



# AGENDA REPORT


**TO:** Jestin D. Johnson  
City Administrator

**FROM:** Josh Rowan,  
Director, Oakland  
Department of  
Transportation

**SUBJECT:** Lakeside Family Streets Construction  
Contract Award

**DATE:** August 12, 2024

City Administrator Approval

  
Jestin Johnson (Aug 16, 2024 13:40 PDT)

Date: Aug 16, 2024

## **RECOMMENDATION**

**Staff Recommends That The City Council Adopt A Resolution Awarding A Construction Contract To McGuire & Hester For The Lakeside Family Streets Project, Project No. 1004836, The Lowest, Responsible, And Responsive Bidder In Accordance With Project Plans, Specifications, State Requirements, And With Contractor's Bid In The Amount Of Four Million, Nine Hundred Ninety-Three Thousand, Three Hundred Fifteen Dollars (\$4,993,315.00); And Adopting Appropriate California Environmental Quality Act (CEQA) Findings.**

## **EXECUTIVE SUMMARY**

Approval of this proposed resolution will authorize the City Administrator to execute a construction contract in the amount of four million, nine hundred ninety-three thousand three hundred fifteen dollars (\$4,993,315.00) with McGuire & Hester, the lowest, responsible, responsive bidder, for the Lakeside Family Streets Project, Project No. 1004836, to construct pedestrian, bicycle, transit and vehicular traffic safety improvements on Harrison Street between Lakeside Drive and 27<sup>th</sup> Street and on Grand Ave between Harrison Street and Bay Place. Project improvements include physically separated bicycle lanes, protected intersections, pedestrian crossings improvements, bus boarding islands, curb ramps, and traffic signal improvements.

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 Family Streets Project (the Project) will construct pedestrian, bicycle, transit, and vehicular traffic safety improvements on Harrison Street between Lakeside Drive and 27<sup>th</sup> Street and on Grand Ave between Harrison Street and Bay Place. Highlighted project improvements

include extending the existing two-way cycle track from 21<sup>st</sup> Street to Bay Place, protected bike lanes on Harrison Street between Grand Avenue and 27<sup>th</sup> Street and on Grand Avenue between Harrison Street and Bay Place, a protected intersection at Grand Ave and Harrison Street, removal of the northbound slip-turn lane on Harrison Street at Grand Avenue, and Rectangular Rapid Flashing Beacons (RRFBs) at the crossing of Harrison Street at 23<sup>rd</sup> Street. The Project will also construct, bus boarding islands, curb ramps, and traffic signal improvements.

The 2007 Bicycle Master Plan first identified Grand Avenue and Harrison Street 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 Bike Plan, further emphasizing bicyclist safety needs along this corridor (Resolution No. [87808 C.M.S.](#)). In 2021, the City Council adopted the Capital Improvement Program for fiscal year (FY) 2021-2023 (Resolution No. [88717 C.M.S.](#) and amended midcycle in July 2022 by Resolution No. [89038 C.M.S.](#)) which included the Lakeside Family Streets Project.

The City applied for and received federal grant funds for this Project. In June 2017, the City Council authorized the acceptance and appropriation of \$9,687,000 in One Bay Area Grant (OBAG) funds from the Metropolitan Transportation Commission (Resolution No. [86791 C.M.S. 8](#)), \$4,792,000 of which was awarded to the Project. Of the awarded amount, \$4,392,000 will be used to fund the construction contract and staff costs for construction engineering. The Project is expected to start in Spring 2025 and be completed by Fall 2026.

Local matching funds are required as a condition of the grant, and they will be allocated from the Measure KK Infrastructure Bond Fund.

### **ANALYSIS AND POLICY ALTERNATIVES**

On May 30, 2024, the Office of the City Clerk received a single bid for the construction contract of the Project from McGuire and Hester (M&H). The bid is shown in **Table 1** below.

**Table 1: Project Bids Received**

<b>BIDDER</b>	<b>BASE BID</b>
McGuire & Hester	\$4,993,315.00

As the OBAG grant funds are federally funded, the Project is required to comply with the City's Disadvantaged Business Enterprise (DBE) requirements but not the Local/Small Local Business Enterprise (L/SLBE) requirements. The bid was reviewed by the Department of Workforce and Employment Standards, and the bid proposal exceeded the DBE project goal of 23%, with M&H bid proposal calculated to be 25.22%. The bid proposal was compliant with the City's Equal Benefits Ordinance (EBO), the Compliance Analysis Memorandum is included in **Attachment A**.

M&H's bid of \$4,993,315.00 is fourteen and two-tenths percent (14.2%) higher than the Engineer's Estimate of \$4,373,374.50. Given the current economic conditions, including materials cost increases and contractor workload capacities, staff determined that M&H's bid is reasonable. Staff recommends awarding a construction contract to M&H for the Lakeside Family Streets Project.

Without the City Council's approval to award the construction contract, the City would lose \$4.39M in federal grant funding for construction and hinder the City's ability to build the Project's improvements such as extending the 2-way cycle track around Lake Merritt and constructing protected bike lanes in the Northgate-Waverly neighborhood. The City might also have to return the federal grant funding that the City had expended during the Project's design phase because of a federal requirement to award a construction contract within six months of receiving an "Authorization to Proceed" from Caltrans. Without the federal grant, the project would have to fund the project using local funds, which would trigger rebidding. With today's market trend, rebidding the project would result in a higher contract price as construction costs are continuously on the rise and contractors are at capacity for work. It is in the best interest of the City to award the construction contract to M&H.

Adoption of the proposed resolution will allow the City, through the Oakland Department of Transportation (OakDOT), to move forward with implementing the Lakeside Family 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 Grand Avenue and Harrison Street to encourage the use of alternative transportation modes and increase foot traffic and economic activities in the neighborhood.
- 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, downtown, and the 19<sup>th</sup> Street Oakland Bay Area Rapid Transit (BART) Station. The improvements will transform 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 physically separated bicycle lanes, protected intersections, RRFBs, and other enhancements designed to improve pedestrian, bicycle, and transit safety along the busy Grand Avenue and Harrison Street corridor.
- 4. Responsive, Trustworthy Government:** OakDOT is working diligently to deliver a key piece of pedestrian, bicyclist, and transit infrastructure that would benefit many communities in the Downtown and Lake Merritt areas.

### **FISCAL IMPACT**

The Project is funded by federal, and local funding sources as listed in **Table 2** below. Construction award is contingent upon availability of funding.

<b>TABLE 2: CONSTRUCTION FUNDING SOURCES</b>	<b>AMOUNT</b>
Grant: One Bay Area Grant (OBAG), Lakeside Family Streets Project (No. 1004836), Construction Organization (92270), Metropolitan Transportation Commission Grant Fund (2116)	\$3,870,420.00
Measure KK, Lakeside Family Streets Project (No. 1004836), Construction Organization (92270), Measure KK Fund (5337)	\$1,122,895.00
<b>TOTAL FUNDS</b>	<b>\$4,993,315.00</b>

**PUBLIC OUTREACH / INTEREST**

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.

In addition to iSupplier, OPW-CCD utilized [CIPList.com](http://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 solicitation was advertised on April 26, 2024, in the East Bay Times and the Oakland Post. In addition, information about the project was published in El Mundo, Daily Pacific Builder, World Journal, and the Korea Times to supplement and target L/SLBE companies in Black, Indigenous, and 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 May 9, 2024, with one (1) in attendance virtually. The single contractor in attendance was McGuire & Hester. 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**

The 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), California Department of Transportation (Caltrans), Alameda-Contra Costa (AC) Transit, East Bay Municipal Utility District (EBMUD), and Pacific Gas & Electric (PG&E).

### **PAST PERFORMANCE, EVALUATION AND FOLLOW-UP**

Past projects completed by M&H 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:*** Compared to traveling by automobile, walking, biking, and using public transit is an energy efficient and low-emission form of transportation. The Project is expected to result in reduced motorized traffic activities and associated greenhouse gas emissions.

***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 Tool (GET), the Project abuts neighborhoods designated as “Highest Priority”, “Medium Priority”, and “Low Priority”. These neighborhoods have a higher ratio of people over 65 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), 15302 (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.


In addition to CEQA, National Environmental Policy Act (NEPA) clearance was obtained, because the Project is federally funded. A copy of the NEPA documents is provided in **Attachment C**.

**ACTION REQUESTED OF THE CITY COUNCIL**

Staff Recommends That The City Council Adopt A Resolution Awarding A Construction Contract to McGuire & Hester For The Lakeside Family Streets Project, Project No. 1004836, The Lowest, Responsible, And Responsive Bidder In Accordance With Project Plans, Specifications, State Requirements, And With Contractor's Bid In The Amount Of Four Million, Nine Hundred Ninety-Three Thousand, Three Hundred Fifteen Dollars (\$4,993,315.00); And Adopting Appropriate California Environmental Quality Act (CEQA) Findings.

For questions regarding this report, please contact Suty Komsonkeo, P.E., Civil Engineer at [skomsonkeo@oaklandca.gov](mailto:skomsonkeo@oaklandca.gov)

Respectfully submitted,



Josh Rowan (Aug 15, 2024 15:49 PDT)

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Attachments (3):

- Attachment A: Compliance Analysis Memorandum
- Attachment B: Contractor Performance Evaluations for McGuire & Hester
- Attachment C: National Environmental Policy Act (NEPA) clearance