



Monterey County

Board of Supervisors
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Board Report

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- a. Award a contract to Granite Rock Company, the lowest responsible bidder, for the Las Lomas Drainage, Project No. 1723, in the total amount of \$3,098,909;
- b. Approve the Performance and Payment Bonds executed and provided by Granite Rock Company;
- c. Authorize a contingency, not to exceed ten percent (10%) of the contract amount or \$309,891 to provide funding for approved contract change orders;
- d. Authorize the Resource Management Agency Director to execute the contract and, subject to the terms of the Public Contract Code, approve change orders to the contract that do not exceed 10% of the original contract amount and do not significantly change the scope of work; and
- e. Authorize the Resource Management Agency Director to execute a Certificate of Completion and record a Notice of Completion with the County Recorder when the Director or Deputy Director determines that the contract is complete in all respects in accordance with Plans and Special Provisions for the construction of the Las Lomas Drainage, Project No. 1723, Granite Rock Company.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Award a contract to Granite Rock Company, the lowest responsible bidder, for the Las Lomas Drainage, Project No. 1723, in the total amount of \$3,098,909;
- b. Approve the Performance and Payment Bonds executed and provided by Granite Rock Company;
- c. Authorize a contingency, not to exceed ten percent (10%) of the contract amount or \$309,891, to provide funding for approved contract change orders;
- d. Authorize the Resource Management Agency Director or Resource Management Agency Deputy Director of Public Works, Parks & Facilities to execute the contract and, subject to the terms of the Public Contract Code, approve change orders to the contract that do not exceed 10% of the original contract amount and do not significantly change the scope of work; and
- e. Authorize the Resource Management Agency Director or Resource Management Agency Deputy Director of Public Works, Parks & Facilities to execute a Certificate of Completion and record a Notice of Completion with the County Recorder when the Director or Deputy Director determines that the contract is complete in all respects in accordance with Plans and Special Provisions for the construction of the Las Lomas Drainage, Project No. 1723, Granite Rock Company.

SUMMARY:

Approval of the recommended action will authorize the Resource Management Agency to award the Las Lomas Drainage project construction contract to Granite Rock Company as the lowest responsible, responsive bidder and proceed with construction. In general, the Project consists of the

installation of new storm drainage infrastructure, including but not limited to minor earthwork/grading, utility relocation and perform traffic control along Las Lomas Drive from Sill Road to Thomas Road, approximately 0.25 miles. Staff recommends including the additive alternate work which also consists of the installation of new storm drainage infrastructure, including but not limited to minor earthwork/grading, utility relocation and perform traffic control, for a total construction cost of \$3,098,909.

DISCUSSION:

The Project consists of the installation of new storm drainage infrastructure, including but not limited to minor earthwork/grading, utility relocation and performance of corresponding traffic control measures. Project limits are along Las Lomas Drive from Sill Road to Thomas Road, approximately 0.25 miles.

Localized periodic flooding has been a major issue on Las Lomas Drive. The proposed project is a priority for Monterey County and is included in the Capital Improvement Plan (CIP) for FY 2019-2020.

Project implementation has been delayed due to: 1) permit approval from Regional Water Quality Control Board (RWQCB) and U.S. Army Corps of Engineers (USACE); 2) completion of utility relocation by commercial providers; and 3) allocation of funding to implement the construction phase. RMA submitted the Federal Emergency Management Agency (FEMA) Hazard Mitigation Grant Program grant application in May of 2017 to fund the funding shortfall but was unsuccessful.

To address the need of the Las Lomas community, RMA applied for Hazard Mitigation Grant Program (HMGP) grants through California Office of Emergency Services (Cal OES), but the project was not successful in receiving this funding. Therefore, staff included the Las Lomas Drainage project in the list of Measure X funded projects that was accepted by the Board on July 25, 2017. The FY 2019-20 Road Fund 002 adopted budget includes \$2.3 million in appropriations for the project funded with Measure X. However, Monterey County also committed a list of projects to the voters if Measure X passed, and the Las Lomas drainage project was not included in that list. An estimated \$3.9 million is needed to complete this project as a result of the bid. Measure X is an eligible funding source for this project, which is part of the Road Fund.

The County committed a list of projects to voters should Measure X pass. Las Lomas drainage was not on that list. Allocating \$4 million for this drainage project would represent about two-thirds of the annual estimated revenue from Measure X. However, staff finds that there is a critical need to address flooding and efforts to obtain grant funding from FEMA and Cal OES were not successful. As part of the Measure X program, staff is concurrently working on resurfacing River Road in two (2) separate projects, from Chualar River Road to Limekiln and from Limekiln to Gonzales River Road. River Road was identified as a top priority project under the Measure X program. Staff is aggressively working to have one (1) of these projects begin construction late this summer (2019), and the other next summer (2020).

On February 26, 2019, the Board of Supervisors approved the Plans and Special Provisions for the Las Lomas Drainage, Project No. 1723. The project was subsequently advertised and bids were opened on April 22, 2019. The Engineer's estimate for construction is \$1,641,861. RMA received

three (3) bids. The lowest responsible, responsive bidder was Granite Rock Company with a total bid amount of \$3,098,909 which includes the base bid of \$1,441,539 and the additive alternate of \$1,657,370. The second bidder was Teichert Construction with a base bid amount of \$1,770,266 and additive alternate of \$1,747,628, for a total bid of \$3,517,894. The third bidder was Don Chapin Company with a base bid amount of \$1,833,136 and additive alternate of \$1,374,921, for a total bid of \$3,208,057. The three (3) bids were close in cost but were significantly higher than the engineer's estimate. Factors affecting the increased bid price were due to constructability issues in laying the 48 inches diameter reinforced concrete drainage pipe around existing underground gas, electrical, water and sewer infrastructure; depth and width of the required trench; traffic control cost; and the instability of current economic market. Recent bid results from the City of Salinas and City of Monterey involving similar underground pipe infrastructure projects also yielded higher bid results than the corresponding engineer's estimate. During construction, staff will be working with the contractor to explore and implement cost saving measures. Construction is anticipated to begin in July 2019.

Las Lomas is located in the Coastal Zone so the project required a discretionary permit. In compliance with the California Environmental Quality Act (CEQA), the Monterey County Planning Commission adopted a Subsequent Mitigated Negative Declaration (MND) and approved a Combined Development Permit (RMA-Planning File No. PLN140903) on January 14, 2015. The permit was set to expire on January 14, 2018; however, a permit extension was requested because project construction had been delayed pending: 1) completion of coordination with state and federal regulatory agencies; 2) completion of utility relocation by commercial providers; and 3) allocation of funding to implement the construction phase. An extension (PLN140903-EXT1), Resolution No. 18-025 was approved by the RMA Chief of Planning on May 16, 2018 with no changed circumstances from the previously approved permit.

OTHER AGENCY INVOLVEMENT:

The Office of the County Counsel, and Contracts/Purchasing, attended the bid opening and reviewed the low bid for conformance with applicable regulations. The Office of the County Counsel-Risk Management, and Auditor-Controller's Office, have reviewed and approved the Contract and Bonds as to form, insurance provisions, and fiscal terms, respectively. The CAO Budget & Analysis Division recommends staff return to the Capital Improvement Committee to provide an update on the overall project budget increase.

FINANCING:

The Las Lomas Drainage Project is a multiyear project, which began in FY 2013-14 and is expected to be completed in FY 2019-20 for a total cost of \$5,118,530. Funding for the project includes both local and state resources; Measure X (\$2,569,181), Senate Bill (SB) 1 (\$1,631,250), Fund 404-Facility Master Plan Project (\$760,297), and Highway User's Tax (\$157,802). Thus far the project has incurred costs totaling \$1,050,257.

The FY 2019-20 recommended Road Fund budget (Fund 002, Appropriation Unit RMA012) includes appropriations of \$2,050,947 for the Las Lomas project, funded with Measure X (\$1,050,947) and Transient Occupancy Tax (\$1,000,000). After receiving construction contract bids, the revised budget need for FY 2019-20 increased by \$1,881,250 to \$3,932,197. RMA is not requesting additional appropriations, but instead shifting appropriations between Road Fund projects.

Funding will be provided by Measure X (\$2,300,947) and SB1 (\$1,631,250). The funding sources changed to accommodate the overall project cost increase and the Board of Supervisors decision to cap the Transient Occupancy Tax revenue contribution to the Road Fund, which resulted in a decrease in TOT revenue of \$993,072.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The project will install an adequate drainage system on Las Lomas Drive from Sill Road to Thomas Road to mitigate localized flooding. The recommended action supports the following Board of Supervisors' Strategic Initiative:

- Economic Development
- Administration
- Health & Human Services
- Infrastructure
- Public Safety

Prepared by: Isabelo Dela Merced, Assistant Engineer, (831) 755- 4746

Reviewed by: Randell Ishii, M.S., P.E, RMA Chief of Public Works

Approved by: Carl P. Holm, RMA Director

The following attachments are on file with the Clerk to the Board:

Attachment A - Contract for Public Work, Insurance, & Bonds

Attachment B - Project Budget

Attachment C - Bid Summary

Attachment D - Location Map