

CITY OF OAKLAND

# AGENDA REPORT

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


**FROM:** Liam Garland  
Director, Oakland Public  
Works

**SUBJECT:** Construction Contract Amendment  
For The East Oakland Arts Center  
Project

**DATE:** February 23, 2026

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City Administrator Approval

  
Jestin Johnson (May 14, 2026 16:08:58 PDT)

Date: May 14, 2026

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## **RECOMMENDATION**

**Staff Recommends That The City Council Adopt A Resolution Waiving Advertising And Competitive Bidding And Authorizing The City Administrator To Increase The Construction Contract Change Order Amount For The East Oakland Arts Center Project (Project No. 1004851) With CWS Construction Group, Inc., From Twenty-Five Percent (25%) To Fifty-Six Percent (56%) Of The Original Contract Amount Of One Million Seven Hundred Eighty-Five Thousand Dollars (\$1,785,000.00) For A Total Contract Amount Not-To-Exceed Two Million Seven Hundred Eighty-Four Thousand Six Hundred Dollars (\$2,784,600.00).**

## **EXECUTIVE SUMMARY**

Approval of this resolution will authorize the City Administrator to increase the change order percentage from twenty-five percent (25%) to fifty-six percent (56%) of the original construction contract with CWS Construction Group, Inc. (CWS) for construction of the East Oakland Arts Center (EOAC) Project (Project 1004851), which, in turn would change the total contract amount from \$1,785,000.00 to a total contract amount not-to-exceed \$2,784,600.00.

## **BACKGROUND / LEGISLATIVE HISTORY**

The EOAC, formerly known as the Digital Arts and Culinary Academy, was built in the 1940's and is located in Council District 6 at 5818 International Boulevard, adjacent to the Rainbow Recreation Center, in the Seminary District of Oakland as shown in **Attachment A**. Oakland Parks, Recreation & Youth Development (OPRYD) has been serving the East Oakland community at EOAC for over 15 years, having first opened its doors in the summer of 2011. The facility has a core mission to help young participants grow and build self-confidence through afterschool and summer programs that focus on Digital Audio Production, Digital Video Production, Culinary Arts, and Urban Agriculture. Located along the International Boulevard

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corridor, an area that has historically been underserved and disproportionately impacted by disinvestment, EOAC provides critical youth development services to some of Oakland's most vulnerable populations, including low-income families, communities of color, and immigrant communities who have faced systemic barriers to accessing quality educational and recreational programming.

In November 2016, Oakland voters passed Measure KK to fund \$600 million of vital infrastructure improvements and Anti-Displacement and Affordable Housing Projects. The Project was approved in FY19-21 Capital Improvement Program budget in [Resolution No. 87759 C.M.S.](#) in June 2019.

The City of Oakland (City) issued a formal competitive Invitation for Bids to renovate the EOAC with four bids received on September 8, 2022. Analysis performed by the Department of Workplace & Employment Standards (DWES) identified that none of the four bids achieved 50% L/SLBE Trucking participation. Therefore, all four bids were determined as non-responsive.

On March 21, 2023, City Council passed [Resolution 89625 C.M.S.](#) granting authorization for the City Administrator to reject all bids as non-responsive, waiving further advertising and competitive bidding, and allowing negotiations in the open market for a qualified, responsive, and responsible company for an amount not to exceed \$1,836,000.00.

Negotiations were conducted on the open market with the four firms that submitted bids on September 8, 2022, starting with the lowest bidder. As a result, CWS was selected as lowest, most responsive, and most responsible bidder, having met all City LSBE requirements. In August 2023, the City executed a construction services agreement with CWS for the EOAC Project in an amount of \$1,785,000.00 which allowed for up to a twenty-five percent (25%) change order limit of \$446,250.00 as specified by the approved contract specifications.

Improvements done to date include removal of asbestos and lead present in floor and ceiling tiles and paints, structural and electrical upgrades, new classrooms, a gender-neutral restroom, added storage, new Heating, Ventilation and Air Conditioning (HVAC) equipment and sprinkler systems, new signage, and building façade renovations. Additional improvements are necessitated because the building was broken into and improvements stolen and vandalized.

## **ANALYSIS AND POLICY ALTERNATIVES**

### ***Construction Contract Change Order Limit Increase***

In November 2023, the City issued CWS the Notice to Proceed and by June 2024, base contract scope was substantially complete except for electrical utility equipment procurement and new service connections. Work was paused temporarily while the project waited for new electrical switchgear to complete fabrication and arrive on site.

During this construction pause in late 2024, vandals broke into the facility and removed new HVAC components, kitchen equipment and electrical conduit, and damaged interior partitions and ceilings. The project also encountered additional unforeseen conditions related to both the site and building. These additional conditions required expedited but judicious upgrades to the scope of work and have resulted in the utilization of the project contingency budget.

The change order increase will fund: (1) replacement of stolen HVAC and kitchen equipment; (2) repair of damaged interior finishes, partitions, and ceilings; (3) replacement of removed electrical conduit; (4) contract time extension costs; and (5) enhanced security measures during the remaining construction period to prevent further incidents. Upon project completion, Oakland Parks, Recreation, & Youth Development (OPRYD) staff will implement permanent security protocols for the facility.

It is critical that these repairs and re-work be completed as quickly as possible to avoid further damage to other installed improvements. Rebidding is not practical and would create more delays, increased costs, and leave the project facility vulnerable to further vandalism.

CWS has no contract capacity left in their current contract to perform the added vandalism repair scope required to complete the project. Additional contract capacity would be used solely to complete the EOAC project and will not impact other contracts CWS may have with the City.

The construction of the project is nearing completion. Without the increased contract change order capacity, the necessary scope changes and modifications cannot be executed under the current contract. The approval of the change order increase will allow the additional work to be incorporated to maintain the overall completion and occupancy date for the facility. Funding for the additional work is currently available from existing allocated sources.

### **Waiver of Advertising and Competitive Bidding Requirements**

Oakland Municipal Code (OMC) Section 2.04.050 requires advertising and competitive bidding for contracts for the purchase of services, supplies, or combination required by the City in any one transaction that exceeds \$50,000, and the award of the contract to the lowest responsible, responsive bidder if award is made.

To support a successful bid solicitation for the project, CCD held pre-proposal meetings in partnership with the DWES and the project manager on August 8, 2022, with a total of (8) eight people and (5) five firms in attendance virtually. The team discussed with potential contractors how contracts are established with the City, reported on possible upcoming work, provided opportunities for networking and partnership, and reviewed the current solicitation specifically. Staff also performed outreach to the small business community groups. to ensure that the selected contract conformed to the L/SLBE requirements.

OMC Section 2.04.050.1.5 provides an exception to the advertising and competitive bidding requirement of the OMC upon a finding and determination by the City Council that it is in the best interest of the City to do so.

Construction firms are required to meet the City's requirements for liability insurance and warranty coverage for their construction services. It is in the City's best interest to retain CWS as the contractor of record to complete construction. City Council could direct staff to proceed with a Request for Bids for a new contractor, however the transfer of liability and warranty would require time and additional money for another team to come up to speed to deliver remaining construction scope. It is also not guaranteed that the City could find a willing team to assume responsibility for another firm's materials and installation.

Staff recommend that it is in the best interest of the City to waive advertising and competitive bidding and to approve the proposed change order limit increase, to minimize additional costly delays or disruptions and meet the required completion schedule by continuing the construction that is currently underway with CWS.

## **RELATED PLANNING EFFORTS**

### **2030 Equitable Climate Action Plan**

The Project aligns with four [Equitable Climate Action Plan \(ECAP\)](#) Building Actions:

- B-1 - Eliminate Natural Gas in New Buildings
- B-4 - Reduce Lifecycle Emissions from Building Materials
- B-5 – Require All Major Retrofits of City Facilities to be All-Electric
- CL-2 – Phase Out Fossil Fuel Dependency in All City Agreements and Contracts

New Improvements include replacing existing gas powered heating systems with new all electric HVAC equipment, installing new windows, thermal insulation, and energy efficient lighting, improving the facilities energy efficiency. Re-use of an existing facility also helps reduce waste generation and extend the useful life of the building structures and systems.

### **Economic Development Action Plan**

•**Economic Growth:** With the upgrades and remodeling of this Project, the facility will be reopened for all programs, classes and workshops. The efficiencies and upgrades will allow for maximum use of the building year-round and throughout days, evenings and weekends. Modest fees are charged for classes and workshops, so with larger class capacities, as well as comfortable, year-round spaces, the increased attendance will increase revenues to OPRYD.

•**Jobs and Workforce Development:** EOAC's core mission is to help young people develop skills and experience in Digital Audio Production, Digital Video Production, Culinary Arts and Urban Agriculture.

•**Arts and Culture Support:** This facility focuses on programming for expressive and creative arts, supporting the cultural vitality of the community.

## **FISCAL IMPACT**

Staff are requesting approval to increase the construction contract change order limit from twenty five percent (25%), equivalent to \$446,250.00, to fifty-six percent (56%) or \$999,600.00, an increase of \$553,350.00 in change order spending authority. The overall construction contract with this proposed change will be \$2,784,600.00. Additional funding necessary to increase change order capacity has been identified within the existing project funds and cost-saving refunds.

**Contract Summary:**

A. Base Contract Amount	\$1,785,000.00
B. Initial Change Order Limit (25% of Base Amount)	\$446,250.00
C. Additional Change Order Authority Requested	\$553,350.00
D. Requested Change Order Limit (56% of Base)	\$999,600.00
<b>Revised Maximum Not-to-Exceed Contract Amount (A + D)</b>	<b>\$2,784,600.00</b>

Additional funding necessary to increase change order capacity has been identified with the transfer of Capital Improvements Impact Fees into the existing project funds located below:

<b>FUNDING SOURCE</b>
Capital Improvements Impact Fee Fund (2421); Capital Projects Organization (92270); EOAC Project (1004851); Program (IN06)

There is no minimum commitment to this contract, and funds will not be committed unless funding is identified.

**PUBLIC OUTREACH / INTEREST**

The formal bid for the Project was widely advertised. Oakland Public Works-Project & Grant Management Division (OPW-PGM) worked with Oakland Public Works-Capital Contracts Division (OPW- CCD) and DWES to conduct public outreach for solicitation through the legal ads, enhanced notifications, and a pre-proposal meeting.

Notifications of solicitations were distributed by several means. The first through iSupplier system, which was utilized to notify Oakland-certified local and non-local, regional trade and business groups, including the Oakland Metropolitan Chamber of Commerce, Oakland Black Board of Trade & Commerce, Bay Area Business Roundtable, and the Construction Bid board.

In addition to iSupplier, OPW-CCD sent notification to the disparity outreach list by email as well as OPW-CCD's utilization of CIPList.com, a free, web-enabled site to announce and distribute solicitations. It was used to push out notifications to plan rooms and 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 Invitation to Bid was advertised on July 29, 2022. Legal notices were printed in the Oakland Post, Oakland Tribune, El Mundo, Daily Pacific Builder, World Journal, and the Korea Times publications to supplement and ensure the information reaches Local and Small Local Business Enterprise contractors.

OPW-CCD held an outreach/networking/pre-proposal meeting in partnership with the DWES and the project manager on August 8, 2022, with a total of (8) eight people and (5) five firms in

attendance virtually. The meeting served a few purposes: to discuss with potential contractors how contracts are established with the City, to make those in attendance aware of possible upcoming work, to allow for opportunities for consultants to network and partner on upcoming work, and to discuss the current solicitation specifically.

Per City Council recommendations, staff reached out to the small business community groups. The project is committed to ensure that the selected contract shall conform to the L/SLBE requirements and L/SLBE trucking requirements to encourage diversified local and small local business participation

### **COORDINATION**

The work to be contracted has been coordinated with OPRYD, the City Administrators Office-Americans with Disabilities Act (ADA) Program, along with DWES, OPW-CCD, Oakland Public Works Construction Management Division, and other divisions within OPW.

This report and the resolution have been reviewed by the Office of the City Attorney, the Budget Bureau, and DWES.

### **RACE AND EQUITY**

The renovated facility will provide 3,832 square feet of indoor educational space with upgraded classrooms for Digital Audio Production, Digital Video Production, Culinary Arts, and Urban Agriculture, as well as a gender-neutral restroom. The programs served by this facility are attended primarily by African American, Latinx, Asian American, and Pacific Islander youth from the surrounding neighborhood. Completing these repairs and upgrades will restore and expand access to after-school and summer programming that would otherwise not be available within this part of the city.

Staff did not complete a Racial Equity Impact Analysis on the recommended action. Upon reopening, OPRYD will establish metrics to evaluate whether the renovated facility is serving the intended community and will report findings through its regular program evaluation process.

**ACTION REQUESTED OF THE CITY COUNCIL**

Staff Recommends That The City Council Adopt A Resolution Waiving Advertising And Competitive Bidding And Authorizing The City Administrator To Increase The Construction Contract Change Order Amount For The East Oakland Arts Center Project (Project No. 1004851) With CWS Construction Group, Inc., From Twenty-Five Percent (25%) To Fifty-Six Percent (56%) Of The Original Contract Amount Of One Million Seven Hundred Eighty-Five Thousand Dollars (\$1,785,000.00) For A Total Contract Amount Not-To-Exceed Two Million Seven Hundred Eighty-Four Thousand Six Hundred Dollars (\$2,784,600.00).

For questions regarding this report, please contact Tess Kavanagh, Project Manager, at [tkavanagh@oaklandca.gov](mailto:tkavanagh@oaklandca.gov) or (510) 238-6542.

Respectfully submitted,



[Liam Garland \(May 13, 2026 12:54:27 PDT\)](#)

Liam Garland  
Director, Oakland Public Works

Reviewed by:

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Acting Assistant Director  
Bureau of Design and Construction

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Project & Grant Management Division

Attachments (1):  
A. Location Map