



Monterey County

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

Board Report

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Matter Type: General Agenda Item

- a. Authorize a contingency, not to exceed ten percent (10%) of the contract amount or \$401,151, to provide funding for approved contract change orders for the Palo Colorado Road Repair Project No. 621070; and
- b. Authorize the Resource Management Agency Director or Resource Management Agency Deputy Director of Public Works, Parks & Facilities, subject to the terms of the Public Contract Code, to approve change orders to the contract that do not exceed ten percent (10%) of the original contract amount and do not significantly change the scope of work; and
- c. 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 the Plans and Special Provisions for the construction of the Palo Colorado Road Repair Project MP 3.0-3.5, Project No. 621070, Granite Construction Company.

RECOMMENDATIONS:

It is recommended that the Board of Supervisors:

- a. Authorize a contingency, not to exceed ten percent (10%) of the contract amount or \$401,151, to provide funding for approved contract change orders for the Palo Colorado Road Repair Project No. 621070; and
- b. Authorize the Resource Management Agency Director or Resource Management Agency Deputy Director of Public Works, Parks & Facilities, subject to the terms of the Public Contract Code, to approve change orders to the contract that do not exceed ten percent (10%) of the original contract amount and do not significantly change the scope of work; and
- c. 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 the Plans and Special Provisions for the construction of the Palo Colorado Road Repair Project MP 3.0-3.5, Project No. 621070, Granite Construction Company.

SUMMARY:

RMA staff has administered the construction of the Palo Colorado Road Repair project. Construction of the project is complete and is now in its plant establishment period. Due to the emergency nature of the project, the permits were obtained just prior to the start of construction, but after the project was awarded to a contractor. As required by the permits, the project is required to mitigate the removal of trees. This involves planting approximately 160 trees and monitoring for five (5) years.

At the time of the award of the project, the board did not authorize a contingency, not to exceed ten percent (10%) of the contract amount or \$401,151, to provide funding for approved contract change orders. Nevertheless, the project is complete and is in the plant establishment phase. To date the project has expended \$3,988,111 of the \$4,011,507 awarded contract amount.

Approval of the recommended action will allow the Resource Management Agency (RMA) to utilize the contingency balance to perform this work; and execute other change orders that may occur as a result of unexpected conditions or alterations during the plant establishment and monitoring phase.

DISCUSSION:

Due to the cumulative effects of the 2016 Soberanes Fire and the 2017 winter storms, Palo Colorado Road suffered damage at various locations, that included debris flow which washed out the road at the Rocky Creek crossing that involved a failed 60-inch culvert, making the roadway impassable.

For the permanent remediation for the damage at Palo Colorado Road, RMA acquired professional civil engineering services from Harris & Associates, Inc. to provide engineering, environmental, and regulatory permitting assistance for the project. Working with regulatory agencies (i.e. Army Corps of Engineers, California Regional Water Quality Control Board, California Department of Fish and Wildlife, etc.), it was determined that the culvert will be replaced by an arch culvert (16 ft by 8 ft). The project also includes replacing the failed culvert on Brandon Creek with two (2) - 48-inch diameter pipe culverts.

On December 12, 2017 the Board of Supervisors conditionally awarded the Palo Colorado construction contract to Granite Construction Company for \$4,011,507. At the time of the conditional award, depending on funding allocation, the Board did not establish a project contingency.

On March 28, 2018 RMA was issued a permit from the California Department of Fish and Wildlife (CDFW) which requires monitoring of the trees and shrubs planted as part of the mitigation measures for a minimum of five (5) years to restore the project site back to its natural state.

Construction commenced on June 18, 2018. The project site road and culvert were made available for use by the public on October 31, 2018. The project was substantially complete on December 4, 2018. To date the project has expended \$3,988,111 of the \$4,011,507 awarded contract amount.

OTHER AGENCY INVOLVEMENT:

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

FINANCING:

The total estimated Project cost to date, including engineering, environmental, and construction, is \$6,356,682. Of this amount, the engineering and environmental cost is \$1,137,086, the construction management and construction costs are \$806,938 and \$4,011,507 respectively plus the requested ten percent (10%) contingency of \$401,151. The contingency will be temporarily cash flowed by Fund 002. On April 24, 2018, the Board of Supervisors approved cash flow for the Palo Colorado project in the amount of \$2,676,249. The recommended action would increase the cash flow amount to \$3,077,400 (\$2,676,249 from Fund 404 and \$401,151 from Fund 002). The temporary cash flow will be repaid with Federal Emergency Management Agency (FEMA) funds when received. Given that the damages to Palo Colorado Road resulted from a federally declared disaster, RMA is coordinating with FEMA to obtain reimbursements for eligible costs associated with this project. The expected reimbursements from FEMA are estimated to be approximately 75% or \$4,767,512 of the costs incurred. The remaining twenty five percent (25%) will be shared by the California Office of Emergency Services (Cal OES or State) and the County (18.75% or \$1,191,878 and 6.25% or \$397,292 respectively). The project is approved by FEMA and must be completed within 18 months of the declared disaster (August 2018).

As of February 7, 2019, FEMA has officially accepted project costs of \$3,301,925, and of that amount, FEMA's obligated share is 75% or \$2,476,444 and the State's share is 18.75% or \$68,022. However, for large projects where the scope remains unchanged, FEMA pays based on actual costs determined after the project is completed. The County has discussed the increased costs with FEMA and anticipates FEMA will accept and reimburse the County based on the total project costs of \$6,356,682. Based on anticipated reimbursements, staff estimates the County match portion will be \$422,364 which is a \$25,072 increase from the Board of Supervisors approved match of \$397,292. The increase in County match will be paid for by SB1 funds.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

Palo Colorado Road is the only road to provide access for residents and access for the public to the Pico Blanco Boy Scouts Camp. This project repaired an important segment of the County infrastructure damaged by the 2017 storms.

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

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