



# County of Monterey

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

## Board Report

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**File #:** 19-0547, **Version:** 2

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- a. Award a contract to Precision Grade, Inc., the lowest responsible bidder, for the Slope Repairs at Various Locations Project (Hall Road @ Sill Road, Hall Road @ Pini Road, Hall Road @ Las Lomas Road, Aromas Road @ MP 0.5, and San Juan Road @ Aromas Road), in the total amount of \$1,732,748;
- b. Approve the Performance and Payment Bonds executed and provided by Precision Grade, Inc;
- c. Authorize a contingency, not to exceed ten percent (10%) of the contract amount or \$173,275 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 ten percent (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 Slope Repairs at Various Locations Project by Precision Grade, Inc.

### RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Award a contract to Precision Grade, Inc., the lowest responsible bidder, for the Slope Repairs at Various Locations Project (Hall Road @ Sill Road, Hall Road @ Pini Road, Hall Road @ Las Lomas Road, Aromas Road @ MP 0.5, and San Juan Road @ Aromas), in the total amount of \$1,732,748;
- b. Approve the Performance and Payment Bonds executed and provided by Precision Grade, Inc;
- c. Authorize a contingency, not to exceed ten percent (10%) of the contract amount or \$173,275 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 ten percent (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 Slope Repairs at Various Locations Project by Precision Grade, Inc.

### SUMMARY:

In general, the Project consists of repairing the slope areas by grading, placement rock slope protection and installing concrete barrier. There is a total of five (5) areas in North County to be repaired with this Project, three (3) on Hall Road, one (1) on San Juan Road and one (1) on Aromas Road. Staff recommends awarding a construction contract to Precision Grade, Inc., in the amount of \$1,732,748. Total estimated costs of the five (5) repairs, including environmental, engineering, right of way, and construction, is \$2,409,610. Construction activities are expected to be completed by October 2019.

### DISCUSSION:

During the 2017 Winter Storms a number of county roads were affected by the heavy rains and excessive storm water flows. The purpose of this Project is to repair eroded and weakened slopes along Hall Road, Aromas

Road and San Juan Road. The Project consists of repairing the slope areas by grading, placement of fabric, rock slope protection and placement of concrete barrier, including traffic control, clearing and grubbing. There is a total of five (5) sites in North County to be repaired with this Project:

- Hall Road @ Sill Road
- Hall Road @ Pini Road
- Hall Road @ Las Lomas Road
- Aromas Road @ MP 0.5
- San Juan Road @ Aromas

These repair sites are on the 2017 Winter Storm Projects list, which was presented to the Budget Committee and Capital Improvement Committee. These five (5) repair sites were prioritized, subject to availability of federal funding because they are high speed, high traffic volume roads that are degrading at a rate that could result in life/safety and traffic concerns if not addressed. The level of work exceeds what can be managed by Public Works maintenance crews.

On May 9, 2019 bids were opened for the Slope Repair Various Location Project. A total of five (5) bids were received for the construction of the Project. Precision Grade, Inc., the lowest responsible bidder, for the Slope Repairs at Various Locations Project, submitted a bid in the total amount of \$1,732,748. This bid is about 32% above from the Engineer's estimate of \$1,309,835. However, staff reviewed the bid and found that the unit costs are within range of the other bidders' unit prices, and the unit prices compared to similar items for current construction bids (including other Monterey County projects) are trending higher than past years in the current construction environment. Moreover, the time necessary to re-bid the project would place the schedule outside the originally planned construction window. Because this Project is partially funded through Federal Highway Administration (FHWA) Emergency Relief (ER) grant funding, the time to re-bid may push the Project beyond the allowed FHWA-ER grant completion timelines.

The construction activities are expected to commence in July and end in October. To minimize traffic delays during construction, the bulk of the work will take place during the nighttime hours. RMA staff will be reaching out to the community and media prior to commencement of the construction activities.

**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 the Auditor-Controller's Office have reviewed and approved the Contract and Bonds as to form, insurance provisions and fiscal terms, respectively. Caltrans District 5 staff also reviewed the Special Provision for compliance with federal provisions.

**FINANCING:**

When the 2017 Winter Storms were declared a Natural Disaster by President Trump, Monterey County became eligible to apply for the Federal Highway Administration (FHWA) for funding through their Emergency Relief (ER) Program. The ER program provides funding to repair or reconstruct on the Federal Aid road network. Since FHWA funds are administered by Caltrans in California, Caltrans is considered the lead agency for National Environmental Policy Act (NEPA) and serves as the primary contact for other federal regulatory agencies. Hall Road, San Juan Road and Aromas Road are on the Federal Aid road network.

The Caltrans administered FHWA-ER Program will fund 88.53% of the Project costs for slope repairs at the

five (5) locations. Said FHWA-ER Program requires that the remaining 11.47% of the Project costs be funded through local funds. Given that the construction bids for the Project came in about 32% higher than estimated, local matching funds for the Project need to increase proportionately. As such, the FHWA-ER funds for the Project are now estimated at \$2,134,192 and local matching funds are estimated at \$275,418. The local fund portion will be derived from the County's portion of SB1 funding. The total estimated Project cost for the slope repairs at the five (5) locations, including environmental and design engineering, construction engineering, and construction contract costs, is \$2,409,610. Attachment B - Project Budget provides a detailed cost estimate. Construction costs total \$1,906,023, including \$1,732,748 base bid and \$173,275 for contingency.

The FY 2018-19 Road Fund 002 adopted budget included \$1,833,945 in appropriations for this Project, to be funded with a combination of FHWA funds and local funds. The construction phase of the Project is expected to begin in FY 2019-20 and is proposed as part of the FY 2019-20 Road Fund recommended budget.

**BOARD OF SUPERVISORS STRATEGIC INITIATIVES:**

The Project will repair the eroded and weakened slopes along Hall Road, Aromas Road and San Juan Road. These are high speed, high traffic volume roads that could pose life/safety and traffic concerns if not addressed. The recommended action supports the following Board of Supervisors' Strategic Initiative:

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

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Approved by: Carl P. Holm, RMA Director

Attachments on File with the Clerk of the Board:

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

Attachment B - Project Budget

Attachment C - Location Map