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OFFICE OF THE CITY CLERK
OAKLAND

2015 MAR 31 PM 12:50

AGENDA REPORT

TO: JOHN A. FLORES
INTERIM CITY ADMINISTRATOR

FROM: Brooke A. Levin

SUBJECT: Contract Authorization:
Sewer Operations Equipment and Supplies

DATE: March 17, 2015

City Administrator

Approval 

Date

3/30/15

COUNCIL DISTRICT: Citywide

RECOMMENDATION

Staff recommends that the City Council approve a resolution authorizing the City Administrator, or his designee, to execute a one-year contract with one or more vendors, to be selected through a competitive bidding process, for the period of May 1, 2015 through April 30, 2016, in an amount not to exceed four hundred thousand dollars (\$400,000.00) for the purchase of iron and steel castings for manhole frames, covers, drainage grates, and other related capital improvement supplies and equipment, on behalf of Oakland Public Works; with two, one-year options to extend these contracts in an amount not to exceed four hundred thousand dollars (\$400,000.00) per year, for a grand total contract amount of one million two hundred thousand dollars (\$1,200,000.00), without return to Council, provided that the City's contracting requirements are followed with respect to these purchases.

OUTCOME

Adoption of the proposed legislation will afford Oakland Public Works' Bureau of Infrastructure and Operations with the ability to purchase capital supplies and equipment to further optimize sewer operations and maintenance costs as they pertain to satisfactory oversight of the City's wastewater collection systems.

BACKGROUND/LEGISLATIVE HISTORY

In April of 1996, the City of Oakland issued a Request for Proposals/Qualifications (RFP/Q) for iron and steel castings, with D & L Supply Company serving as the sole respondent. In 2001 a market survey was performed, which concluded that aside from D & L Supply Company, no acceptable vendors could be readily identified with the capabilities of providing the needed materials for these city-wide projects. As a result of this finding, the City Council adopted Resolution No. 76675 C.M.S., dated September 18, 2001, which authorized a continued contract for service with D & L Supply Company.

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Authorizing Resolution No. 76675 C.M.S. references no specific end-date relative to staff's ability to establish and maintain an annual contract with D & L Supply Company; with the sole caveat being that annual expenditures are capped at an amount not to exceed one hundred seventy thousand three hundred and eighty-one dollars (\$170,381.00). Within recent months, however, costs for iron and steel castings and other related equipment and supplies have increased significantly. As such, Oakland Public Works has determined that the expense threshold for the purchase of these materials must be increased.

In order to ensure ongoing adherence to the City's standardized purchasing and contracting requirements, OPW staff, in collaboration with the City's Purchasing Division and the Office of Contracts and Compliance, is currently in the process of re-bidding the needed supplies/equipment on the open market. Staff is simultaneously seeking authorization from City Council to increase the annual financial threshold associated with purchase of the aforementioned materials, as well as authorization to enter into a contract for service with the qualified vendor(s) readily identified through the RFP/Q process.

ANALYSIS

Historically, the annual financial set-aside for the subject supplies/equipment has been for an amount not to exceed one hundred seventy thousand three hundred and eighty-one dollars (\$170,381.00). However, since 2001, costs for iron and steel castings and other related equipment and supplies have increased significantly. By increasing the annual contractual threshold to an amount not to exceed \$400,000.00, staff will have the ability to fully address increased costs for iron and steel castings, and other related materials associated with the City's wastewater collection system, and the City's compliance with the stipulated wastewater collection system provisions of the City of Oakland's recently adopted Consent Decree with the U.S. Environmental Protection Agency.

PUBLIC OUTREACH/INTERSET

This item does not require any further public outreach other than the required posting on the City's website.

COORDINATION

Information contained within this report was developed on a collaborative basis between Oakland Public Works' Bureau of Infrastructure & Operations (BIO), the Bureau of Engineering and Construction (BEC), the Division of Contracts and Compliance, the City's Controller's Bureau, and the Office of the City Attorney.

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COST SUMMARY/IMPLICATIONS

Proposed Contracts for Service

Project Year	Contract Amount
2014	\$400,000.00
2015	\$400,000.00
2016	\$400,000.00
Cumulative Contractual Amount:	\$1,200,000.00

Source of Project Funding

All proposed contract expenditure allocations shall be expensed to the Oakland Public Works Sewer Service Division Fund (3100).

SUSTAINABLE OPPORTUNITIES

Economic: Implementation of the proposed contract(s) for service will ensure continuous upkeep and enhancement to the City's wastewater collection systems and minimize future maintenance costs.

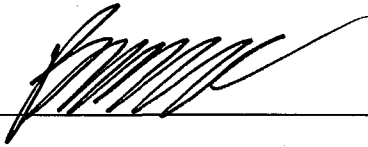
Environmental: There are no environmental benefits or impacts associated with this report.

Social Equity: The purchase of iron and steel castings for manhole frames, covers, drainage grates and other related capital improvement supplies and equipment will enhance pedestrian and vehicular safety throughout Oakland.

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For questions regarding this report, please contact Lorenzo Smith, Operations Manager, Oakland Public Works, at (510) 615-5431.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Brooke A. Levin', is written over a horizontal line.

Brooke A. Levin
Director, Oakland Public Works

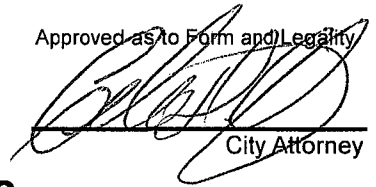
Reviewed By:
Jason Mitchell
Assistant Director
Bureau of Infrastructure & Operations
Oakland Public Works

Prepared By:
Lorenzo Smith
Operations Manager
Bureau of Infrastructure & Operations
Oakland Public Works

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OAKLAND

OAKLAND CITY COUNCIL


City Attorney

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RESOLUTION No. _____ C.M.S.

RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR, OR HIS DESIGNEE, TO EXECUTE A ONE-YEAR CONTRACT WITH ONE OR MORE VENDORS, TO BE SELECTED THROUGH A COMPETITIVE BIDDING PROCESS, FOR THE PERIOD OF MAY 1, 2015 THROUGH APRIL 30, 2016, IN AN AMOUNT NOT TO EXCEED FOUR HUNDRED THOUSAND DOLLARS (\$400,000.00) FOR THE PURCHASE OF IRON AND STEEL CASTINGS FOR MANHOLE FRAMES, COVERS, DRAINAGE GRATES AND OTHER RELATED CAPITAL IMPROVEMENT SUPPLIES AND EQUIPMENT ON BEHALF OF OAKLAND PUBLIC WORKS, WITH TWO, ONE-YEAR OPTIONS TO EXTEND THESE CONTRACTS IN AN AMOUNT NOT TO EXCEED FOUR HUNDRED THOUSAND DOLLARS (\$400,000.00) PER YEAR, FOR A GRAND TOTAL CONTRACT AMOUNT OF ONE MILLION TWO HUNDRED THOUSAND DOLLARS (\$1,200,000.00), WITHOUT RETURN TO COUNCIL, PROVIDED THAT THE CITY'S CONTRACTING REQUIREMENTS ARE FOLLOWED WITH RESPECT TO THESE PURCHASES

WHEREAS, Oakland Public Works (OPW) requests authorization to enter into a one-year contract for service in an amount not to exceed four hundred thousand dollars (\$400,000.00) for the period of May 1, 2015 through April 30, 2016, with one or more vendors, to be selected through a competitive bidding process, for the purchase of iron and steel castings for manhole frames, covers, drainage grates and other related capital improvement supplies and equipment; with two one-year options to extend these contracts, in an amount not to exceed four hundred thousand dollars (\$400,000.00) per year, for a grand total contract amount of one million two hundred thousand dollars (\$1,200,000.00), all without return to Council; and

WHEREAS, the City Council previously authorized acceptance of similar contractual provisions within the context of Authorizing Resolution No. 76675 C.M.S., dated September 18, 2001; and

WHEREAS, Oakland Municipal Code (OMC) Title 2, Chapter 2, Article I, Section 2.04.050 requires the City to conduct formal advertising and competitive bidding when it purchases services, supplies or a combination thereof that exceeds \$50,000.00; and

WHEREAS, staff seek authorization to enter into the aforementioned contracts to purchase the stated supplies and equipment without return to Council, provided that the City's contracting requirements are followed with respect to these purchases; and

WHEREAS, the proposed contractual arrangements will assist both OPW and the City of Oakland in terms of achieving and maintaining wastewater collection system compliance standards with the City of Oakland's recently adopted Consent Decree with the U.S. Environmental Protection Agency; now, therefore be it

RESOLVED: That the City Council hereby authorizes the City Administrator, or his designee, to enter into a one-year contract with one or more vendors, to be selected through a competitive selection process, in an amount not to exceed \$400,000.00 for the purchase of iron and steel castings and other related capital improvement supplies and equipment, with two, additional one-year options to extend these contracts, in an amount not to exceed \$400,000.00 per year, for a grand total contract amount of \$1,200,000.00, without return to Council; and be it

FURTHER RESOLVED: That the City Administrator, or his designee, is hereby authorized to complete all required negotiations, certifications, assurances and documentation required to accept, modify, extend and/or amend the proposed agreement(s), except for any increase in the contract(s) costs; and be it

FURTHER RESOLVED: That all proposed contract expenditure allocations shall be expensed to the Oakland Public Works Sewer Service Division Fund (3100); and be it

FURTHER RESOLVED: That the City Attorney shall review and approve the proposed contract(s) as to form and legality, and copies of the agreement(s) shall be filed with the Office of the City Clerk.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 20____

PASSED BY THE FOLLOWING VOTE:

AYES – BROOKS, CAMPBELL-WASHINGTON, GALLO, GUILLEN, KALB, KAPLAN, REID and PRESIDENT GIBSON-McELHANEY

NOES -

ABSENT -

ABSTENTION -

ATTEST: _____
LaTonda Simmons
City Clerk and Clerk of the Council
of the City of Oakland, California