



AGENDA REPORT

TO: Jestin D. Johnson
City Administrator

FROM: Josh Rowan,
Director, Oakland
Department of
Transportation

SUBJECT: Lakeside Drive/Lake Merritt Boulevard
Complete Streets Construction
Contract Award

DATE: September 9, 2025

City Administrator Approval


[Jestin Johnson \(Nov 6, 2025 19:07:16 PST\)](#)

Date: 11/06/2025

RECOMMENDATION

Staff Recommends That The City Council Adopt A Resolution Awarding A Construction Contract to Gallagher & Burke, Inc. For the Lakeside Drive/Lake Merritt Boulevard Complete Streets Project, Project No. 1005314, The Lowest, Responsible, And Responsive Bidder In Accordance With Project Plans, Specifications, State Requirements, And With Contractor's Bid In The Amount Eight Million, Eight Hundred Ten Thousand, Seven Hundred Fifteen Dollars (\$8,810,715.00); And Adopting Appropriate California Environmental Quality Act Findings.

EXECUTIVE SUMMARY

Approval of this resolution will authorize the City Administrator to execute a construction contract in an amount of eight million eight hundred ten thousand seven hundred fifteen dollars (\$8,810,715.00) with Gallagher & Burke, Inc., the lowest, responsible, and responsive bidder, for the Lakeside Drive/Lake Merritt Boulevard Complete Streets Project, Project 1005314, to construct pedestrian, bicycle, transit, and vehicular traffic safety improvements on Lakeside Drive between 13th Street and 19th Street, Lake Merritt Boulevard/1st Avenue between Lakeside Drive and International Boulevard, and 17th Street between Madison Street and Lakeside Drive. The project also includes pedestrian lighting improvements on East 12th Street between 1st Avenue and 11th Avenue and International Boulevard between 9th Avenue and 11th Avenue.

Approval of the proposed resolution will also authorize the City Administrator to adopt appropriate California Environmental Quality Act (CEQA) findings.

BACKGROUND / LEGISLATIVE HISTORY

The Lakeside Drive/Lake Merritt Boulevard Complete Streets Project (the Project) will construct pedestrian, bicycle, transit, and vehicular traffic safety improvements on Lakeside Drive

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between 13th Street and 19th Street, Lake Merritt Boulevard/1st Avenue between Lakeside Drive and International Boulevard, and 17th Street between Madison Street and Lakeside Drive. Highlighted project improvements include extending the existing two-way cycle track on Lakeside Drive from 19th Street to 17th Street, and installing a protected two-way bikeway on Lake Merritt Boulevard/1st Avenue from Lakeside Drive to International Boulevard, protected intersections at Lake Merritt Boulevard and 11th/12th Streets and at Lake Merritt Boulevard and East 12th Street, and transit-only lanes on Lake Merritt Boulevard between 11th/12th Street and East 12th Street. Other project elements include lane reduction, ADA compliant curb ramps, pedestrian crossing improvements, traffic signal improvements, and landscaping. The Project also includes pedestrian lighting improvements on East 12th Street between 1st Avenue and 11th Avenue and International Boulevard between 9th Avenue and 11th Avenue.

The 2007 Bicycle Master Plan first identified Lakeside Drive and Lake Merritt Boulevard as priority bike routes, proposing Class II bike lane improvements at the time. This recommendation was upgraded to Class IV bike lanes in the 2019 Let's Bike Oakland Plan, further emphasizing bicyclist safety needs along this corridor (Resolution No. [89038 C.M.S.](#)). In 2023, the City Council adopted the Capital Improvement Program for fiscal year (FY) 2023-2025 (Resolution No. [89804 C.M.S.](#)), which included the Lakeside Drive/Lake Merritt Boulevard Complete Streets Project.

The City applied for and received grant funds from California's Affordable Housing and Sustainable Communities Program (AHSC) for the project. In June 2016, the City Council authorized the acceptance and appropriation of \$18.1 Million loan and grant funds from the AHSC (Resolution No. [86217 C.M.S.](#)). Of the acceptance and appropriation of \$18.1 Million in loan and grant funds from the AHSC, \$1,000,000 was awarded to the Project in grant funds.

In June 2023, the City Council adopted the biennial budget for fiscal years 2023-2025 (Resolution No. [89804 C.M.S.](#)), which authorized the application, acceptance, and appropriation of additional funds for projects identified in the Capital Improvement Program. In December 2023, the City applied for additional grant funds for the Project from the Bay Area Rapid Transit District (BART). In February 2024, the City was awarded \$3 Million in Safe Routes to BART (SR2B) Cycle 3 grant funds for the Project.

Local matching funds are required as a condition of the SR2B grant, and the balance of the project funding will be allocated from Measure U Infrastructure Bond Funds and other local transportation funding sources.

ANALYSIS AND POLICY ALTERNATIVES

On August 14, 2025, the Office of the City Clerk received three bids for the construction contract of the Project from Gallagher and Burke, Inc., Redgwick Construction, Co., and McGuire and Hester. The Project was advertised and structured with a Bid Alternate 1 for the inclusion of pedestrian lighting improvements on East 12th Street between 1st Avenue and 11th Avenue, and International Boulevard between 9th Avenue and 11th Avenue into the Project based on their cost and availability of project budget. The basis of the award was advertised to be the lowest of the Base Bid. The bid amounts are shown in **Table 1** below.

Table 1: Project Bids Received

BIDDER	BASE BID	BID ALTERNATE 1
Gallagher & Burke, Inc.	\$7,815,815.00	\$994,900.00
Redgwick Construction Co.	\$9,001,928.00	\$1,204,300.00
McGuire & Hester	\$9,439,744.00	\$1,125,630.00

The Department of Workforce and Employment Standards reviewed all bids, found all bid proposals compliant with the City's Local/Small Business Enterprise (L/SLBE) program requirements, and determined the bid discount percentage for each bid. The results of the discounted bids are shown in **Table 2** below. With the bid discounts, Gallagher & Burke, Inc. was found to be the lowest, responsible, and responsive bidder. The Compliance Analysis Memorandum is included in **Attachment A**.

Table 2: Project Bids Discount Results

BIDDER	BASE BID	TOTAL L/SLBE	BID DISCOUNT %	ADJUSTED BASE BID
Gallagher & Burke, Inc.	\$7,815,815.00	58.65%	2%	\$7,659,498.70
Redgwick Construction Co.	\$9,001,928.00	56.35%	2%	\$8,821,889.44
McGuire & Hester	\$9,439,744.00	119.10%	10%	\$8,495,769.60

Gallagher & Burke, Inc.'s bid of \$7,815,815.00 is eighteen percent (18%) higher than the Engineer's Estimate of \$6,617,465.00. Given the current economic conditions, including material cost increases and contractor workload capacities, staff determined that Gallagher & Burke's bid is reasonable and recommends awarding the Base Bid and Bid Alternate 1 in the amount of \$8,810,715.00.

Adoption of the proposed resolution will allow the City, through the Oakland Department of Transportation (OakDOT), to move forward with implementing the Lakeside Drive/Lake Merritt Boulevard Complete Streets Project and advancing four Citywide priorities: **(1) housing, economic, and cultural security; (2) vibrant, sustainable infrastructure; (3) holistic community safety; and (4) responsive, trustworthy government** as follows:

- 1. Housing, Economic, and Cultural Security:** Walking, cycling, and transit are often cost-effective alternatives to automobiles, which many Oaklanders cannot afford to access. Lack of safe, attractive, and comfortable facilities may dissuade people from using these cost-effective transportation modes. The Project will provide the necessary infrastructure along Lakeside Drive and Lake Merritt Boulevard to encourage the use of alternative modes of transportation and increase foot traffic and economic activities in the neighborhoods.
- 2. Vibrant and Sustainable Infrastructure:** The Project invests in pedestrian, bicyclist, and public transit infrastructure to ensure Oaklanders have high-quality, sustainable transportation choices to travel to major destinations, including Lake Merritt and downtown. The improvements connect to the existing Lake Merritt two-way cycle-track and the 14th Street protected bike lanes, transforming the corridor into a walk-, bike-, and transit-friendly segment that supports the vibrancy and economy in the area.
- 3. Holistic Community Safety:** The Project includes constructing protected bicycle lanes, protected intersections, a road diet, and other enhancements designed to improve

pedestrian, bicycle, and transit safety along Lakeside Drive and Lake Merritt Boulevard, extending the connection around Lake Merritt.

- 4. Responsive, Trustworthy Government:** OakDOT is working diligently to deliver a key piece of pedestrian, bicyclist, and transit infrastructure that would benefit many communities surrounding the Lake Merritt area.

FISCAL IMPACT

The Project is funded by state and local funding sources as listed in **Table 3** below.

TABLE 3: CONSTRUCTION FUNDING SOURCES	AMOUNT
AHSC Program, Lakeside Drive/Lake Merritt Boulevard Complete Streets (No. 1005314), Construction Organization (92270), State of California (2159)	\$1,000,000.00
BART SR2B Grant, Lakeside Drive/Lake Merritt Boulevard Complete Streets (No. 1005314), Construction Organization (92270), Measure RR fund (2999)	\$3,000,000.00
Local funding, Complete Streets Capital Program (No. 1003348), Construction Organization (92270), Various funds (5342, 2218, 2230, 2232, 2420)	\$4,810,715.00
TOTAL FUNDS	\$8,810,715.00

Measure U funds identified above (Fund 5342) are contingent upon the availability of funding in the upcoming bond sale, which is currently planned to be finalized by November 2025. If the bond sale is delayed, the city may delay the project or utilize other available matching funds in Project 1003348 (Funds 2218, 2230, 2232, and 2420).

PUBLIC OUTREACH / INTEREST

From 2020 to 2022, OakDOT's Planning and Project Development Team conducted public outreach and engagement to support the conceptual design of the Lake Merritt Blvd/Lakeside Drive Complete Streets Paving Project. The Project team presented to various community groups, including the Measure DD Community Coalition, Neighborhood Council Groups in Downtown, Eastlake, Chinatown, other neighboring communities, and the City's Bicycle/Pedestrian Advisory Commission (BPAC). Additionally, OakDOT worked closely with other stakeholders on the corridor including the Masonic Temple, the Essex Building Homeowners Association (HOA), the Orton Development Team at the Kaiser Convention Center, Oakland Museum of California (OMCA), the Oakland Main Public Library, the Camron Stamford House, 1200 Lakeshore Apartments, and others in order to refine specific design elements of the project.

Staff provided notice to labor representatives, per the terms and conditions of the current Memorandums of Understanding with the International Federation of Professional & Technical Engineers (IFPTE) Local 21, Service Employees International Union (SEIU) Local 1021, and

International Brotherhood of Electrical Workers (IBEW) Local 1245, prior to the formal issuance of the Request for Bid (RFB).

Public Outreach is part of OakDOT's Capital Contract Equity Initiative. For this RFB solicitation, OakDOT-Great Streets Delivery Division (OakDOT-GSD) worked with Oakland Public Works-Capital Contracts Division (OPW-CCD) and the Department of Workplace and Employment Standards (DWES) to perform public outreach through legal ads, enhanced notifications, and pre-bid meetings.

Notifications of solicitation were distributed by several means. The first was the City's iSupplier system, which 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 Construction Bidboard. Within a few days of registering in iSupplier, companies can access and review proposal requests in iSupplier by searching for specific projects based on the North American Industry Classification System (NAICS) code.

The legal notice for the RFB solicitation was advertised on June 27, 2025, in the East Bay Times and the Oakland Post. In addition, information about the project was published in El Mundo, World Journal, Daily Pacific Builder/McGraw-Hill, and the Korea Times to supplement and target L/SLBE companies in Black, Indigenous, People of Color (BIPOC) communities with potential contractors.

Finally, OPW-CCD held a pre-bid meeting in partnership with DWES and the Project Manager on July 8, 2025, with five (5) in attendance virtually. The meeting's purpose was to inform attendees about the Project, discuss compliance requirements, and provide an opportunity for contractors and sub-contractors to network and partner on the proposed work.

COORDINATION

This Project has been coordinated with the Office of the City Attorney, the Budget Bureau, and the Department of Economic and Workforce Development in the development of this Project and preparation of this report and legislation.

Other departments and agencies that the Project has also coordinated with include the Oakland Fire Department (OFD), East Bay Municipal Utility District (EBMUD), Pacific Gas & Electric (PG&E), and AC Transit.

PAST PERFORMANCE, EVALUATION, AND FOLLOW-UP

Past projects completed by Gallagher & Burke, Inc. for the City were deemed satisfactory by staff per the Contractor Performance Evaluations (**Attachment B**).

SUSTAINABLE OPPORTUNITIES

Economic: Implementation of the Project will improve the experience of pedestrians, bicyclists, and transit users, which staff anticipate will encourage additional foot travel and thereby increase local economic activity.

Environmental: By providing safer and more comfortable routes for pedestrians, bicyclists, and transit users, the Project is expected to result in an overall shift in mode of transportation away from single occupancy vehicles to more energy efficient and lower emission forms of transportation.

Race & Equity: As walking, biking, and transit riding are relatively inexpensive and broadly accessible forms of transportation, the Project's pedestrian, bicycle, and public transit improvements will especially benefit youth, seniors, low-income residents, people with disabilities, and people who do not own personal vehicles. Utilizing OakDOT's Geographic Equity Toolbox (GET), the project passes through neighborhoods designated as "High Priority". These neighborhoods have a higher ratio of people of color, low-income residents, seniors, and people with disabilities when compared to the City as a whole.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

The proposed Project is exempt from the California Environmental Quality Act (CEQA) pursuant to Public Resources Code Section 21080.25(b)(1) (pedestrian and bicycle facilities, including new facilities). The Project is also exempt from CEQA pursuant to CEQA Guidelines Sections 15301(c) (Existing Facilities, Highways and Streets), 15032 (Replacement or Reconstruction), 15304(h) (minor alterations to land), and/or 15061(b)(3) (No Significant Effect on the Environment). Each of the above exemptions provides a separate and independent basis for CEQA compliance.

ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends That The City Council Adopt a Resolution Awarding A Construction Contract to Gallagher & Burke, Inc. For the Lakeside Drive/Lake Merritt Boulevard Complete Streets Project, Project No. 1005314, The Lowest, Responsible, And Responsive Bidder In Accordance With Project Plans, Specifications, State Requirements, And With Contractor's Bid In The Amount Of Eight Million, Eight Hundred Ten Thousand, Seven Hundred Fifteen Dollars (\$8,810,715.00); And Adopting Appropriate California Environmental Quality Act (CEQA) Findings.

For questions regarding this report, please contact Jessie Wang, Assistant Engineer at jwang3@oaklandca.gov.

Respectfully submitted,


Josh Rowan (Nov 4, 2025 14:22:24 PST)

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Attachments (2):

Attachment A: Compliance Analysis Memorandum

Attachment B: Contractor Performance Evaluation