



CITY OF OAKLAND

AGENDA REPORT

TO: Elizabeth Lake
Acting City Administrator

FROM: Josh Rowan,
Director of Transportation

SUBJECT: MLK Jr. Way Streetscape
Improvements Construction Contract
Award

DATE: May 18, 2026

City Administrator Approval


Betsy Lake (May 28, 2026 14:00:43 PDT)

Date: May 28, 2026

RECOMMENDATION

Staff Recommends That The City Council Adopt A Resolution Awarding A Construction Contract To McGuire and Hester For The Martin Luther King Jr. Way Streetscape Improvements Project Number 1006954, The Lowest Responsible And Responsive Bidder In Accordance With Project Plans, Specifications, State Requirements, And With Contractor's Bid In The Amount Of Twenty-Six Million Four Hundred Ninety-Nine Thousand Three Hundred Thirty-Nine Dollars and Fifty Cents (\$26,499,339.50); 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 the amount of \$26,499,339.50 with McGuire and Hester, the lowest responsible and responsive bidder, for the Martin Luther King Jr. (MLK Jr.) Way Streetscape Improvements (Project) to construct transportation safety improvements on MLK Jr. Way between 2nd Street and 14th Street. The contract complies with the City's Local and Small Local Business Enterprise (L/SLBE) Program requirements, and McGuire and Hester's bid includes an approved Mentor-Protégé Agreement.

The Project is funded entirely through external grant sources, with no local or General Fund dollars. Project improvements include pedestrian crossings improvements, pedestrian lighting, street trees, seating, a two-way cycle track, and upgraded traffic signals for vehicles, bicyclists, and pedestrians. Upon completion, the Project will address disparities by improving the safety of all road users, improving accessibility and mobility options for all residents, and improving air quality and related health outcomes in an area with a high proportion of residents who are Black and who are low-income.

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

BACKGROUND / LEGISLATIVE HISTORY

A portion of Martin Luther King Jr. (MLK Jr.) Way between 2nd Street and 14th Street is located on the Oakland High Injury Network (HIN), which comprises 8% of Oakland streets yet accounts for 60% of the City's severe and fatal traffic collisions. The corridor currently lacks protected bicycle infrastructure to physically separate people biking from vehicles, including heavy vehicles, and has existing sidewalk accessibility gaps. Council has taken numerous legislative actions in recent years to advance multimodal safety and access improvements along MLK Jr. Way, including:

- In 2019, City Council unanimously adopted the Let's Bike Oakland Bike Plan ([Resolution No. 87808 C.M.S.](#)), which identified MLK Jr. Way between 2nd Street and 14th Street as a priority corridor for upgraded bicycle facilities.
- On December 6, 2022, City Council directed Oakland Department of Transportation staff to accept and appropriate California State Transportation Agency (CalSTA) grant funding to advance projects identified in the Memorandum of Understanding Between the City and Port of Oakland (City-Port MOU), which includes this Project ([Resolution No. 89519, C.M.S.](#)).
- On July 16, 2024, with [Resolution No. 90377 C.M.S.](#), City Council adopted the Downtown Oakland Specific Plan, which identifies MLK Jr. Way as a segment of the Green Loop Connection and recommends corridor improvements to enhance connectivity between Downtown Oakland and the waterfront, including freeway undercrossing improvements and physical separation of heavy vehicle traffic from people walking and biking.
- On December 17, 2024, City Council passed an ordinance amending Oakland's Local and Small Local Business Enterprise (L/SLBE) Program, establishing contracting requirements for capital projects, including this Project ([Ordinance No. 13825 C.M.S.](#)). Award of the construction contract for this Project is consistent with the L/SLBE Program.
- On July 15, 2025, City Council authorized the acceptance and appropriation of \$29,616,005 in Metropolitan Transportation Commission (MTC) Regional Measure 3 (RM 3) Goods Movement and Mitigation funds to implement this Project ([Resolution No. 90799 C.M.S.](#)).
- In July 2025, City Council entered into the Curran Consent Decree pertaining to pedestrian right-of-way compliance with the Americans with Disabilities Act (ADA) ([Resolution No. 90805, C.M.S.](#)), committing the City to install or upgrade curb ramps and sidewalks to meet federal and state accessibility standards by 2050. This Project advances that commitment along the MLK Jr. Way corridor.

ANALYSIS AND POLICY ALTERNATIVES

On February 26, 2026, the Office of the City Clerk received construction bids from four (4) firms: Gallagher and Burk, Inc., Bay Cities Paving and Grading, Inc., McGuire and Hester, and Redgwick Construction, Co. The bids are shown in **Table 1** below.

Table 1: Project Bids Received

BIDDER	BASE BID	EARNED BID DISCOUNT	BASE BID (INCLUDING DISCOUNTS)
Gallagher and Burk, Inc.	\$25,081,142.00	3%	\$24,328,707.74
Bay Cities Paving and Grading, Inc.	\$25,399,504.20	2%	\$24,891,514.12
McGuire and Hester	\$26,499,339.50	10%*	\$23,849,405.55
Redgwick Construction, Co.	\$28,981,853.50	10%*	\$26,083,668.15

*Approved Mentor Protégé Agreement

The Project is required to comply with the City’s Local and Small Local Business Enterprise (L/SLBE) requirements. The L/SLBE participation requirement for this project was set at 16% (8% LBE and 8% SLBE). Bids were reviewed by Department of Workplace and Employment Standards (DWES), and all four (4) bids submitted were found to be responsive to the L/SLBE requirement. Two bidders—McGuire and Hester and Redgwick Construction, Co.—received the maximum 10% bid discount for having an approved Mentor Protégé Agreement with certified Very Small Local Business Enterprise (VSLBE) firms. The L/SLBE Program requirements and the Mentor Protégé Agreement structure are designed to ensure that local and small businesses have meaningful access to contracting opportunities generated by this Project. Additional information about earned bid discounts can be found in the Project’s Compliance Analysis Memorandum (**Attachment A**).

On April 21, 2026, the Oakland Public Works (OPW) Capital Contracts Division shared a bid summary with all four bidders. On April 28, 2026, the City received a protest letter from Gallagher and Burk, Inc., alleging the City incorrectly applied a 10% bid discount to McGuire and Hester and to Redgwick Construction, Co. After careful review and coordination with DWES, OPW Capital Contracts Division responded to the bid protest on May 13, 2026, upholding the City’s application of bid discounts.

Staff recommend award of the construction contract to McGuire and Hester as the lowest responsive and responsible bidder after application of earned bid discounts. McGuire and Hester submitted a bid of \$26,499,339.50, which is 8% below the Engineer’s Estimate of \$28,955,900.

All grant funding secured for the Project must be liquidated by June 30, 2030. Approval of this resolution will allow the Project to maintain its delivery schedule for Project completion by June 2030. Delaying this approval will put the project at risk of not meeting grant requirements and at risk of losing more than \$25,000,000 for the construction of the Project.

RELATED PLANNING EFFORTS

Downtown Oakland Specific Plan

On July 16, 2024, City Council adopted the Downtown Oakland Specific Plan ([Resolution No. 90377 C.M.S.](#)), which identifies MLK Jr. Way as a segment of the Green Loop Connection and recommends corridor improvements to enhance connectivity between Downtown Oakland and the waterfront, including freeway undercrossing improvements and physical separation of heavy vehicle traffic from people walking and biking. This Project implements those recommendations along the MLK Jr. Way corridor between 2nd Street and 14th Street.

Let's Bike Oakland Bike Plan

In 2019, City Council unanimously adopted the Let's Bike Oakland Bike Plan ([Resolution No. 87808 C.M.S.](#)), which identified MLK Jr. Way between 2nd Street and 14th Street as a priority corridor for upgraded bicycle facilities. This Project delivers on that recommendation by constructing a two-way protected cycle track and enhanced pedestrian facilities that physically separate people biking from vehicles, including heavy vehicles on this truck route.

Equitable Climate Action Plan (ECAP)

This Project supports ECAP ([Resolution No. 88267 C.M.S.](#)) transportation and land use policies and actions (TLU-6) by constructing a two-way protected cycle track and enhanced pedestrian facilities that reduce automobile dependence and encourage low-carbon transportation modes. The Project also advances ECAP adaptation policies and actions (A-6) through the planting of new street trees along MLK Jr. Way, which will regulate temperatures, sequester carbon, and mitigate air pollution in a corridor serving communities disproportionately impacted by environmental burdens. These improvements were designed with deliberate intention to reduce transportation-related emissions and deliver climate-resilient infrastructure to West Oakland and Downtown communities that have historically borne greater environmental and economic burdens.

FISCAL IMPACT

Sufficient grant funds are available to fund this contract. As detailed in the *Background / Legislative History* section above, City Council authorized the acceptance and appropriation of \$29,616,005 in Metropolitan Transportation Commission (MTC) Regional Measure 3 (RM 3) Goods Movement and Mitigation funds to implement this Project ([Resolution No. 90799 C.M.S.](#)).

The \$29,616,005 in RM 3 grant funds have been appropriated in Fund 2163, Project 1006954. This grant amount includes funding for staff time and construction management in addition to the contract award cost.

PUBLIC OUTREACH / INTEREST

Public outreach is part of OakDOT's Capital Contract Equity Initiative. For this solicitation, OakDOT worked with OPW Capital Contracts Division and DWES to perform public outreach through legal ads, enhanced notifications, and pre-bid meetings.

On August 28, 2025, staff hosted a Doing Business with Oakland event in coordination with OPW and DWES to engage the consultant and contractor community. This meeting included information about the pre-qualification process and the steps to become a certified Small and Local Business Enterprise. It also highlighted upcoming construction opportunities, including this Project, and facilitated about 150 matchmaking sessions between 73 small businesses and four prime contractors.

On November 25, 2025, staff provided notice to labor representatives, per the terms and conditions of the current Memorandums of Understanding with the International Federation of Professional and 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.

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 and 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, including by searching for specific projects based on North American Industry Classification System (NAICS) code.

The legal notice for this solicitation was advertised on December 26, 2025, 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.

Finally, OPW Capital Contracts Division held a pre-bid meeting in partnership DWES and the Project Manager on January 6, 2026, with twelve (12) people 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

Staff worked with the Office of the City Attorney, the Budget Bureau, Oakland Public Works and Department of Workplace and Employment Standards on the contractor procurement of this Project and preparation of this report and legislation.

RACE AND EQUITY

In 2024, staff completed a [Racial Equity Impact Analysis \(REIA\)](#) on the MLK Jr. Way Streetscape Improvements to understand the existing disparities, identify how the Project addresses disparities, and provide additional recommendations to the Project design team and the City.

The Project area is defined by six census tracts that are within or adjacent to the Project corridor. This area has about 10,600 residents. Compared to Oakland's population, this area has a higher proportion of residents who are Black and households with very low income. About 30% of households in the Project area make less than \$20,000 per year. In addition, 30% of the Project area households do not have access to a personal vehicle. As highlighted in the REIA, traffic collisions disproportionately impact Black Oaklanders on this corridor, and the Project area residents are subject to worse air quality and associated health outcomes compared to Citywide trends.

This Project will address disparities by improving the safety of all road users; improving accessibility and mobility options for residents, especially residents without vehicles; and improving air quality and related health outcomes in an area with a high proportion of residents who are Black and who are low-income.

In addition, the Project follows all applicable City contracting requirements that aim to provide the City's residents and businesses with equitable access to the economic opportunities created by its contracts. The City's contracting policies aim to use the power of the public purse to stimulate economic development through the support and empowerment of the local community, especially those that have been placed at a disadvantage in the past.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

The Project is exempt under CEQA pursuant to CEQA Guidelines Sections 21080.25(b) (Pedestrian and Bicycle), 15301(c) (Existing Facilities, Highways and Streets), 15302(c) (Replacement or Reconstruction), 15303(d) (Small Structures), and 15304(h) (minor alterations to land). Each of the above exemptions provides a separate and independent basis for CEQA compliance. The City filed a [Notice of Exemption](#) with Alameda County and the Office of Planning and Research's State Clearing House on March 8, 2024, for the MLK Jr. Way Streetscape Improvements.

ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends That The City Council Adopt A Resolution Awarding A Construction Contract To McGuire and Hester For The Martin Luther King Jr. Way Streetscape Improvements Project Number 1006954, The Lowest Responsible And Responsive Bidder In Accordance With Project Plans, Specifications, State Requirements, And With Contractor's Bid In The Amount Of Twenty-Six Million Four Hundred Ninety-Nine Thousand Three Hundred Thirty-Nine Dollars and Fifty Cents (\$26,499,339.50); And Adopting Appropriate California Environmental Quality Act Findings.

For questions regarding this report, please contact Emily Ehlers at (510) 238-2259.

Respectfully submitted,


[Megan Wier \(May 26, 2026 12:00:51 PDT\)](#)

Megan Wier
Acting Director, Department of Transportation

Reviewed by:
Jamie Parks, Assistant Director

Emily Ehlers, Major Projects Division Manager

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Prepared by:
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Attachments (1):
Attachment A: Project's Compliance Analysis Memorandum