



AGENDA REPORT

PROPOSED ACTION: Resolution: Approve and Authorize the Executive Director to Award and Execute a Contract with Ghilotti Bros., Inc. in an Amount Not-to-Exceed \$50,687,777 to construct the Berth 24 Backlands Redevelopment Project at the Outer Harbor Terminal; Execute Contract Change Orders in an Amount Not to Exceed \$10,137,555; and Finding that the Proposed Action complies with the California Environmental Quality Act as evaluated in the 2024 Negative Declaration Adopted for the Outer Harbor Terminal Redevelopment Project. **(Engineering)**

Submitted By: Emilia Sánchez, Director of Engineering; Kristi McKenney, Executive Director

Parties Involved: Ghilotti Bros., Inc. - San Rafael, CA

Amount: \$60,825,332 part of a total project budget of \$77,652,332 (capital expense)

EXECUTIVE SUMMARY: The Berth 24 Backlands Redevelopment Project (Project) will modernize a portion of the Port of Oakland's (Port) Outer Harbor Terminal to better accommodate the refrigerated export market. Improvements include additional refrigerated container storage racks, new pavement, and upgraded backbone electrical infrastructure. This grant-funded effort will enhance the area's overall marketability and facilitate future development at the Outer Harbor Terminal.

BACKGROUND & ANALYSIS

This Project transforms an existing wheeled container storage area into a stacked storage configuration, increasing storage capacity while enhancing operational flexibility to accommodate fluctuations in import and export volumes, as well as supply chain disruptions. To support this redevelopment, the Project included the construction of new refrigerated container storage racks (reefer racks), backbone electrical infrastructure, terminal lighting improvements, and associated pavement and drainage upgrades.

Consistent with the Port's sustainability goals, the Project will beneficially reuse demolition materials generated by both the Project and the repaving of a runway at Oakland San Francisco Bay Airport as base material for the new pavement section.

The Project is funded through a combination of state, federal, and Port funding sources. Approximately \$29.5 million will be provided through the California Department of Transportation's Port and Freight Infrastructure Program (PFIP), and approximately \$35.5 million will be provided through the U.S. Department of Transportation's Maritime Administration (MARAD) under the Port Infrastructure Development Program (PIDP). Any remaining Project costs will be funded with Port cash.

On May 12, 2026, the Port issued invitations to bid on the Project. Port Staff hosted a pre-bid meeting and site visit on June 5, 2026 which 30 contractors attended. On July 1, 2026, the Port received six bids.

Because the Project is funded in part through federal grant funding, the Port is required to comply with applicable federal procurement requirements and procedures rather than the Port's Non-Discrimination and Small Local Business Utilization Policy. Also, on October 3, 2025, the U. S. Department of Transportation issued an Interim Final Rule suspending certification of existing Disadvantaged Business Enterprises (DBEs) and monitoring and enforcement of existing DBE programs, including the Port's, until new certification processes are developed by the certifying agencies, including the California Unified Certification Program. Consistent with this rule and current federal guidance, the Port will continue to implement its DBE program for this Project as applicable, but no contract-specific DBE attainment could be established for this award. DBE participation will continue to be monitored and reported in accordance with federal requirements and implementation measures.

Table 1
Bid Summary

Bidder	Location	Bid Amount
Ghilotti Bros., Inc	San Rafael, CA	\$50,687,777.00
Ghilotti Construction Company, Inc.	Santa Rosa, CA	\$54,180,400.00
DeSilva Gates-Anvil Builders A Joint Venture	Dublin, CA	\$55,242,415.00
O. C. Jones & Sons, Inc.	Oakland, CA	\$55,879,259.00
Bay Cities Paving & Grading, Inc.	Concord, CA	\$56,506,506.00
McGuire and Hester	Oakland, CA	\$59,844,255.00

Port Staff evaluated the bids based on criteria set forth in the solicitation and determined that all bids are responsive and responsible.

OTHER FINDINGS AND PROVISIONS

ENVIRONMENTAL REVIEW

The proposed action was analyzed under the California Environmental Quality Act (CEQA) and was found to be:

- ☐ Categorically exempt under the following CEQA Guidelines Section:

Choose an item.

- ☐ “Common Sense” exemption under CEQA Guidelines Section 15061(b)(3).

- ☒ Other/Notes: The proposed action complies with CEQA as evaluated in the 2024 Initial Study/Negative Declaration prepared for the Outer Harbor Terminal Redevelopment Project. The Board of Port Commissioners adopted the Initial Study/Negative on February 13, 2025 (Resolution No. 25-11) and a Notice of Determination was filed for the Project on February 21, 2025 (SCH No. 2024080230).

BUDGET

- ☐ Administrative (No Impact to Operating, Non-Operating, or Capital Budgets); OR

☐ Operating

☐ Non-Operating

☒ Capital

Analysis: A total of \$85 million is included in the Port’s five-year Capital Improvement Plan (CIP) for construction.

Table 2: Total Project Budget

Description	Design Budget	Construction Budget	Total Project Budget
Port Labor	\$1,011,000	\$2,050,000	\$3,061,000
Design Consultant	\$4,088,000	\$1,920,000	\$6,008,000
Contractor	\$0	\$50,687,777	\$50,687,777
Project Contingency (20%)	\$0	\$10,137,555	\$10,137,555
Construction Support (Third Party Services)	\$0	\$4,100,000	\$4,100,000
Legal and Permitting Fees, OCIP	\$0	\$3,658,000	\$3,658,000
Total	\$5,099,000	\$72,553,332	\$77,652,332

STAFFING

☒ No Anticipated Staffing Impact.

☐ Anticipated Change to Budgeted Headcount.

Reason:

☐ Other Anticipated Staffing Impact (e.g., Temp Help).

Reason:

**MARITIME AND AVIATION PROJECT
LABOR AGREEMENT (MAPLA):**

Applies? Yes (CIP) – proposed action entails covered work on Port's Capital Improvement Program in Aviation or Maritime areas above the threshold cost.

☐ Additional Notes:

LIVING WAGE (City Charter § 728):

Applies?

No (Public Works) – proposed action is a construction contract covered by state or federal prevailing wages that are higher than those under the Living Wage requirements.

☐ Additional Notes:

SUSTAINABLE OPPORTUNITIES:

Applies? Yes.

Reason: The proposed action will use demolition material generated from both this project and the repaving of an Oakland San Francisco Bay Area Airport runway to construct the new pavement section, reducing truck trips required to import and export construction materials.

The proposed action will also enhance the Port's ability to accommodate import/export surges and efficiency of container storage within the Outer Harbor area.

GENERAL PLAN (City Charter § 727):

Conformity Determination:

Maritime/Aviation – proposed action conforms to policies for transportation designation of the General Plan.

STRATEGIC PLAN. The proposed action would help the Port achieve the following goal(s) in the Port's Strategic Plan:

- ☒ Capture Our Market and Grow the Economic Base
- ☒ Modernize and Upgrade Infrastructure
- ☒ Transition to Zero-Emissions and Build Climate Resilience
- ☒ Maximize Land Use Value and Revenues
- ☒ Workforce Training and Jobs Development
- ☒ Create Opportunities for Local Businesses and Community Economic Development