



AGENDA REPORT

TO: Steven Falk
Interim City Administrator

FROM: G. Harold Duffey
Director, Oakland Public
Works

SUBJECT: Sanitary Sewer Sub-Basin 83-503
Rehabilitation (Project No. 1000920)

DATE: May 22, 2023

City Administrator Approval

Date: May 31, 2023

RECOMMENDATION

Staff Recommends That The City Council Adopt A Resolution Awarding A Construction Contract To Pacific Trenchless, Inc., The Lowest Responsive And Responsible Bidder, In Accordance With Project Plans And Specifications For Sanitary Sewer Sub-Basin 83-503 Rehabilitation (Project No. 1000920) And With Contractor's Bid For An Amount Not To Exceed Five Million, Two Hundred Fifty-Four Thousand, Four Hundred Twenty-Five Dollars (\$5,254,425.00); And Adopting Appropriate California Environmental Quality Act (CEQA) Findings.

EXECUTIVE SUMMARY

The Sanitary Sewer Sub-Basin Rehabilitation Project is part of the City of Oakland's (City) ongoing program to reduce stormwater infiltration and inflow into the sanitary sewer system, eliminate sanitary sewer overflows, improve pipe and structure conditions, and increase system capacity.

On February 24, 2023, Oakland Public Works (OPW) issued a Notice of Inviting Bids for the Sanitary Sewer Sub-Basin 83-503 Rehabilitation (Project No. 1000920) and received two (2) bids on April 6, 2023. Pacific Trenchless, Inc. was deemed the lowest responsive and responsible bidder, with a bid of \$5,254,425.

Approval of the proposed resolution will authorize the City Administrator to enter into a construction contract with Pacific Trenchless, Inc. in the amount of \$5,254,425 for the Sanitary Sewer Sub-Basin 83-503 Rehabilitation (Project No. 1000920). This Project supports the sanitary sewer program and the 2014 Consent Decree.

BACKGROUND / LEGISLATIVE HISTORY

In June 2014, the cities of Alameda, Albany, Berkeley, Emeryville, Oakland, Piedmont, the Stege Sanitary District, the state, and federal regulators with the United States Environmental Protection Agency (EPA) entered into a Consent Decree (2014 Consent Decree). This

settlement, which took effect on September 22, 2014, gives the cities and district until 2036 to repair and replace sewer lines, reduce the amount of inflow and infiltration (I&I) and reduce the frequency of sanitary sewer overflows (SSOs) discharges into San Francisco Bay during heavy storms. Under the 2014 Consent Decree, the City is required to replace an average annual rate of thirteen (13) miles of sanitary sewer mains and rehabilitate associated maintenance holes and lower laterals. In addition, the City is required to upgrade sewer capacities where needed, evaluate the system's condition on a 10-year cycle, conduct cleaning on a 5-year cycle, and perform point repairs on an as-needed basis.

To comply with the 2014 Consent Decree, the City implemented a long-term mandated sanitary sewer capital improvement program (CIP) to reduce stormwater I&I in the sanitary sewer system, mitigate wet weather peak flows, and reduce SSOs. The Sanitary Sewer Sub-Basin 83-503 Rehabilitation (Project No. 1000920) is part of the City's annual CIP and contributes to meeting the annual 13-mile sanitary sewer main rehabilitation requirements stipulated by the 2014 Consent Decree.

The proposed work in Sub-Basin 83-503 consists of rehabilitating approximately 22,020 linear feet of existing sanitary sewer mains, ranging from 8-inch to 10-inch pipe diameter, by pipe-expanding, open trench, and/or cured-in-place pipe (CIPP) construction methods, rehabilitating associated sewer structures and lower laterals, and other related work as indicated on the project plans and specifications. The work location for this project is shown in **Attachment A**.

ANALYSIS AND POLICY ALTERNATIVES

On February 24, 2023, the City issued a Notice of Inviting Bids for the Sanitary Sewer Sub-Basin 83-503 Rehabilitation (Project No. 1000920). On April 6, 2023, the City Clerk received two (2) bids for this project in the amount of \$5,254,425 and \$7,743,379 from Pacific Trenchless, Inc. and Marinship Development Interest LLC, respectively, as shown in **Attachment B**. Pacific Trenchless, Inc. was deemed the lowest responsive and responsible bidder and is recommended for contract award.

Under the proposed contract with Pacific Trenchless, Inc., the City Local Business Enterprise/Small Local Business Enterprise (LBE/SLBE) program participation will be 88.79 percent, which exceeds the City's 50 percent LBE/SLBE requirement. In addition, trucking participation is 100 percent. 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 in the Department of Workplace and Employment Standards as shown in **Attachment C**.

Construction is scheduled to begin in August 2023 and completed by January 2024. The contract specifies \$1,500 in liquidated damages per calendar day should the contractor cause the work to be delayed. The project schedule is shown in **Attachment B**.

The Engineer's estimate for the work is \$6,424,000. Staff has reviewed the submitted bids for the work and determined that the bid is responsive and reasonable for the current construction market condition.

The proposed policy action to approve this construction contract supports the sanitary sewer program, maintains compliance with the 2014 Consent Decree, and supports the City’s goals of building **vibrant and sustainable infrastructure**.

The proposed work requires specialized professional and technical services and is temporary in nature. The City lacks the equipment and qualified personnel to perform the work, and entering into this contract will not result in the loss of employment or salary by any person having permanent status in the competitive service. As noted below, the labor unions have been informed of the project, and no comments were received.

Adoption of the proposed resolution will allow the City Administrator or designee to execute a construction contract with Pacific Trenchless, Inc. and proceed with the Sanitary Sewer Sub-Basin Rehabilitation Project. Alternatively, if the proposed resolution is not adopted, the project as well as compliance with the 2014 Consent Decree, will be delayed.

FISCAL IMPACT

Approval of this resolution authorizes the City Administrator or designee to award a construction contract upon adoption of the Fiscal Year 2023-2025 Proposed Biennial Budget for an amount not to exceed five million, two hundred fifty-four thousand, four hundred twenty-five dollars (\$5,254,425.00) for the implementation of the Sanitary Sewer Sub-Basin 83-503 Rehabilitation (Project No.1000920).

Partial funding for this construction contract is available in the current Fiscal Year 2023 Budget. Additional funding is requested in the Fiscal Year 2023-2025 Proposed Biennial Budget in the amount of six-million, five-hundred thousand dollars (\$6,500,000.00) in the Sewer Service Fund (3100) Administrative Project (1000023) and allocating one-million,two-hundred thousand, one hundred five dollars and one cent (\$1,200,105.01) to the Sanitary Sewer Rehabilitation Sub-Basin 85-503 (Project No. 1000920) pending City Council adoption of the Fiscal Year 2023-2025 Biennial Budget as shown in **Table 1** below.

Table 1: Sanitary Sewer Rehabilitation Sub-Basin 85-503 Funding Sources

Fund Source	Organization	Project	Fiscal Year	Amount
3100 – Sewer Service Fund	92244 – Engineer Design: Sanitary Sewer	1000920 – Sanitary Sewer Rehabilitation Sub-Basin 83-503	2023	\$4,054,319.99
3100 – Sewer Service Fund	92270 – Engineer Design: Sanitary Sewer	1000023 – Administrative Project	2024	\$1,200,105.01
Total Funding				\$5,254,425.00

The project and proposed construction contract will not impact the General Purpose Fund.

PUBLIC OUTREACH / INTEREST

Staff provided notice to labor representatives per the terms and conditions of the current Memorandums of Understanding with the International Federation of Professional and Technical Engineers (IFPTE) Local 21, Service Employees International Union (SEIU) Local 1021, and International Brotherhood of Electrical Workers (IBEW).

As part of OPW's Capital Contract Equity Initiative, OPW-Capital Contracts Division (OPW-CCD) established a disparity outreach list of local women-owned and African American-owned businesses, 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 Bid (RFB) to their membership. OPW plans to review and update this list every 12 months to ensure the most current information is available. For this construction RFB solicitation, OPW Wastewater Engineering Management Division (OPW-WEMD) worked with OPW-CCD and the Department of Workplace and Employment Standards (DWES) to perform public outreach through legal ads, enhanced notifications, and a pre-bid meeting.

Notifications of solicitations were distributed by several means. The City's iSupplier system 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. Within a few days of registering in iSupplier, companies can access and review proposal requests in iSupplier, including by searching for specific projects based on North American Industry Classification System (NAICS) code.

In addition to iSupplier and the established disparity outreach list, OPW-CCD also utilizes the free website CIPList.com to announce and distribute solicitations 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, 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's solicitations without restrictions.

The legal notice for the RFB was advertised on February 24, 2023. 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 Black, Indigenous, people of color (BIPOC)-owned firms that are LBE/SLBE-qualified.

OPW-CCD held a virtual pre-bid meeting with the DWES and the Project Manager on March 14 to discuss the Sanitary Sewer Sub-Basin Rehabilitation Project, the City's bidding and contracting processes, as well as to share information about possible future contract opportunities and allow contractors to network and partner on upcoming work.

In addition, staff presented this project at an in-person contractor community event at City Hall on March 23, 2023. OPW, DWES, and the Oakland Department of Transportation (OakDOT) participated in the event, entitled "Doing Business with Oakland Public Works (OPW) and the Oakland Department of Transportation (OakDOT)". Approximately eighty (80) people attended, about one-third (1/3) of whom were prime contractors, one-third (1/3) specialty contractors, and

one-third (1/3) professional firms. OPW staff presented the RFB advertised for the Sanitary Sewer Sub-Basin 83-503 Rehabilitation (Project No. 1000920) along with other upcoming construction bidding opportunities in the next three months. The presentation also included OPW's objectives to increase the number of contractors that bid on construction contracts and the number of contracting and bid opportunities available to LBE/SLBE contractors. Poster boards describing the upcoming bidding opportunities were displayed, and project managers were available to answer questions about the projects. Project flyers were also distributed.

The March 23rd "Doing Business with Oakland" event also included a presentation by the City's business development contractor, Merriwether and Williams, of its services for small contractors, which range from one-on-one support with back office administrative management, construction contract-focused loans, and training for small minority construction contractors. The event successfully provided information about the City's LBE/SLBE Program and technical assistance resources to support capacity building. Following the presentations, there was an opportunity for the attendees to network and speak with City staff.

Current and upcoming projects accepting submissions are on the webpage at <https://ciplist.com/plan/?Oakland>. Another objective of OPW's Capital Contract Equity Initiative is for OPW-CCD to partner with the Business Assistance Center and identify grant funding to establish a Contract Assistance Center designed to support vendors through the City's contracting process.

General notices about this project were issued to the community, and, prior to the start of construction the immediate neighboring residents and establishments affected by the work will be notified of the construction activities and receive project contact information. Temporary construction fencing, protective mitigation measures, and compliance with the Americans with Disabilities Act (ADA) shall be implemented to minimize disruptions to the public.

COORDINATION

The work to be done under the contract was coordinated with the OPW Bureau of Maintenance and Internal Services. 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 Pacific Trenchless, Inc. from a recent project completed in 2022 is satisfactory and is included in ***Attachment D***.

SUSTAINABLE OPPORTUNITIES

Economic: A functioning sanitary sewer system improves the community and makes Oakland more attractive for residents and businesses. Sanitary sewer overflows cause financial 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 benefit the environment by reducing the possibility of overflows and discharges into San Francisco Bay.

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) under 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 A Resolution Awarding A Construction Contract To Pacific Trenchless, Inc., The Lowest Responsive And Responsible Bidder, In Accordance With Project Plans And Specifications For The Sanitary Sewer Sub-Basin 83-503 Rehabilitation (Project No. 1000920) And With Contractor's Bid For An Amount Not To Exceed Five Million, Two Hundred Fifty-Four Thousand, Four Hundred Twenty-Five Dollars (\$5,254,425.00); And Adopting Appropriate California Environmental Quality Act (CEQA) Findings.

For questions regarding this report, please contact Jimmy Mach, Wastewater Engineering Management Division Manager, at 510-238-3303.

Respectfully submitted,



G. HAROLD DUFFEY
Director, Oakland Public Works

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Attachments (4):

- A: Project Location Map
- B: List of Bidders and Project Construction Schedule
- C: Contracts & Compliance Unit Compliance Evaluation
- D: Contractor Performance Evaluation