Analysis*