

AGENDA REPORT

Resolution: For the Demolition and Removal of Port of Oakland Cranes X402, X403, and X404 At Berths 20 And 21 Project: Approve a Project Budget in an Amount Not-to Exceed \$800,000; Authorize the Executive Director to Enter into a Contract with Resource Environmental, Inc. in an Amount Not-to-Exceed \$490,000; and Authorize the Executive Director to Execute Change Orders to the Extent Necessary in an Amount Not-To-Exceed \$150,000. **(Engineering/Maritime)**

MEETING DATE: 10/24/2019

AMOUNT: \$800,000 Budget
\$640,000 Contract Authority
Non-Operating Expense

PARTIES INVOLVED: Resource Environmental, Inc.

SUBMITTED BY: Robert Andrews,
Acting Director of Engineering/Chief Engineer
John C. Driscoll, Director of Maritime

APPROVED BY: Danny Wan, Interim Executive Director

ACTION TYPE: Resolution

EXECUTIVE SUMMARY

Staff is requesting the following approvals for the Demolition and Removal of Port of Oakland Cranes X402, X403, and X404 at Berths 20 and 21 Project: (i) approve a project budget in an amount not-to-exceed \$800,000; (ii) authorize the Executive Director to enter into a contract with Resource Environmental, Inc. in an amount not to exceed \$490,000; and (iii) authorize the Executive Director to execute contract change orders to the extent necessary in an amount not-to-exceed \$150,000. This project will remove and dispose of cranes X402, X403, and X404 at Berths 20 and 21.

BACKGROUND

Port of Oakland Cranes X402, X403, and X404 are early generation A-frame cranes from the 1960's with a lift over dock height of 76-ft and a lifting capacity of 30LT. All three cranes are currently obsolete and not operational. Staff attempted to sell these three cranes through an auction site but received no bids. Staff believe that the auction was not successful due to a low demand in the steel industry and low salvage value. Subsequently, Staff proceeded to produce plans and a project manual for the demolition and removal of the cranes.

ANALYSIS

Port of Oakland Cranes X402, X403, and X404 are currently inoperable due to a lack of parts and deferred maintenance. Repair is infeasible and they are a potential safety hazard. The proposed project would remove and dispose of the cranes. Once removed, there is no plan to replace the cranes, as the underlying wharf would require replacement to support any new modern crane.

The Plans and Project Manual for the Demolition and Removal of Port of Oakland Cranes X402, X403, and X404 At Berths 20 and 21 Project are complete and staff solicited bids through a formal Public Works construction bidding process. A pre-bid meeting was held on August 13, 2019.

On August 30, 2019 nine bids were received. The bids are listed in Table 1 below.

Table 1. Demolition and Removal of Port of Oakland Cranes X402, X403, and X404 At Berths 20 And 21 Project Bid Summary

Bidder	Location	Total Bid Price (Low to High)
Resource Environmental, Inc.	6634 Schilling Avenue Long Beach, CA 90805	\$ 490,000.00
Silicon Valley Demolition Inc.	171 Braham Ln, Suite 10-337 San Jose, CA 95136	\$ 631,309.00
Silverado Contractors Inc.	2855 Mandela Parkway, 2 nd Fl. Oakland, CA 94608	\$ 688,138.00
Marine Terminal Services	211 N. Marine Avenue Fresno, CA 93722	\$ 725,000.00
California Engineering Contractors	20 Happy Valley Road Pleasanton, CA 94566	\$ 940,700.00
ACT Enviro	967 Maybury Rd. San Jose, CA 95133	\$ 959,950.00
Central Valley Environmental	4263 N. Selland Avenue Fresno, CA 93722	\$1,177,000.00
National Demolition Contractors	1536 W. 25 th St, #248 San Pedro, CA 90732	\$1,505,108.00
SDV Services, Inc.	2236 Mariner Square Dr. #101 Alameda, CA 94501	\$1,750,000.00

Staff determined that Resource Environmental, Inc. is the lowest responsive, responsible bidder and recommends awarding the Demolition and Removal of Port of Oakland Cranes X402, X403, X404 at Berths 20 And 21 Project to Resource Environmental, Inc. in the amount not to exceed \$490,000. Resource Environmental, Inc. is appropriately licensed to perform the work. The work will take approximately 5 months to complete once started.

In addition, Staff is requesting authorization for the Executive Director to execute change orders to the extent necessary in an amount not-to-exceed \$150,000. This change order amount is reasonable for work of this type where there is potential for unforeseen conditions associated with tenant coordination or additional environmental mitigation.

BUDGET & STAFFING

The Demolition and Removal of Port of Oakland Cranes X402, X403, X404 at Berths 20 and 21 Project has been included in the Outer Harbor Terminal Loss Contingency Account and there is no budget impact.

The Project budget requested is as follows:

Project Budget Estimate

	Design Phase	Construction Phase	Total Proposed Budget
Consultant ¹	n/a	\$10,000	\$10,000 ⁴
Construction Award ²	n/a	\$490,000	\$490,000
Construction Contingency	n/a	\$150,000	\$150,000
Port Labor	\$25,000	\$100,000	\$125,000 ⁴
Other Related Costs ³	n/a	\$25,000	\$25,000 ⁴
Totals	\$25,000	\$775,000	\$800,000

¹ Consultant Costs include Construction Management Services, Design Services during Construction, Materials Testing, and Special Testing.

² Contractor's bid amount.

³ Other Costs include permitting, MAPLA, agency coordination, and OCIP.

⁴ Staff may exceed the individual category cost of Port Labor, Consultants and Other Related Costs if i) the effort is needed and ii) the sum of these three category costs does not exceed the sum of these three category costs as shown in the Table.

There is no anticipated impact to staffing.

MARITIME AVIATION PROJECT LABOR AGREEMENT (MAPLA)

This contract is not part of the Port's Capital Improvement Program (CIP) and therefore, the provisions of the MAPLA do not apply to this work.

STRATEGIC PLAN

The action described herein would help the Port achieve the following goals and objectives in the Port's Strategic Business Plan (2018-2022).

<https://www.portofoakland.com/wp-content/uploads/Port-of-Oakland-Strategic-Plan.pdf>

- Grow Net Revenues
- Modernize and Maintain Infrastructure

LIVING WAGE

Living wage requirements, in accordance with the Port's Rules and Regulations for the Implementation and Enforcement of the Port of Oakland Living Wage Requirements (the "Living Wage Regulations"), do not apply because the contract is a construction contract covered by state prevailing wage rules.

SUSTAINABILITY

Port staff have reviewed the Port's 2000 Sustainability Policy and did not complete the Sustainability Opportunities Assessment Form. There are no sustainability opportunities related to this proposed action because it does not involve a development project, purchasing of equipment, or operations that presents sustainability opportunities.

ENVIRONMENTAL

This action was reviewed in accordance with the requirements of the California Environmental Quality Act (CEQA). The common-sense exemption in Section 15061(b)(3) of the CEQA Guidelines states that CEQA applies only to activities that have a potential for causing a significant effect on the environment. It can be seen with certainty that there is no possibility that this action will result in a physical change in the environment, and therefore this action is not subject to CEQA and no further environmental review is required.

GENERAL PLAN

The project involves maintenance of an existing facility being used in conformance with the Oakland General Plan, pursuant to Section 727 of the City of Oakland Charter, and will not change the use of any facility(ies).

OWNER-CONTROLLED INSURANCE PROGRAM (OCIP)

This project is not subject to the Port's Owner Controlled Insurance Program (OCIP) as it is not a capital improvement construction project.

OPTIONS

The following are options for the Board's consideration:

1. Approve the actions as outlined in this agenda report. This is the recommended option.
2. Do not approve the actions outlined in this agenda report. Reject all bids and direct staff to change the scope of the project and rebid the project. This will delay the work and may result in higher costs if the project is started at a later date. This delay may also negatively affect future lease negotiations.

RECOMMENDATION

Staff recommends that the Board adopt a resolution for the following:

- 1) Approve a project budget in an amount not-to-exceed \$800,000 for the Demolition and Removal of Port of Oakland Cranes X402, X403, and X404 At Berths 20 And 21 Project;
- 2) Authorize the Executive Director to enter into a contract with Resource Environmental, Inc. for the related construction in an amount not to exceed \$490,000 for the Demolition and Removal of Port of Oakland Cranes X402, X403, and X404 At Berths 20 And 21 Project;
and
- 3) Authorize the Executive Director to execute change orders to the extent necessary in an amount not-to-exceed \$150,000 for the Demolition and Removal of Port of Oakland Cranes X402, X403, and X404 At Berths 20 And 21 Project.