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OAKLAND
2016 SEP 15 PM 1:57

AGENDA REPORT

TO: Sabrina B. Landreth
City Administrator

FROM: Brooke A. Levin
Director, Public Works

SUBJECT: On-call Construction Contract
Amendment for DC Construction

DATE: September 2, 2016

City Administrator Approval

Date:

9/14/16

RECOMMENDATION

Staff Recommends That The City Council Adopt A Resolution Waiving Advertising And Competitive Bidding And Authorizing The City Administrator, Or Designee, To Amend The On-Call Construction Contract With DC Construction Increasing The Total Contract Amount From Six Hundred Thousand Dollars (\$600,000.00) To Seven Hundred Twenty-Five Thousand Dollars (\$725,000.00).

EXECUTIVE SUMMARY

Approval of this resolution will waive advertising and competitive bidding and authorize the City Administrator, or her designee, to execute an amendment increasing the existing 2013 on-call construction contract ("Contract") total amount with DC Construction from \$600,000.00 to \$725,000.00. The contract amendment will allow the City to complete the Saint Andrew's Plaza Renovation project and other on-going projects.

BACKGROUND / LEGISLATIVE HISTORY

On July 2, 2013, the City Council approved Resolution No. 84487 C.M.S. awarding a on-call construction contract to DC Construction for an amount not-to-exceed \$500,000.00. On-call construction services are needed to facilitate the delivery of small and/or unexpected projects promptly and efficiently to support the City's Capital Improvement Program and to respond to emergencies.

On March 14, 2016, within the City Administrator's authority to amend and increase the contract amount by twenty percent (20%) Change Order limit in accordance with the Contract Special Provision specifications Section 3-2.1, the City increased the contract amount by \$100,000.00 for a total amount not-to-exceed \$600,000.00.

Saint Andrew's Plaza Renovation:

On February 17, 2015, under Resolution No. 85407 C.M.S, the City Council authorized the application, acceptance, and appropriation of grant funds from the California Department of

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Housing and Community Development (DHCD) under the Housing Related Parks Program (HRPP) in the amount up to \$2,000,000.00 for improvements to Saint Andrew's Plaza, Curt Flood Field, and Josie de la Cruz Park. HRPP funds are allocated based on the issuance of permits for affordable housing units to very low- and low-income households. Pursuant to the resolution, the City Administrator executed the grant Agreement No. 14-HRPP-10359 with DHCD for the maximum grant amount of \$912,550.00 in November 2015. On March 2, 2016, the City Council approved Resolution No. 86029 C.M.S. to appropriate the grant funds into specific projects. Of the total HRPP grant amount, \$456,275.00 (50%) was appropriated for the design and construction of Saint Andrew's Plaza Renovation. The grant agreement further stipulates that all funds must be requested for reimbursement by April 30, 2017 and expended by June 30, 2017.

The Saint Andrew's Plaza Renovation (Project) is part of the City of Oakland's effort to improve the blight stricken plaza also plagued by illicit activities. The goal of the Project is to improve and beautify the plaza to create an inviting and communal open space per the Oakland Planning and Building Department's 2014 West Oakland Specific Plan. The plaza is located on San Pablo Avenue between 32nd Street and Filbert Street. Phase One of the Project involved the demolition of the plaza and installation of temporary construction fence with artwork which was completed by March 2016. Phase Two consists of new hardscape, curb ramps, site furnishings, park lights, Bay-Friendly landscaping, irrigation, and permanent fence which is scheduled to start construction by October 2016 in order to meet the grant timeline.

Due to the time required for comprehensive community outreach, consultation with the stakeholders, and completion of the design, it was deemed necessary to utilize the on-call construction services in order to complete the Project by the grant agreement deadline of April 2017. The on-call construction contract bid Invitation for Phase Two was issued on July 18, 2016 to six (6) on-call contractors. Only one (1) bid was received on August 4, 2016 from DC Construction for an amount of \$279,302.00. The Engineer's cost estimate for the plaza renovation was \$230,000.00.

ANALYSIS AND POLICY ALTERNATIVES

Waiver of Advertising and Competitive Bidding Requirements

Oakland Municipal Code (OMC) Section 2.04.050.A requires advertising and competitive bidding for contracts for the purchase of services, supplies or combination required by the City in any one transaction that exceeds \$50,000, and the award of a contract to the lowest responsible, responsive bidder if an award is made. OMC Section 2.04.050.I.5 provides an exception to the advertising and competitive bidding requirement of the OMC upon a finding and determination by the City Council that it is in the best interests of the City to do so.

Staff recommends that it is in the City's best interest to waive advertising and competitive bidding and authorize the City Administrator to execute the proposed on-call construction contract amendment to increase the contract capacity amount in order to ensure that the City completes the Project adhering to the HRPP grant timeline and avoid jeopardizing the grant funds.

Increase On-call Construction Contract limit for DC Construction

The 2013 on-call construction contract limit amount for DC Construction is not-to-exceed \$600,000. The total on-call construction services amount awarded to DC Construction to date is \$347,828 with an anticipated additional \$50,000 required for other on-going projects. DC Construction now has \$202,172 remaining in the on-call contract capacity. In order to complete the Project, \$279,302 in contract capacity is required plus a construction contingency allowance. Given the limited project budget, staff will work with DC Construction to review the project scope and determine any cost reductions necessary to meet the budget. Staff recommends that the Council authorize the City Administrator, or her designee, to amend the Contract with DC Construction to increase the on-call contract limit by \$125,000 to a total contract amount of \$725,000 in order to complete the Project by the grant deadline.

The alternative option is to re-solicit bids and hire a contractor through a formal public bidding process which takes approximately six months from the time of bid invitation issuance to when construction can start. With the alternative option, the City may lose the grant funds as well as the ability to recover project expenditures if the HRPP grant timeline is not met.

FISCAL IMPACT

Based on aforementioned project cost information and additional contract capacity needed for Phase Two of the Saint Andrew's Plaza Renovation, an approval of the proposed resolution will authorize the City Administrator, or her designee, to execute an amendment to the existing Contract with DC Construction increasing the total contract amount from \$600,000.00 to \$725,000.00.

A summary of the on-call construction contract with DC Construction and the amount increase needed for the amendment is as follows:

On-call Contract capacity for DC Construction (A)	\$600,000.00
On-call Contract construction services to date for on-going projects	\$397,827.72
Saint Andrew's Plaza Renovation (Phase Two) bid from DC Construction	\$279,302.00
<u>Construction Contingency</u>	<u>\$ 47,870.28</u>
Subtotal anticipated contract amount (B)	\$ 725,000.00
On-call Contract amount increase needed for DC Const. (B minus A)	\$125,000.00

Funds are available for the St. Andrew's Plaza Renovation project in the following:

Fund	Organization	Account	Project	Program	Amount:
2144 – State of California Housing and Community Development	92270 – Project management Capital Improvement	57112 – Landscaping, Grounds Improvement	P494610 – St. Andrew's Plaza Renovation	IN06	\$282,671.83

The proposed Construction Contingency fund is included for potential future projects or contingency to existing projects if needed. Project funds will be identified prior to issuing task orders for the on-call contract.

PAST PERFORMANCE, EVALUATION AND FOLLOW-UP

DC Construction is a SLBE certified contractor that has completed three projects in 2015 and 2016. The Contractor Performance Evaluations for DC Construction from previously completed projects are satisfactory to outstanding.

PUBLIC OUTREACH / INTEREST

The City involved and worked closely with the local community members and stakeholders on the Saint Andrew's Plaza Renovation design. The project team outreached to West Oakland Resident Action Council (RAC), West Oakland Neighbors (WON), Neighborhood Crime Prevention Council (NCPC) Beats 6 and 7, and San Pablo Avenue Revitalization Coalition (SPARC), hosted three community design charrette meetings, and met with volunteer community advisory members and stakeholders for feedback.

COORDINATION

This report and resolution was coordinated with OPW Contract Services Division, Office of the City Attorney, and the Controller's Bureau.

SUSTAINABLE OPPORTUNITIES

Economic: The successful contractor shall be verified for all Local Business Enterprise and Small Local Business Enterprise (LBE/SLBE) participation by the Social Equity Division of the Department of Contracting and Purchasing. The contractors are required to have 50% of the work hours performed by Oakland residents and 15% are to be Oakland apprentices, which will result in dollars being spent locally.

Environmental: The project incorporates Bay-Friendly landscaping, LED park lights, and pollution prevention plan. The project ensures application of Best Management Practices to protect the City's creeks and waterway systems during the construction.

Social Equity: The renovation of the blight stricken Saint Andrew's Plaza will improve public safety along the San Pablo Avenue Corridor in West Oakland and promote the recreational use of the park space to be made accessible for Oakland residents and communities.

ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends That The City Council Adopt A Resolution Waiving Advertising And Competitive Bidding And Authorizing The City Administrator, Or Designee, To Amend The On-Call Construction Contract With DC Construction Increasing The Total Contract Amount From Six Hundred Thousand Dollars (\$600,000.00) To Seven Hundred Twenty-Five Thousand Dollars (\$725,000.00).

For questions regarding this report, please contact Danny Lau, Project Delivery Division Manager at (510)238-7211.

Respectfully submitted,

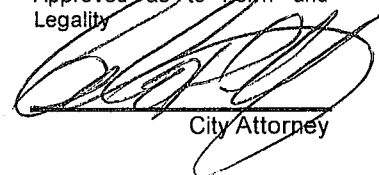

BROOKE A. LEVIN
Director, Oakland Public Works

Reviewed by:
Michael J. Neary, Assistant Director
Bureau of Engineering & Construction

Reviewed by:
Danny Lau, P.E., Division Manager Engineering
Project Delivery Division

Prepared by:
WooJae Kim, P.E., CIP Coordinator
Project Delivery Division

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City Attorney

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RESOLUTION No. _____ C.M.S

Introduced by Councilmember _____

RESOLUTION WAIVING ADVERTISING AND COMPETITIVE BIDDING AND AUTHORIZING THE CITY ADMINISTRATOR, OR DESIGNEE, TO AMEND THE ON-CALL CONSTRUCTION CONTRACT WITH DC CONSTRUCTION INCREASING THE TOTAL CONTRACT AMOUNT FROM SIX HUNDRED THOUSAND DOLLARS (\$600,000.00) TO SEVEN HUNDRED TWENTY-FIVE THOUSAND DOLLARS (\$725,000.00).

WHEREAS, the City Council approved Resolution No. 84487 C.M.S. awarding an on-call construction contract to DC Construction for an amount not-to-exceed \$500,000.00 on July 2, 2013; and

WHEREAS, on-call construction services are needed to facilitate the delivery of small and/or unexpected projects promptly and efficiently to support the City's Capital Improvement Program and to respond to emergencies; and

WHEREAS, within the City Administrator's authority to amend and increase the contract amount by twenty percent (20%) Change Order limit in accordance with the Contract Special Provision specifications Section 3-2.1, the City increased the contract amount by \$100,000.00 for a total amount not-to-exceed \$600,000.00 on March 14, 2016; and

WHEREAS, on March 2, 2106, the City Council approved Resolution No. 86029 C.M.S. to appropriate \$456,275 of Housing Related Parks Program ("HRPP") grant funds from California Department of Housing and Community Development for the design and construction of Saint Andrew's Plaza Renovation; and

WHEREAS, funds are available in State of California State Housing and Community Development Fund (2144), Project Management Capital Improvement Organization (92270), Landscaping, Grounds Improvement Account (57112), for the St. Andrew's Plaza Renovation project (No. P494610); and

WHEREAS, per the background and analysis presented in the City Administrator's Report accompanying this Resolution, an amendment to the on-call construction contract for DC Construction is needed to increase the contract amount by \$125,000 to a total contract amount of \$725,000 in order to complete the Saint Andrew's Plaza Renovation Project by April 30, 2017, the HRPP grant deadline for requesting reimbursements; and

WHEREAS, Oakland Municipal Code ("OMC") Section 2.04.050.A requires advertising and competitive bidding for contracts for the purchase of services, supplies or combination required by the City in any one transaction that exceeds \$50,000; and

WHEREAS, OMC Section 2.04.050.I.5 provides an exception to the advertising and competitive bidding requirement upon a finding and determination by the City Council that it is in the best interests of the City to do so; and

WHEREAS, it is in the City's best interest to waive advertising and competitive bidding and authorize the City Administrator, or designee, to execute a contract amendment to increase the contract capacity amount in order to ensure that the City completes the Saint Andrew's Plaza Renovation Project adhering to the HRPP grant timeline and avoid jeopardizing the grant funds; and

WHEREAS, the City lacks the equipment and qualified personnel to perform the necessary work, that the performance of this contract is in the public interest because of economy or better performance; and

WHEREAS, the City Council finds and determines, based on the representations set forth in the City Administrator's report accompanying this Resolution, that services under the contract amendment will be temporary in nature and shall not result in the loss of employment or salary by any person having permanent status in the competitive services; now, therefore, be it

RESOLVED: That pursuant to OMC Section 2.04.050.I.5, the City Council finds and determines that it is in the best interests of the City to waive the competitive bidding in order to meet the HRPP grant timelines and based on the reasons and circumstances set forth in the City Administrator's Report that accompanies this Resolution; and be it

FURTHER RESOLVED: That the City Council hereby authorize the City Administrator, or designee, to amend the on-call construction contract with DC Construction increasing the total contract amount from Six Hundred Thousand Dollars (\$600,000.00) to Seven Hundred Twenty-Five Thousand Dollars (\$725,000.00); and be it

FURTHER RESOLVED: That the contract amendment shall be reviewed and approved for form and legality by the City Attorney prior to execution and placed on file in the Office of the City Clerk.

IN COUNCIL, OAKLAND, CALIFORNIA, _____

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