



DISTRIBUTION DATE: November 28, 2023

## MEMORANDUM

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:** Fred Kelley  
Director, Oakland  
Department of Transportation

**SUBJECT:** Major Projects Division Update

**DATE:** November 27, 2023

City Administrator  
Approval

  
Justin Johnson (Nov 28, 2023 17:27 PST)

Date: Nov 28, 2023

### INFORMATION

Established by Oakland's City Council in March 2022, the Major Projects Division (MPD or Division) of the Oakland Department of Transportation (OakDOT) is a team of planners, engineers, and project managers that works collaboratively with other OakDOT divisions, city departments and partner agencies to deliver major transportation infrastructure improvements in the City of Oakland (City).

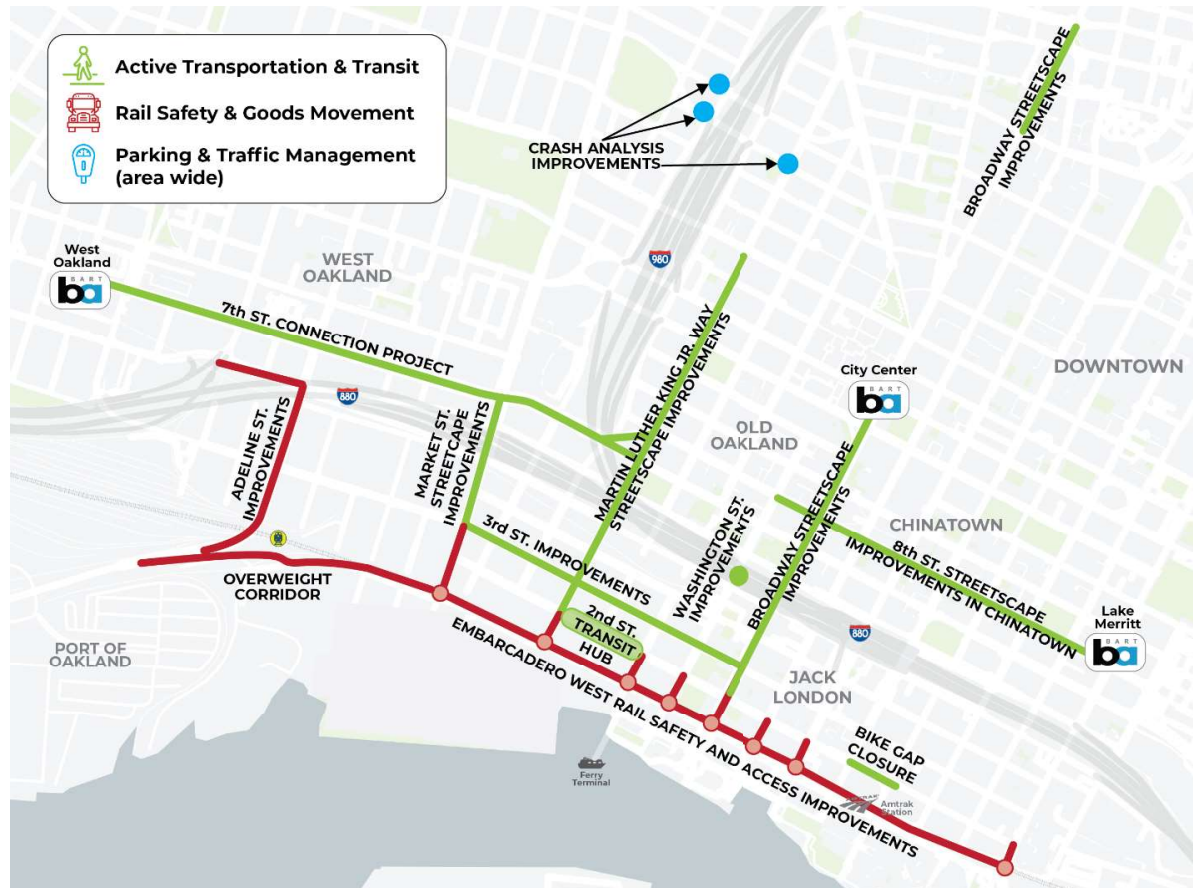
Consistent with City Council direction, the Division's first suite of projects will improve safety and strengthen connections between West Oakland, Chinatown, Downtown, Old Oakland, and the Jack London District, while enhancing goods movement to, through and around the Port of Oakland (Port). Overall, the Division has been exceptionally successful in securing funding and advancing the development of these complex projects, while simultaneously working to fill the newly created positions. The City has received \$428 million in grant funds for these projects, which is unprecedented. This success will in turn deliver large capital projects identified as longstanding community priorities, and regionally significant projects that will improve transportation and Port operations, while reconnecting Oaklanders and investing in key commercial districts.

Continued collaboration between staff and City Council will be necessary to ensure that acquired project funding is retained and that these projects are ultimately delivered. Staff anticipates bringing two important action items to City Council to advance these projects: awarding a design contract for the Embarcadero Rail Safety and Access Improvements project in December 2023, and the establishment of multiple on-call benches to advance projects (within MPD and other project delivery divisions) in Spring 2024. This memo provides a background on the projects, an overview as to the status of staffing, funding, and project delivery to ensure the funding is spent to deliver significant projects for the City.

## BACKGROUND

On March 1, 2022, the City Council established the MPD and tasked it with delivering a suite of projects, shown in **Figure 1: Project Map**, designed to substantially improve safety and strengthen connectivity between Oakland's Downtown, Chinatown, West Oakland, and the historic Jack London waterfront, while enhancing goods movement around the Port ([Resolution No. 89059, C.M.S., March 1, 2022](#)). These projects were selected from existing plans, including but not limited to the City's 2019 Bicycle Plan, the Downtown Oakland Specific Plan, Alameda County Transportation Commission's (ACTC) Rail Safety Enhancement Plan, ACTC's Measure BB Transportation Expenditure Plan, the City's Capital Improvement Program, and a number of other plans. While the projects were evaluated and certified under the California Environmental Quality Act in the Oakland Waterfront Ballpark District at Howard Terminal Environmental Impact Report ([Resolution No. 89045, C.M.S., February 17, 2022](#)), both the projects and the grant funding obtained for these projects as directed by City Council per [Resolution No. 88744 C.M.S., July 20, 2021](#) are independent of the proposed ballpark project. **These projects were previously planned projects that would result in benefits to the community at-large regardless of any future development and are thus continuing to be designed and delivered by the City and the Port.** Those interested in learning more about the proposed Waterfront Ballpark District at Howard Terminal can learn more here: <https://www.oaklandca.gov/resources/waterfront-ballpark-district-at-howard-terminal-faqs>.

Figure 1. Project Map



A full description of the projects is available on the Major Projects Division webpage: <https://www.oaklandca.gov/topics/major-projects-division>.

## ANALYSIS

Consistent with City Council direction, MPD has made significant progress on staffing, funding, and project delivery as follows. Delivering on this suite of projects meets the **Citywide priorities of responsive, trustworthy government, holistic community safety and vibrant, sustainable infrastructure**. These projects have been designed to maximize community benefit by starting with an equity impact analysis, drawing from existing plans (including community-led and Council-approved plans), and conducting extensive engagement. The projects will improve safety and sustainability through infrastructure enhancements such as bulbouts, transit only lanes, protected bicycle lanes, rail safety improvements, and broadband connections that will drastically improve safety and equity along the entire corridors, including high injury corridors. The projects will improve goods movement and reduce delays and truck idling and associated emissions impacting high priority equity communities. Finally, the projects will

improve vibrancy with improvement along multiple commercial corridors and by reconnecting communities separated by freeways and the rail corridor.

*Staffing*

Thirteen (13) MPD positions and three (3) administrative positions in other divisions were established by City Council in March 2022 ([Resolution No. 89059, C.M.S.](#)) to execute an initial suite of major projects in collaboration with the Port. As of this writing, seven (7) positions have been filled and six (6) positions within the Division are vacant (two Civil Engineers, two Assistant Engineer I/II’s, one Program Analyst III, and one Transportation Planner II are vacant, with the exception of the Program Analyst position, which is currently filled by an exempt limited duration employee; ELDE). In addition, all three (3) administrative positions are vacant (two contracting positions, and one accounting position). Hiring efforts for the MPD positions, as well as other OakDOT vacancies, are ongoing in collaboration with Human Resources Management, in accordance with established City practices governed by Civil Service, and in consideration of OakDOT’s recruitment & hiring priorities. In spite of the Division’s vacancies, critical projects and grant efforts are successfully advancing, as described in the sections that follow.

*Funding*

Under City Council direction ([Resolution No. 88744 C.M.S., July 20, 2021](#)), staff have been actively seeking funding for this suite of projects with the goal of fully funding these projects with non-general fund dollars. Grant applications are typically very competitive and time intensive to apply for and administer; applicants are most successful when project goals meet the goals of grant sources. As demonstrated in **Table 1: Funding Summary**, the City has been extremely successful at securing funds from competitive dollars that otherwise would not have been available to the City.

**Table 1. Funding Summary**

<i>Funding Source - Secured</i>	<i>Amount (Millions)</i>	<i>Projects Funded</i>
Rebuilding American Infrastructure with Sustainability and Equity (RAISE), United State Department of Transportation (USDOT)	\$ 13.8	Broadway Streetscape Improvements
Active Transportation Program (ATP), California Transportation Commission	\$ 14.2	7 <sup>th</sup> Street Connections Project
Affordable Housing and Sustainable Communities (AHSC), California Strategic Growth Council	\$ 0.6	MLK Jr. Way Streetscape Improvements
Highway Safety Improvement Program (HSIP), Caltrans	\$ 0.3	7 <sup>th</sup> Street Connections Project

**HONORABLE MAYOR & CITY COUNCIL**

Subject: Major Projects Division Update

Date: November 27, 2023

Page 5

Measure KK previously allocated paving funds, City Bond Measure	\$ 9.4*	7 <sup>th</sup> Street Connections, Broadway Streetscape Improvements
Federal Earmarks	\$ 2.0	7 <sup>th</sup> Street Connections Project
Transit and Intercity Rail Capital Program (TIRCP), CalSTA	\$ 10.7	8 <sup>th</sup> St. Streetscape Improvements in Chinatown and 2 <sup>nd</sup> Street Transit Hub and Bike Gap Closure
Port and Freight Infrastructure Program (PFIP), CalSTA and Port matching funds	\$ 20.4	3 <sup>rd</sup> Street Improvements, Adeline Street Improvements
Trade Corridor Enhancement Program (TCEP), California Transportation Commission	\$ 30.2	Embarcadero West Rail Safety and Access Improvements, Overweight Corridor
Regional Early Action Planning (REAP) 2.0, California Housing and Community Development	\$ 1.5	7 <sup>th</sup> Street Connections Project
Measure BB Transportation Expenditure Plan, Alameda County Transportation Commission	\$ 10.2	Broadway Streetscape Improvements
California Assembly Bill 128, CalSTA	\$ 259.5	All projects
Regional Measure 3 (RM3), Metropolitan Transportation Commission	\$ 55.0	Market Street Streetscape, MLK Jr. Way Streetscape Improvements, and Embarcadero West Rail Safety and Access Improvements
<b>Total</b>	<b>\$ 427.8</b>	

*\*As needed*

The California State Transportation Agency (CalSTA) \$259,500,000 grant to the Port<sup>1</sup> through California Assembly Bill 128 remains the largest funding source to date. It is critical in initiating the 35% design work for the projects, discussed below, and largely this CalSTA grant will provide the required “matching” funds for the Federal, State, and regional grant funds. While project delivery conversations are ongoing, the City anticipates that the Port will deliver the two projects associated with the Port and Freight Infrastructure Program (PFIP) grant (Adeline and 3<sup>rd</sup> Street) and the City will design and deliver the remaining projects. CalSTA funds must be spent by June 2030. Total cost estimates have ranged over time, and staff believes it is possible that the current amount raised may in fact cover the full costs, depending in part on the outcome of the grade separate feasibility analysis. However, note that some projects are still early in the design process and cost estimates can change substantially over time as designs are advanced due to a variety of factors, including but not limited to:

1. Changes in scope due to community and/or agency feedback resulting in design changes.

<sup>1</sup> The total grant to the Port was \$279.5 million, with \$20 million expended on the 7<sup>th</sup> Street Go-Port project led by the Alameda County Transportation Commission: <https://www.alamedactc.org/programs-projects/goport-program>

2. Discovery of presently unknown issues, such as utilities that need to be relocated (this is most common in older areas of the City where records are not always accurate, such as the area where these projects are located).
3. Inflation and delays in project delivery, which result in increased costs. It should be noted that MPD’s cost estimates include 6% annual inflation from 2021 costs.
4. Permits, fees, and right of way costs related to other agencies or property owners.

MPD will continue to maintain up-to-date cost estimates, share these transparently with the public, and seek grant funding as needed. Current cost estimates based on design concepts are available in **Table 2. Draft Cost Estimates**, which will be next updated at the 35% design milestone. The draft cost estimates include all costs associated with projects, including project staff, overhead/benefits, design consultants, construction (estimated using itemized costs based on 2021 construction bids received on other City of Oakland transportation infrastructure projects), a 6% annual inflation rate through 2026 (the assumed average year of construction), a 25%-35% contingency depending on the complexity of the project, construction management and inspection costs, permits, fees, and reviews, etc.

**Table 2. Draft Cost Estimates**

Project Name	Draft Cost Estimate (Millions)
7th Street Connection Project	\$ 34.9
Martin Luther King Jr. Way Streetscape Improvements	\$ 30.7
Broadway Streetscape Improvements	\$ 43.3
8th St. Streetscape Improvements in Chinatown	\$ 17.4
Undercrossing Improvements	\$ 7.2
Market St. Streetscape Improvements	\$ 12.1
2nd Street Transit Hub & Bike Gap Closure	\$ 7.9
3rd Street Improvements	\$ 8.2
Embarcadero West Rail Safety and Access Improvements	\$ 154.3
Overweight Corridor	\$ 13.9
Railroad Grade Separation(s) <i>(costs to be updated following feasibility study)</i>	\$ 58.5 – \$ 202.0*
Adeline Street Improvements	\$ 12.4
Crash Analysis Improvements	\$ 6.5
OakPark	\$ 16.4
<b>Total</b>	\$ 423.7 – \$ 569.2

\* Range based on number and type of grade separations

*Project Development and Delivery*

Project design and development is underway at varying levels for each project. The projects must meet engineering design and construction deadlines associated with their respective grant sources in order to keep these critical funds in Oakland. **Table 3** provides the list of projects, their description and status.

**Table 3. Project List**

<b>Project Name</b>	<b>Status</b>	<b>Description</b>
7th Street Connection Project	Design	Create a safe route for people walking, biking, taking transit, and driving on 7th Street between Mandela Parkway and Martin Luther King Jr. Way. The improvements include protected bike lanes, transit access and reliability improvements, shortened pedestrian crossings, pedestrian lighting, and new street trees.
Martin Luther King Jr. Way Streetscape Improvements	Design	Improve pedestrian and bicycle safety on Martin Luther King Jr. Way between 2 <sup>nd</sup> Street and 14 <sup>th</sup> Street by constructing bike lanes, high visibility crosswalks, pedestrian lighting, upgraded signals, and plant new street trees.
Broadway Streetscape Improvements	Design	Enhance bus travel and pedestrian safety on Broadway from 2 <sup>nd</sup> Street to 11 <sup>th</sup> Street and 20 <sup>th</sup> Street to Grand Avenue. Improvements include red bus lanes, safer pedestrian crossings, underpass improvements, and signal upgrades.
8th St. Streetscape Improvements in Chinatown	Planning	Enhance pedestrian safety, accessibility, and comfort on 8 <sup>th</sup> Street between Oak Street and Washington Street. Project may include additional community recommendations that come from the Chinatown Complete Streets Plan.
Undercrossing Improvements	Planning	Undercrossing improvements at Broadway, Washington Street, Martin Luther King Jr. Way, 7 <sup>th</sup> Street, and Market Street that increase safety and comfort, and help knit together the communities currently separated by the I-880 and I-980 freeways.
Market St. Streetscape Improvements	Planning	On Market Street between 3 <sup>rd</sup> Street and 7 <sup>th</sup> Street, construct bike lanes, pedestrian safety improvements and upgrade signal systems.
2nd Street Transit Hub & Bike Lane Gap Closure	Planning	Construct a transit hub on 2 <sup>nd</sup> Street between Martin Luther King Jr. Way and Clay Street to make it comfortable to wait for the bus, access bikeshare and e-scooters, and park bicycles safely. Additionally, this project will close a bike lane gap on 2 <sup>nd</sup> Street between Harrison and Alice Streets.

3rd Street Improvements	Planning	On 3 <sup>rd</sup> Street between Broadway and Market Street, construct sidewalk where it does not exist today and add stop signs at Brush and Castro Street.
Embarcadero West Rail Safety and Access Improvements	Design proposals being solicited	This project will reconstruct and upgrade eight at-grade crossings between Market Street and Oak Street, install fencing between intersections to provide a barrier between trains and other road users, construct a multi-use path, and install new traffic signals.
Overweight Corridor	Planning	This project will construct a truck route that accommodates overweight vehicles connecting the west end of Embarcadero West to Middle Harbor Road at Adeline. This project will improve goods movement and reduce overweight trucks traveling through West Oakland.
Railroad Grade Separation Feasibility Study	Planning	Prepare a feasibility study that evaluates multiple bridge locations that span the Embarcadero West roadway and railroad corridor between Adeline Street and Clay Street, including for the improvement/reconstruction of the existing Adeline Street bridge and bike/pedestrian access.
Adeline Street Improvements	Planning	This project will include intersection and signal improvements at the I-880 off-ramp and Union Street, and at 5th Street at Union and Adeline Streets. Adeline Street will be reconfigured between 5 <sup>th</sup> Street to the seaport to improve truck movement and minimize idling and associated impacts on the community.
Crash Analysis Improvements	Planning	Intersection safety improvements such to enhance traffic safety for all modes will be made at Brush and 17 <sup>th</sup> and 18 <sup>th</sup> Streets, and MLK Jr. Way and 17 <sup>th</sup> Street.
OakPark	Planning	The OakPark Parking Management Plan includes the following key strategies in the Downtown, Jack London, Chinatown, and West Oakland areas: expanding meters and dynamically pricing on-street parking to match demand, and managing off-street parking, including a reservation system, and wayfinding.

The grant deadlines for these projects are aggressive, and there are many important steps required to administer and design complex infrastructure projects. The GANTT chart in **Figure 3** below shows a sample large capital project that utilizes the City’s on-call design contract, which can be expected to take six to seven years from the start of detailed design to the end of construction, assuming no major delays. There are complex processes that take place at each phase of the process, from preliminary design through construction:

- The 35% design phase typically involves in-depth community engagement and baseline data collection to determine the feasibility of designs and identify the preferred concept considering community engagement and alignment with City plans and policies;

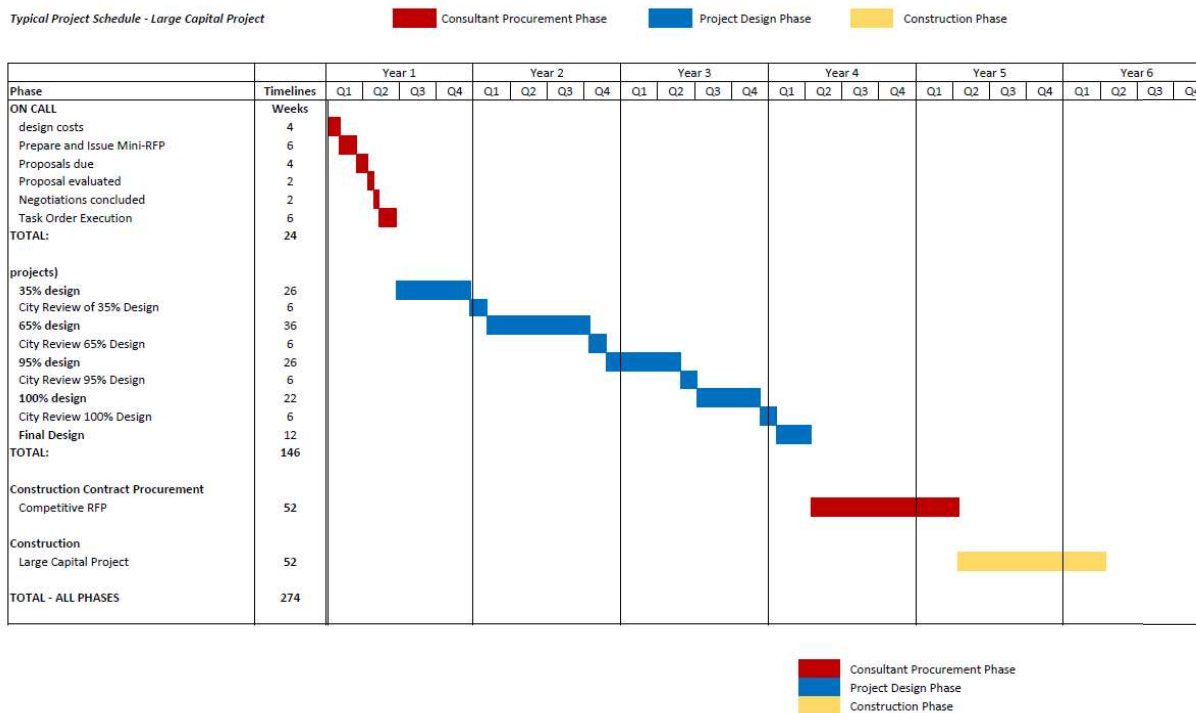


environmental reviews, studies, and reports are also typically completed during this phase.

- The 65% design phase includes detailed civil engineering for the projects to finalize geometric layouts, and coordination with utility owners to begin the civil engineering work of identifying impacts, relocating conflicting utilities, and establishment of inter-agency agreements for permits and right of way activities; this phase typically will also focus on constructability, budget considerations and modifications and potential issues or concerns.
- The 95% design phase iterates on previous designs to address and incorporate comments, finalize utility agreements, process major regulatory permits, and obtain right of way certifications; construction schedules, phasing plans, and logistics will also be developed in this phase
- The 100% design phase results in final designs and confirms funding plans and funding agreements for construction authorization (which typically require the funding agency to approve final plans).
- In addition, there is a review process by agency staff at each of the design milestones noted above and stakeholder coordination to identify and resolve potential issues.

Contracting phases precede both the design and construction phases. Should the City use a formal RFP for design, this process could be expected to increase by approximately 24 weeks. On the other hand, should the City have the capacity to design projects in house, the project could be shortened by approximately 24 weeks (the time required for on-call design contracts). MPD is not currently staffed to complete designs in-house given the quantity of projects being developed, however, future projects could be designed in-house.

**Figure 3. Typical Project Schedule – Large Capital Project**



With this schedule in mind, below is a discussion of the status of the projects.

Broadway, Martin Luther King Jr Way, 7<sup>th</sup> Street Projects

The first set of grant deadlines is associated with the approximately \$14 million United States Department of Transportation’s Rebuilding American Infrastructure with Sustainability and Equity (RAISE) grant for the Broadway and Martin Luther King, Jr. Way Streetscape Improvements, and to extend free OakWIFI along 7<sup>th</sup> Street further into West Oakland. Designs for all three corridors are underway, and teams of OakDOT staff and consultants are working to meet these deadlines, which may only be extended with an act of Congress and confirmed with the support of the President of the United States; this funding source is unlikely to be extended. In order to advance these projects, City Council approved design contracts for the 7<sup>th</sup> Street Connection Project ([Resolution No. 89394 C.M.S., September 2, 2022](#)), and the Broadway and Martin Luther King, Jr. Way Streetscape Improvements ([Resolution No. 89765 C.M.S., June 6, 2023](#)). Design and community engagement for these projects is underway and teams are working diligently to meet the RAISE grant milestones. A construction contract could come to the City Council as soon as early 2025.

Embarcadero West Rail Safety and Access Improvements

The City is also making progress on global design efforts for all projects supported by CalSTA Assembly Bill 128 funds and is working to advance a large design contract supported by these funds. Specifically, MPD, in partnership with Oakland Public Works’ Capital Contracts Division and the Department of Workplace and Employment Standards, issued a Request for Proposals

(RFP) on August 4, 2023, for design consultants for the Embarcadero West Rail Safety and Access Improvements. The scope of this project includes all design efforts related to the Embarcadero West corridor, discussed further below, as well as the design of the overweight corridor that reconnects Middle Harbor Road directly to the 3<sup>rd</sup> Street overweight route, and a preliminary study to help the City and Port better evaluate the location options, users, design, and cost considerations for the future grade separation or separations, including for the improvement/reconstruction of the existing Adeline Street bridge. Getting into contract for design on these projects is critical to meeting the grant deadlines and further refining the overall cost estimates. Proposals were due on September 28, 2023. Staff expects to bring this professional services contract to the City Council late this year (2023).

Design of the proposed at-grade (street level) improvements to Embarcadero West through the Jack London District, which is the largest portion of the proposed contract, is shown on **Figure 2: Embarcadero West Before/After Images**. The current shared use of this corridor, including vehicles, pedestrians, buses, bicyclists, freight trains, and passenger rail mixing within a congested urban area, is unlike any other in a major U.S. city, and results in safety and accessibility challenges, and significant impacts on passenger rail operations and economic impacts to freight/goods movement. This condition has been a problem for well over a century with no easy or inexpensive solutions. With the establishment of MPD, the City, in close coordination with the Port, is leading the much-needed redesign of the Embarcadero West corridor.

**Figure 2. Embarcadero West Before/After Images**



Given the magnitude of the upcoming design contract for the Embarcadero West Rail Safety and Access Improvements, and the importance of supporting Oakland's small local businesses and minority owned businesses, the City has been working to engage and connect these businesses in new and innovative ways. MPD coordinates an interdepartmental contracting working group for all of OakDOT's capital project delivery divisions, facilitated by the City Administrator's Office, with leadership from the Department of Workplace and Employment Standards (DWES), OPW's Capital Contracts Division (CCD), OakDOT, and the Office of the City Attorney. Through weekly coordination, the City has been working together to improve contracting protocols and engagement of the private sector to meet the City's Local and Small Local Business Enterprise (L/SLBE) program goals.

The contracting working group collaborated to engage businesses in the Embarcadero West Rail Safety and Access Improvements RFP through the following strategies:

- Union notification\*
- Post RFP in iSupplier & CIPList.com\*
- Oakland Post advertisement\*
- Five additional multi-lingual newspaper advertisements
- Posted to minority-driven trade publications recommended by Oakland advocates
- Featured during the *Business Matchmaking Event (7/26/23)* with nearly 140 businesses represented; sent invitations to 18 firms to increase event participation and connections with Oakland SLBE firms
- Sent e-newsletter blurb to all Council offices for promotion
- Held pre-proposal meeting early in the RFP process with 29 private sector attendees to encourage connections
- Posted the opportunity on City social media, including LinkedIn and Twitter
- Promoted via the City's Announcements email
- Promoted to Oakland-Based industry groups such as ethnic chambers of commerce

\*Standard/required advertising for competitive requests for proposals.

### Remaining Projects

In addition to the projects noted above, the team is also working to advance design efforts for the remaining projects. All projects have upcoming grant deadlines, and the City must begin design efforts to meet associated deadlines. MPD plans to use on-call contracts for the City-led design efforts and is working to establish new on-call contracts that are more accessible to the contracting community, ensure that Oakland's L/SLBE program goals are enforced, and ultimately help the City more effectively design and deliver projects for Oaklanders.

Through the interdepartmental contracting working group, the City has been working to develop a strategy to develop more inclusive on-call contracts through Requests for Qualifications (RFQ). On-call contracts are critical for project delivery on tight timelines because they can be issued significantly faster than a formal RFP. Through the RFQ process, consultants are evaluated for their ability to meet various technical scopes of work, and those that demonstrate success are brought to City Council for their consideration and approval of on-call contracts. Once the on-call contracts are established, staff can issue "mini-RFPs" to the on-call bench and select the highest-ranking respondent. This process is much faster than the formal RFP process (approximately 2-3 months vs. 9-12 months), which is critical when working to meet grant deadlines and deliver projects for the community. On the other hand, the on-call process has been criticized for creating a "closed room" bench of consultants that the City regularly uses, leaving out firms who weren't able to apply at the time the RFQ was available, as on-call contracts can be in place for three to five years.

The City is working to address this in a few ways in order to build a more inclusive and equitable on-call consultant bench intended to support capital project design. First, the City will create a

regular open-enrollment process when new firms can submit their qualifications to join already established RFQs after the initial bench of consultants has been established. Second, the same innovative engagement strategies to market the Embarcadero West Rail Safety and Access Improvements RFP mentioned above would be applied to the new RFQs. Third, the City will continue to use tiering so that smaller firms who may not have the capacity or ability to compete with larger firms can still apply for smaller contracts to support the growth of their businesses. Fourth, DWES will monitor all on-call contracts at the mini-RFP stage (also referred to as a Task Order) to ensure that each contract with the City meets the City's L/SLBE program requirements.

With these strategies in place, the City will administer a more inclusive RFQ process, and anticipates bringing on-call contracts to City Council in Spring 2024 with the intention of supporting a range of OakDOT and OPW projects, from small to large.

### ***Conclusion***

Staff looks forward to working collaboratively with the City Council to both continue to strengthen our contracting processes and streamline our contracting work to ensure we can deliver on the grant deadlines for this important suite of projects. The two upcoming City Council actions include awarding the Embarcadero West Rail Safety and Access Improvements design contract this winter and awarding on-call contracts to support projects across OakDOT and OPW (including MPD) this coming spring. Staff also looks forward to continuing to provide updates to City Council regarding projects beyond this initial suite of projects, as City Council authorized the Division to pursue additional major projects, and the Division has begun this effort.

Internally, staff will continue to work on hiring so as to fully staff the Division. Staff will also update as needed the detailed cost estimates that apply the most up-to-date unit pricing with contingency costs built-in and will seek competitive grant funding and value engineering as needed. Additionally, staff will develop and maintain partnerships with external agencies to expedite permitting and reviews to meet deadlines and work with City leadership to engage with external agencies when appropriate. Finally, staff will monitor progress against grant deadlines and where necessary engage with City Council as needed to pursue extensions if available/required and ensure that this funding is used to deliver transformative projects in Oakland.

Staff within MPD will continue to work diligently with partners within and across departments and the City's leadership team to minimize these risks and provide transparent updates to the City Council and the public on a regular basis.

Respectfully submitted,

  
Megan Wier (for Fred Kelley) (Nov 28, 2023 11:35 PST)

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**FRED KELLEY**  
Director, Department of Transportation

For questions, please contact Nicole Ferrara, Major Projects Division Manager, 510-238-4720.