



# County of Monterey

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

## Board Report

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**File #:** A 22-468, **Version:** 1

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- a. Award a contract to Granite Construction Company, the lowest responsible bidder for the Carmel River Floodplain Restoration & Environmental Enhancement (CRFREE) Project - Phase 1, Project No. 7200, in the total amount of \$4,388,222;
- b. Approve the Performance and Payment Bonds executed and provided by Granite Construction Company;
- c. Authorize a contingency, not to exceed ten percent (10%) of the contract amount or \$438,822, to provide funding for approved contract change orders for Carmel River Floodplain Restoration & Environmental Enhancement (CRFREE) Project - Phase 1, Project No. 7200;
- d. Authorize the Director of Public Works, Facilities and Parks to execute the contracts and, subject to the provisions of the Public Contract Code (PCC) and Board Policies as applicable, 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
- e. Authorize the Director of Public Works, Facilities and Parks to execute a Certificate of Completion and record a Notice of Completion with the County Recorder when the Director determines that the contract is complete in all respects in accordance with the Plans and Special Provisions for the construction of Carmel River Floodplain Restoration & Environmental Enhancement (CRFREE) Project - Phase 1, Project No. 7200.

### RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Award a contract to Granite Construction Company, the lowest responsible bidder for the Carmel River Floodplain Restoration & Environmental Enhancement (CRFREE) Project - Phase 1, Project No. 7200, in the total amount of \$4,388,222;
- b. Approve the Performance and Payment Bonds executed and provided by Granite Construction Company;
- c. Authorize a contingency, not to exceed ten percent (10%) of the contract amount or \$438,822, to provide funding for approved contract change orders for Carmel River Floodplain Restoration & Environmental Enhancement (CRFREE) Project - Phase 1, Project No. 7200;
- d. Authorize the Director of Public Works, Facilities and Parks to execute the contracts and, subject to the provisions of the Public Contract Code and Board Policies as applicable, 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
- e. Authorize the Director of Public Works, Facilities and Parks to execute a Certificate of Completion and record a Notice of Completion with the County Recorder when the Director determines that the contract is complete in all respects in accordance with the Plans and Special Provisions for the construction of Carmel River Floodplain Restoration & Environmental Enhancement (CRFREE) Project - Phase 1, Project No. 7200.

### SUMMARY:

Staff seeks to award a contract to Granite Construction Company for the construction of Phase 1 initial floodplain restoration of the CRFREE project. (Attachment A)

The County of Monterey (County) and Big Sur Land Trust (BSLT) are co-sponsors of the CRFREE Project, a comprehensive effort to improve flood control and restore native riparian habitat, floodplain habitat, and hydrologic function to a portion of the lower floodplain along the Carmel River. Key aspects of the CRFREE Project are to: 1) Create notches in the levees along the south bank of the lower Carmel River; 2) Restore the

south lower Carmel River floodplain; and 3) Build a causeway along Highway 1, restoring connectivity between the lower Carmel River Floodplain and the south arm of the Carmel Lagoon.

The Phase 1 initial floodplain restoration work will involve grading, planting, and irrigation of the east side of State Route 1 (SR 1) on property owned by BSLT and Monterey Peninsula Regional Parks District (MPRPD). (Attachment B) The project consists of grading of 93 acres, construction of Managed Flood Conveyance Channels (MFCAs), irrigation, seeding, and planting. The approximately 340,000 cubic yards of graded material will be utilized onsite to lift an agricultural preserve out of the 100-year floodplain.

DISCUSSION:

On June 21, 2022, the Board of Supervisors adopted the Plans and Special Provisions for the CRFREE Project - Phase 1. The project was subsequently advertised, and bids were received and opened on July 15, 2022. Seven (7) bids were received for the project (Attachment C). The lowest responsible, responsive bidder was Granite Construction Company in the amount of \$4,388,222, which is 16% under the Engineer's Estimate of \$5.22 million. The second lowest bidder was Monterey Peninsula Engineering in the amount of \$4,528,270. Construction is anticipated to begin in September 2022.

All required permits have been issued for the construction of phase 1 of the CRFREE Project. On June 21, 2022, the Board of Supervisors approved the construction phase Memorandum of Agreement between County of Monterey (County), the Monterey County Water Resources Agency (WRA), the Monterey Peninsula Water Management District (MPWMD), the California State Department of Parks and Recreation (State Parks), and BSLT ('2022 MOU'). The 2022 MOU has been signed by all parties and defines the responsibility of the signatory parties during the construction of the CRFREE Project, including Phase 1 and Phase 2 activities, as well as approval of temporary construction easements with MPRPD and BSLT respectively. A long-term management agreement between all parties will be brought to the Board of Supervisors for approval prior to the beginning of construction of phase 2. Further agreements with the Carmel Area Wastewater District (CAWD), State Parks, and MPRPD are needed prior to construction of Phase 2 to further define construction activities.

The total estimated cost of the CRFREE Project, including design, permitting, construction, and restoration efforts, is approximately \$45.1 million. The project will be entirely grant funded. The County has been awarded \$16.36 million in unexpended grant funds. BSLT holds \$900,000 in grant funds available for the project construction and additional \$2 million in private donations to fund the long-term management and maintenance of the project on their owned property. An additional \$25.3 million is pending award from CalOES/FEMA, \$1 million from Caltrans, and \$2 million of California State Surplus funds have been approved for CRFREE, to be disbursed via DWR. The County and BSLT are working to raise additional funds to meet the expected escalation of the full Project cost. Attachment D further outlines CRFREE grant funding, including expenditures by grant during Phase 1 construction.

The Phase 1 initial floodplain restoration effort including soft costs (staff time, engineering consultant, compliance monitoring, and construction management) and hard costs (construction with allocated PCC 10-percent contingency) is estimated at \$8.15 million (Attachment E). These costs can be covered by the DWR Flood Corridor grant up to \$4.3 million. WCB has available funds of up to \$2.1 million for the scheduled Phase 1 work. The remaining \$2 million will come from the SCC grant. The SCC grant prefers to release disbursement once the project is fully funded, but this is not explicitly stated in the agreement, and the SCC grant manager has concurred the County may expend funds to implement Phase 1.

ENVIRONMENTAL REVIEW:

Environmental review is complete for the CRFREE Project. The Project Environmental Impact Report (EIR) was certified by the Monterey County Board of Supervisors in a public hearing on January 20, 2020, and the Project was approved June 15, 2021. Federal environmental review was completed April 23, 2021, when Caltrans, as lead federal agency for the causeway portion of the Project, issued a finding of no significant impact (FONSI), agreeing with the US Fish and Wildlife Service, as lead federal agency for the floodplain restoration portion of the project, who issued a FONSI on October 30, 2020.

OTHER AGENCY INVOLVEMENT:

BSLT is co-sponsor for the CRFREE Project. BSLT, State Parks and MPRPD are property owners within the CRFREE Project area. Through a cooperative agreement with Caltrans, the County of Monterey is acting as the Lead Agency under the California Environmental Quality Act for the Project. Public Works, Facilities, and Parks Department (PWFP) will manage the construction contracts, while the Housing and Community Development (HCD) Department continues to have overall lead responsibility for the CRFREE project, including environmental review, permits, and design, as well as grant funding administration.

The Office of the County Counsel and Contracts/Purchasing attended the bid openings and reviewed the bids for conformance with applicable regulations. The Office of the County Counsel-Risk Management, and Auditor-Controller’s Office have reviewed and approved the contracts and bonds as to form, insurance and indemnification, and fiscal provisions, respectively.

FINANCING:

CRFREE is budgeted in Capital Project Fund 404, Appropriation Unit PFP057, Unit 8564. HCD staff time on this project is budgeted in FY 2022-23 HCD General Fund 001, Appropriation Unit HCD001, Unit 8542. PWFP staff time estimated at \$218,400 of the \$283,400 total staff cost (Attachment E) is funded by the SCC grant. DWR Floor Corridor program grant will cover up to \$15,000 of County staff time. The DWR Flood Corridor and WCB grants each retain 10% of disbursement, to be paid upon completion of the grant deliverables. DWR Flood Corridor deliverables will be completed by the Phase 1 work, and retention will be released by June 30, 2023. Retention from WCB will be released upon completion of Phase 2, likely in 2027.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

If approved, this action supports the Board of Supervisors’ Strategic Initiatives for Administration and Infrastructure. The Project will provide sustainable physical infrastructure and associated flood risk reduction and habitat benefits to promote the safety of area residents and visitors.

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

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Approved by: Erik V. Lundquist, AICP, HCD Director

Attachments:

Attachment A - Granite Construction Contracts, Bonds & Insurance

Attachment B - Location Map

Attachment C - Bid Summary

Attachment D - Grant Funds Overview

Attachment E - Project Budget