



AGENDA REPORT

TO: Edward D. Reiskin
City Administrator

FROM: David Ferguson
Interim Director, Public
Works

SUBJECT: Sanitary Sewer Sub-basin
Rehabilitation

DATE: June 29, 2021

City Administrator Approval

Date:

Jul 7, 2021

RECOMMENDATION

Staff Recommends That The City Council Adopt A Resolution (1) Awarding A Construction Contract To Pacific Trenchless, Inc., The Lowest Responsive And Responsible Bidder, In Accordance With Project Plans And Specifications For Sanitary Sewer Rehabilitation Sub-Basin 83-102 (Project No. 1004807) And With Contractor's Bid For An Amount Not To Exceed Three Million Four Hundred Twenty One Thousand Two Hundred Sixty One Dollars (\$3,421,261.00) and (2) Adopting Appropriate California Environmental Quality Act Findings.

EXECUTIVE SUMMARY

The Sanitary Sewer Sub-basin Rehabilitation Project is part of the citywide program to eliminate wastewater surcharges/overflows, improve pipe conditions, and increase flow capacity.

Approval of this resolution will authorize the City Administrator or designee to enter into a construction contract with Pacific Trenchless, Inc. in the amount of \$3,241,261.00 for the Sanitary Sewer Rehabilitation Sub-Basin 83-102 (Project No. 1004807). This project supports the sanitary sewer program and the 2014 Sewer Consent Decree.

BACKGROUND / LEGISLATIVE HISTORY

The Environmental Protection Agency (EPA) mandates the reduction of sanitary sewer overflows during storm events. The Sanitary Sewer Rehabilitation Sub-Basin 83-102 (Project No. 1004807) is part of the City's annual sanitary sewer rehabilitation program intended to improve the pipe and structure conditions, reduce wet weather peak flows in the sanitary sewer system, and is required under the 2014 Sewer Consent Decree.

The proposed work consists of rehabilitating approximately 14,366 linear feet of existing 8-inch to 15-inch diameter sewer pipes by pipe-expanding, open trench or cured-in-place pipe method; rehabilitating sewer structures, reconnecting and rehabilitating house sewer connections, and

City Council
July 20, 2021

other related work as indicated on the plans and specifications. The work for this project is located as shown in **Attachment A**.

ANALYSIS AND POLICY ALTERNATIVES

Adoption of the proposed resolution will allow the City Administrator to execute a construction contract with Pacific Trenchless, Inc. On April 29, 2021, the City Clerk received three (3) bids for this project in the amount of \$3,421,261, \$4,175,275, and \$4,843,313, from Pacific Trenchless, Inc., Andes Construction, Inc. and Westland Constructors, Inc., respectively, as shown in **Attachment B**. Pacific Trenchless, 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 91.92 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 Contract Compliance Office of the Department of Workforce And Employment Standards (DWES), as shown in **Attachment C**.

Construction is scheduled to begin in October 2021 and should be completed by June 2022. 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 \$4,075,795.00. Staff has reviewed the submitted bids for the work and has determined that the bid is responsive and reasonable for the current construction market condition.

The proposed work is of a professional and technical nature and is temporary in nature. In accordance with the terms of the SEIU Memorandum of Understanding, the Union has been informed of the project and no comments were received.

FISCAL IMPACT

Approval of this resolution authorizes the City Administrator, or Designee, to award a construction contract to Pacific Trenchless, Inc. for an amount not to exceed three million, four hundred twenty-one thousand, two hundred sixty-one dollars (\$3,421,261.00) for the implementation of the Sanitary Sewer Rehabilitation Sub-Basin 83-102 project (1004807). Furthermore, the proposed resolution will authorize the reallocation of one million, eight hundred sixty-eight thousand, seven hundred and forty-two dollars and sixty-five cents (\$1,868,742.65) from the Sanitary Sewer Sub-basin Rehabilitation project (1004845) to the Sanitary Sewer Rehabilitation Sub-basin 83-102 project (1004807).

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

Table 1: Funding Sources

| Fund Source | Organization | Project | Amount |
|----------------------------------|--|---|-----------------------|
| 3100 – Sewer Service Fund | 92244 – Engineer Design: Sanitary Sewer | 1004807 – Sanitary Sewer Rehabilitation Sub-basin 83-102 | \$1,552,518.35 |
| 3100 – Sewer Service Fund | 92244 – Engineer Design: Sanitary Sewer | 1004845 – Sanitary Sewer Sub-basin Rehabilitation | \$1,868,742.65 |
| Total Funding | | | \$3,421,261.00 |

*This funding is to be reallocated to the Sanitary Sewer Rehabilitation Sub-basin 83-102 project (1004807) upon adoption of this resolution.

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

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.

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).

Public outreach is part of the Capital Contract Equity Initiative for Oakland Public Works (OPW). The outreach engagement specifically includes professional organizations representing women-owned and African American-owned firms. These two groups were identified in the 2019 Mason Tillman Disparity Study as firms not receiving a proportional amount of contracting dollars from the City of Oakland.

OPW-Capital Contracts Division (OPW-CCD) has an established disparity outreach list of local women-owned, African American, 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 updated information is available.

For this construction RFB solicitation, OPW Wastewater Engineering Management Division (OPW-WEMD) worked with OPW-CCD and DWES on performing public outreach through the legal ads, enhanced notifications and a pre-proposal meeting.

Notifications of solicitations were distributed by several means. The first mean, 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. Companies that register in iSupplier wait a few days before receiving access to review proposal requests in this system. If a company enters an NAICS code, they are notified about projects with this code.

In addition to iSupplier and the established disparity outreach list, 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 RFB was advertised on January 31, 2020. 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 Local Business Enterprise and Small Local Business Enterprise (LBE/SLBE) in Black, Indigenous, People of Color (BIPOC) communities with potential contractors/consultant.

OPW-CCD held an outreach/networking/pre-proposal meeting in partnership with the DWES and the Project Manager on February 4, 2020, with twenty-two persons and over eight firms in attendance, either in the office or virtually. The meeting served a few purposes: to discuss with potential consultants 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 RFP solicitation specifically.

Upcoming projects and current projects accepting submissions are on our webpage. As part of our equity initiative, current and next steps contain outreach to engage professional and contractor associations specifically representing women-owned, African American-owned, and other global majority firms. OPW-CCD will collaborate with existing construction/consultant working groups and professional organizations to reduce identified disparities in contracting. Finally, OPW-CCD will partner with the Business Assistance Center to identify grant funding to establish a Contract Assistance Center to help guide contractors with the City's contracting process.

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 Pacific Trenchless, Inc. from a previously completed project 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. 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 eliminate wastewater surcharges and overflows, thereby benefiting all Oakland residents with decreased sewer overflows and improved infrastructure.

ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends That The City Council Adopt A Resolution (1) 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 Rehabilitation Sub-Basin 83-102 (Project No. 1004807) And With Contractor's Bid For An Amount Not To Exceed Three Million Four Hundred Twenty One Thousand Two Hundred Sixty One Dollars (\$3,421,261.00) and (2) 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,



DAVID FERGUSON
Interim Director, Oakland Public Works

Reviewed by:
Matthew Lee, P.E., Interim Assistant Director
Bureau of Design & Construction

Reviewed by:
Jimmy Mach, P.E., Division Manager
Wastewater Engineering Management Division

Prepared by:
Wen Chen, P.E., Supervising Civil Engineer
Wastewater Engineering Management Division

- Attachments (4):
- A: Project Location Map
 - B: List of Bidders and Project Construction Schedule
 - C: Contracts & Compliance Unit Compliance Evaluation
 - D: Contractor Performance Evaluation

