

12/19/2024

AGENDA REPORT

PROPOSED ACTION: **Resolution:** Approve and Authorize the Executive Director to Award and Execute a Contract with Oliver de Silva Inc. dba Gallagher & Burk Inc. in an Amount Not to Exceed \$9,876,876.00 for the Everport Terminal Services Pavement Project and Execute Change Orders in an Amount Not to Exceed \$1,975,375.00; and Find that the Proposed Action is Exempt Under the California Environmental Quality Act. **(Engineering/Maritime)**

Submitted By: Emilia Sanchez, Director of Engineering; Bryan Brandes, Director of Maritime; Danny Wan, Executive Director

Parties Involved:

Gallagher & Burke, Inc.
Oakland, CA 94601

Amount: \$11,852,251 (part of a total project budget of \$13,252,251) (capital expense)

EXECUTIVE SUMMARY: The Port of Oakland (Port) is required to perform certain one-time pavement rehabilitation and repair, rubber tire gantry crane (RTG) runway repairs, and utility vault repairs at Berths 35-38 pursuant to its Non-Exclusive Preferential Assignment Agreement (NEPAA) with Everport Terminal Services, Inc (ETS). The work was formally bid and Oliver de Silva Inc. dba Gallagher & Burk, Inc. is the lowest responsive, responsible bidder. The work will be completed in multiple phases to allow ongoing operations to continue, resulting in an anticipated competition at the end of 2026.

BACKGROUND & ANALYSIS

The Port is obligated to conduct one-time pavement maintenance, RTG runway repairs, and utility vault repairs in specific portions of the premises (Project) under the NEPAA between the Port and ETS for Berths 35-38 (Ben E. Nutter Terminal). ETS will be required to maintain the pavement, RTG runways, and utility vaults after completion of the Project. The identified pavement rehabilitation and repair locations are currently in poor condition with large sections of transverse cracking, fatigue cracks, rutting, and longitudinal cracking. Some of the existing utility vaults are damaged and exhibit signs of settlement and/or bowing resulting in a raised lip around the vaults. The proposed scope of work for the contractor includes milling and replacing asphalt pavement, placing slurry seal, modifying underground utility vaults, and repairing portions of the RTG crane runways within the Ben E. Nutter Terminal.

The Port advertised the Project for bidding on October 4, 2024, and Port Staff hosted a pre-bid meeting and site visit on October 24, 2024, with five contracting companies in attendance. Bids were opened publicly on November 18, 2024. The Port received bids from four bidders as shown in Table 1.

Table 1
Bid Results

Bidder	Location	Bid Amount (Low to High)	Bid Amount After Applying NDSLBP	# of LIA/LBA Businesses	# of SBE/VSBE Businesses
Oliver de Silva Inc. dba Gallagher & Burk Inc.	Oakland, CA	\$9,876,876.00	\$9,618,101.85	2	0
O.C. Jones & Sons, Inc.	Oakland, CA	\$10,429,056.50	\$10,147,471.97	2	0
A. Teichert & Son, Inc. dba Teichert Construction	Pleasanton, CA	\$11,264,808.00	\$11,041,764.80	3	0
McGuire and Hester	Oakland, CA	\$12,415,568.11	\$12,056,758.19	3	0

Oliver de Silva Inc. dba Gallagher & Burk Inc. submitted a bid totaling \$9,876,876. They are the lowest responsive and responsible bidder. Port Staff requests \$1,975,375 in change order authority, representing approximately 20% of the contract value to address any changes deemed appropriate and/or necessary. This amount is being requested due to the potential for sequencing issues related to the work being conducted in an active marine terminal with operations needing to continue during construction.

Port Staff analyzes bids and calculates the Non-Discrimination and Small Local Business Utilization Policy (NDSLBP) bid discount earned by each bidder's participation of Local Impact Area (LIA), Local Business Area (LBA), Small Business (SBE), and Very Small Business (VSBE) partners when the second lowest bid is within 10% of the lowest bid to determine the effective lowest bidder under the NDSLBP. Application of the NDSLBP did not change the lowest bidder in this bid as shown in Table 1.

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:
15302 (Replacement or Reconstruction)
- ☐ 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: This Project is included in the Port's five-year CIP albeit at a lower estimated total cost of \$12.3 million. To accommodate the additional \$952,251 in Project cost, other Maritime capital projects may be de-prioritized and delayed. There is no impact to the FY 2025 Capital Budget as the \$3.1 million amount budgeted is sufficient amount to cover planned expenditures in FY 2025.

Table 2: Total Project Budget

Description	Design Budget	Construction Budget	Total Project Budget
Port Labor	\$150,000	\$350,000	\$500,000
Design Consultant	\$451,594	\$98,406	\$550,000
Contractor	\$0	\$9,876,876	\$9,876,876
Construction Contingency	\$0	\$1,975,375	\$1,975,375
Third Party Services	\$0	\$300,000	\$300,000
Legal and Permitting Fees	\$0	\$50,000	\$50,000
Total	\$601,594	\$12,650,657	\$13,252,251

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:

LIVING WAGE (City Charter § 728):

Applies?

Yes (Service Provider) – proposed action entails at least \$50,000 in payments to service provider (and/or its subcontractor) employing at least 21 employees who spend at least 25% of their time on Port-related work on premises owned or managed by the Port

☐ Additional Notes:

SUSTAINABLE OPPORTUNITIES:

Applies? Yes.

Reason: asphalt grindings and any concrete will be recycled where practical and possible

GENERAL PLAN (City Charter § 727):

Conformity Determination:

Maritime/Aviation – proposed action conforms to policies for transportation designation of the General Plan.

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

☐ Grow Net Revenues

☒ Modernize and Maintain Infrastructure

☒ Improve Customer Service

☐ Pursue Employee Excellence

☐ Strengthen Safety and Security

☐ Serve Our Community

☐ Care for Our Environment