



# County of Monterey

Item No.

## Board Report

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

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December 09, 2025

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- a. Authorize an additional contingency of 10% or \$381,384 in contract amount with Teichert Construction, for the Carmel Valley Road and Laureles Grade Roundabout, Project No. 1146, in the total amount of \$4,574,208;
- b. Authorize the Director of Public Works, Facilities and Parks to execute contract change orders where the overall total value of change orders does not exceed the original contract amount plus approved contingency funding, and do not significantly change the scope of work.

### RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Authorize an additional contingency of 10% or \$381,384 in contract amount with Teichert Construction, for the Carmel Valley Road and Laureles Grade Roundabout, Project No. 1146, in the total amount of \$4,574,208;
- b. Authorize the Director of Public Works, Facilities and Parks to execute contract change orders where the overall total value of change orders does not exceed the original contract amount plus approved contingency funding, and do not significantly change the scope of work.

### SUMMARY:

The Carmel Valley Road and Laureles Grade Roundabout, Project No. 1146, consists of construction a roundabout at Carmel Valley Road and Laureles Grade (Project) to improve vehicle safety and access at the intersection. On May 13, 2025, the Board of Supervisors authorized PWF to award a contract to Teichert Construction, the lowest responsible bidder to construct the Project for \$3,811,840 and a 10% contingency for a total not to exceed amount of \$4,193,024.

Since construction began on June 27, 2025, the Project has experienced a host of unanticipated field conditions, utility conflicts and design oversights resulting contract change orders and increased construction costs. To date, PWF has authorized changes orders totaling \$225,156 or approximately 60% of available contingency. To cover pending change order requests and future uncertainties, we are requesting the Board authorize additional contingency of \$381,184 for a total contingency of \$762,368.

### DISCUSSION:

The Carmel Valley Road and Laureles Grade Roundabout, Project No. 1146, involves replacing the existing one-way, stop-controlled "T" intersection at Carmel Valley Road and Laureles Grade with a roundabout (Project). The project site is located at the intersection of Carmel Valley Road and Laureles Grade, in the northwestern portion of Carmel Valley in unincorporated Monterey County, California (Attachment A).

This project will improve vehicle safety and access at the intersection. The project includes widening Laureles Grade and Carmel Valley Road at the east and northwest corners of the existing intersection; however, it will not add lanes or increase the intersection's capacity. Medians will also be constructed on Carmel Valley Road to the northwest and southeast of the proposed roundabout, as well as on Laureles Grade to the northeast.

This project was identified as a recommended roadway improvement in the 2016 Regional Roundabout Study prepared for the Transportation Agency for Monterey County (TAMC) and the 2018 Carmel Valley Road Corridor Study prepared for the Department of Public Works, Facilities and Parks (PWFP), formerly the Resource Management Agency (RMA). PWFP presented the findings of these studies to the Carmel Valley Road Advisory Committee (Committee). The Committee recommended PWFP proceed with the Project and recommended that the Board of Supervisors approve the use of a portion of the Carmel Valley Traffic Mitigation Fee (CVTMF) to fund the Project.

On February 4, 2020, the Board of Supervisors approved the Professional Services Agreement with GHD Inc. to provide professional engineering services for the Carmel Valley Road and Laureles Grade Roundabout, Request for Proposals #10679, and authorized the use of CVTMF for professional engineering services for the project.

On April 6, 2023, the Board of Supervisors found the Project categorically exempt per California Code of Regulations (CCR) Section 15301 of the California Environmental Quality Act (CEQA) Guidelines. On April 27, 2023, PWFP filed a Notice of Exemption for the Project with the State Clearinghouse (SCH), a division of the Governor's Office of Planning and Research (OPR), which coordinates State-level review of environmental documents prepared pursuant to CEQA. The Project has been determined to be categorically exempt (Class 1).

On May 13 2025, the Board of Supervisors authorized PWFP to award a contract to Teichert Construction., the lowest responsible bidder to construct the Project in the total amount of \$3,811,840; authorized a contingency of \$381,384, to provide funding for approved contract change orders; and authorized the PWFP Director to execute the contract and, subject to the terms of the Public Contract Code and Board Policies as applicable, approve change orders to the contract that do not exceed the authorized contingency of \$381,840 and do not significantly change the scope of work.

Construction began on June 27, 2025. Since then, the Project has experienced a host of unanticipated underground electrical, gas, and communication lines whose location were either not known or where shallower than records would indicate. In addition, some of the contract change orders have required redesign of certain storm drain system components to avoid unanticipated underground utilities and grade differences, resulting in increased design costs. Finally, temporary traffic control was far more complicated and involved than contemplated at the time of bid; additional measures were asked of the contractor to accommodate the traffic volumes and unique schedules that altered the contractor's construction progress.

These conditions have resulted in the Contractor submitting several change order requests totaling approximately \$348,847. To date, PWFP has authorized change orders totaling \$225,156 or approximately 60% of available contingency. To cover pending change order

requests and future uncertainties, staff is requesting the Board authorize additional contingency of \$381,840 for a total contingency of \$763,680 or 20% of the original contract amount.

OTHER AGENCY INVOLVEMENT:

The Office of the County Counsel-Risk Management and the Auditor-Controller's Office have reviewed and approved the existing contract as to form, insurance and indemnification provisions and fiscal terms, respectively.

FINANCING:

The total estimated Project cost, including engineering, construction management, and construction is \$5,969,238 (Attachment B). The Project is funded by the Road Fund, specifically CVTMF, a \$450,000 TAMC Regional Surface Transportation Program grant, and an AB2766 air resources grant from the Monterey Bay Air Resources District (MBARD).

BOARD OF SUPERVISORS STRATEGIC PLAN GOALS:

The Project will turn the existing Carmel Valley and Laureles Grade T-Intersection into a roundabout. The Roundabout will provide sustainable infrastructure as well as enhance safety at the intersection. The recommended action supports the following Board of Supervisors' Strategic Plan Goals:

- ☐ Well-Being and Quality of Life
- ☒ Sustainable Infrastructure for the Present and Future
- ☒ Safe and Resilient Communities
- ☐ Diverse and Thriving Communities

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Reviewed by: Enrique Saavedra, PE, Chief of Public Works

Approved by: Randell Ishii, MS, PE, TE, PTOE, Director of Public Works, Facilities and Parks

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

Attachment A - Location Map

Attachment B - Project Budget