



AGENDA REPORT

PROPOSED ACTION: Resolution: Approve and Authorize the Executive Director to Award Public Works Contracts with: Silman Industries and Plant Construction Company, L.P. for On-Call General Building Contractor Services in the aggregate amount of \$5,000,000 and Gallagher & Burk Inc., McGuire and Hester, O.C. Jones & Sons, Inc., Teichert Construction, and Buhler Engineering, for On-Call Paving, Grading and General Contractor Services in the Aggregate Amount of \$14,000,000 for the Period Commencing July 1, 2023 and Ending June 30, 2024, 2025, or 2026. **(Engineering)**

Submitted By: Kristi McKenney, Chief Operating Officer; Danny Wan, Executive Director

<u>Parties Involved:</u>	<u>Location</u>	<u>Amount:</u>
Silman Industries	San Leandro, CA	\$19,000,000 – Total not to exceed amount for all contracts combined (Capital and Operating Expense)
Plant Construction Company, L.P.	San Francisco, CA	
Gallagher & Burk Inc.	Oakland, CA	
McGuire and Hester	Oakland, CA	
O.C. Jones & Sons, Inc.	Oakland, CA	
Teichert Construction	Pleasanton, CA	
Buhler Engineering	San Francisco, CA	

EXECUTIVE SUMMARY:

On-Call contracts are an essential tool for performing certain Port of Oakland (Port) work. Staff has recently solicited two new formal bids for 1) on-call general building contractor services contracts and 2) on-call paving, grading and general contractor services contracts. All bidders were found to be responsive and responsible and are recommended to have a contract awarded.

BACKGROUND AND ANALYSIS

Public procurement on-call contracts in various technical areas for both consulting and construction services are essential tools in delivering of the Port’s annually budgeted projects and programs funded by both expense and capital and are used by multiple departments across the Port. Each project/scope of work is separately authorized by a formal Work Authorization (Construction) or Technical Service Order (Consulting) in accordance with all Port policies and best practices. The on-call contract approach essentially conducts the formal procurement process in advance allowing efficiencies and time savings when projects or programs are ripe to initiate, allowing more work to be performed in any given year than would otherwise be possible. This tool is especially effective for 1) smaller projects and programs where the administrative processes can

cost as much and take as much time as the project itself, 2) emergencies, urgent, or time sensitive situations where the Port is greatly benefited by moving faster than a separate processes allow, and 3) where certain known expertise is required timely but specific work scopes are only defined close to when they are needed (e.g. crane maintenance or dredging services). On-call may also be the right tool for other work based on the specific set of circumstances.

Port staff previously revamped the on-call contracting program to be more effective for the Port and contractors and will continue to evolve the program as appropriate. Initiatives include:

- Increasing the number of formal solicitations and staggering contract terms offering contractors more opportunities to respond and ensuring all contracts in one category do not expire simultaneously;
- Increasing the use of on-call contracts for various types of work so contractors gain more value by participating (it can be difficult to keep contractors available for emergencies if more work is not available to them during the term); and
- Increasing outreach to local, small, and very small businesses.

On October 14, 2021, the Board authorized the existing contracts for on-call general building contractor services and on-call paving, grading, and associated general contractor services, which will be expiring October 31, 2024. In order to ensure sufficient overlap of contracts and to allow more contractors to participate in Port work, Staff initiated a formal procurement process this year for new contracts.

On-Call General Building Contractors furnish on-call general construction services for repairing, remodeling, and constructing building related improvements. On-Call Paving, Grading, and General Contractors furnish on-call grading; constructing, rehabilitating, and repairing pavements and other Port infrastructure; and performing miscellaneous general contract work.

Staff used the public works bid process to solicit bids on March 24, 2023, for the above work. Staff posted the solicitation on the Port’s website at the following link: <https://www.portoakland.com/business/bids-rfps/bid-engineering/>.

On April 26, 2023, two (2) formal bids were received by the Secretary of the Board of Port Commissioners for the On-Call General Building Contract Work as shown in the table below:

Bidder	Location	Bid Amount*
Silman Industries	San Leandro, CA	31%
Plant Construction Company, L.P.	San Francisco, CA	65%

*Markup to Direct Labor Costs

On May 1, 2023, five formal bids were received by the Secretary of the Board of Port Commissioners for the On-Call Paving, Grading, and General Contract Work as shown in the table below:

Bidder	Location	Bid Amount*
Gallagher & Burk Inc.	Oakland, CA	10%
McGuire and Hester	Oakland, CA	10.2%
O.C. Jones & Sons, Inc.	Oakland, CA	10.9%
Teichert Construction	Pleasanton, CA	14.5%
Buhler Engineering	San Francisco, CA	15%

*Markup to Direct Labor Costs

Port staff evaluated the bids based on criteria set forth in the solicitation and determined that all bids are responsive and responsible. The Bids were subject to the Port's Non-Discrimination and Small Local Business Utilization Policy (NDSLBU) which provides a bid discount to teams that include local and local small contractors. The bid discount reduces the original bid amount solely for the purpose of identifying the lowest bid; once the bids are adjusted, the submissions are ranked. This adjusted bid amount is not used to determine the contract value. The On-Call Paving and Grading contract is the only one in which the bid discount is determinative, thus, in accordance with the NDSLBU, Port staff used the adjusted bid amounts to determine the lowest, responsible, responsive bidder. None of the bidders listed subcontractors. The following table indicates the bid discount percentages and whether the prime is LBA, LIA, SBE, or VSBE.

Bidder	Bid Discount Percent	LBA	LIA	SBE	VSBE
Gallagher and Burk, Inc.	7.20		X		
O.C. Jones and Sons, Inc.	7.11		X		
McGuire and Hester	6.91		X		
Teichert Construction	6.72		X		
Buhler Commercial	0				

Staff, therefore, seeks authorization to award contracts for On-Call General Building Contractor Services to Silman Industries and Plant Construction Company, L.P. in the aggregate amount of \$5,000,000, and On-Call Paving, Grading and General Contractor Services to Gallagher & Burk Inc., McGuire and Hester, O.C. Jones & Sons, Inc. , Teichert Construction, and Buhler Engineering in the aggregate amount of \$14,000,000 for the Period Commencing July 1, 2023 and Ending June 30, 2024, 2025, or 2026.

OTHER FINDINGS AND PROVISIONS

ENVIRONMENTAL REVIEW

The proposed action was analyzed under the California Environmental Quality Act (CEQA) and was found to be:

- Categorically exempt under the following CEQA Guidelines Section:
15061(b)(3) (Common Sense)
- Not a "Project" under CEQA, as defined in Public Resources Code § 21065.
- Other/Notes:

BUDGET

- Administrative (No Impact to Operating, Non-Operating, or Capital Budgets); OR
 - Operating
 - Non-Operating
 - Capital

Analysis: There is no budget impact as all work performed under these on-call contracts will draw on authorized operating or capital budgets including reprioritizing work if needed for urgent or emergency instances.

STAFFING

- No Anticipated Staffing Impact.
- Anticipated Change to Budgeted Headcount.
Reason:
- Other Anticipated Staffing Impact (e.g., Temp Help).
Reason:

MARITIME AND AVIATION PROJECT LABOR AGREEMENT (MAPLA):

Applies? Yes (CIP) – proposed action entails covered work on Port's Capital Improvement Program in Aviation or Maritime areas above the threshold cost.

- Additional Notes: Projects constructed under these contracts may be subject to MAPLA. Those that are not will be excluded.

LIVING WAGE (City Charter § 728):

Applies?

No (Public Works) – proposed action is a construction contract covered by state or federal prevailing wages that are higher than those under the Living Wage requirements.

- Additional Notes:

SUSTAINABLE OPPORTUNITIES:

Applies? Yes.

GENERAL PLAN (City Charter § 727):

Conformity Determination:

Reason: Any work performed under these contracts will consider sustainable opportunities.

No Project – conformity determination not required because proposed action does not change use of or make alterations to an existing facility, or create a new facility.

STRATEGIC PLAN. The proposed action would help the Port achieve the following goal(s) and objective(s) in the Port’s Strategic Business Plan:

- | | |
|---|---|
| <input type="checkbox"/> Grow Net Revenues | <input checked="" type="checkbox"/> Modernize and Maintain Infrastructure |
| <input type="checkbox"/> Improve Customer Service | <input type="checkbox"/> Pursue Employee Excellence |
| <input type="checkbox"/> Strengthen Safety and Security | <input type="checkbox"/> Serve Our Community |
| <input type="checkbox"/> Care for Our Environment | |