



County of Monterey

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

Board Report

File #: 18-157, Version: 1

- a. Adopt Plans and Special Provisions for the Cachagua Road Storm Damage Repair, Project No. 621111;
- b. Ratify award of an emergency construction contract to Granite Construction Company, the lowest responsible bidder, for the Cachagua Road Storm Damage Repair, Project No. 621111, in the total amount of \$1,578,152;
- c. Ratify approval of the Performance and Payment Bonds executed and provided by Granite Construction Company;
- d. Ratify authorizing a contingency (not to exceed 10% of the contract amount) in the amount of \$157,815 to provide funding for approved contract change orders;
- e. Ratify execution of the contract and the approval of change orders to the contract that do not exceed 10% of the original contract amount, and do not significantly change the scope of work, by the Resource Management Agency Director or Deputy Director of Public Works, Parks and Facilities;
- f. Authorize the Resource Management Agency Director or Deputy Director of Public Works, Parks and 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 Cachagua Road Storm Damage Repair, Project No. 621111, performed by Granite Construction Company; and
- g. Authorize the Auditor-Controller to amend the FY 2017-18 adopted budget by increasing operating transfers in and appropriations in the amount of \$1,996,362 in the Road Fund 002, Appropriation Unit RMA012, financed by an operating transfer out of \$1,996,362 from the General Fund 001, Appropriation Unit CAO017.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Adopt Plans and Special Provisions for the Cachagua Road Storm Damage Repair, Project No. 621111;
- b. Ratify award of an emergency construction contract to Granite Construction Company, the lowest responsible bidder, for the Cachagua Road Storm Damage Repair, Project No. 621111, in the total amount of \$1,578,152;
- c. Ratify approval of the Performance and Payment Bonds executed and provided by Granite Construction Company;
- d. Ratify authorizing a contingency (not to exceed 10% of the contract amount) in the amount of \$157,815 to provide funding for approved contract change orders;
- e. Ratify execution of the contract and the approval of change orders to the contract that do not exceed 10% of the original contract amount, and do not significantly change the scope of work, by the Resource Management Agency Director or Deputy Director of Public Works, Parks and Facilities;
- f. Authorize the Resource Management Agency Director or Deputy Director of Public Works, Parks and 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 Cachagua Road Storm Damage Repair, Project No. 621111, performed by Granite Construction Company; and
- g. Authorize the Auditor-Controller to amend the FY 2017-18 adopted budget by increasing operating transfers in and appropriations in the amount of \$1,996,362 in the Road Fund 002, Appropriation Unit

RMA012, financed by an operating transfer out of \$1,996,362 from the General Fund 001, Appropriation Unit CAO017.

SUMMARY:

Following the 2017 Winter Storm events, a section of Cachagua Road eroded causing a failure of the entire roadway width. Using emergency contracting procedures, the Resource Management Agency (RMA) reconstructed the failed section of the road and provided a temporary one lane road for emergency access. Work included temporary concrete barriers, culvert, paving, and temporary soil stabilization measures to prevent further erosion to the immediate area. However, to safely reopen the road to the public, the roadway slope needed to be reconstructed and stabilized; drainage culvert and down drains installed; and the roadway reconstructed.

The RMA solicited bids from five (5) local contractors under an emergency contract to perform the work. Granite Construction Company was the lowest responsive bidder with a bid of \$1,578,152. The other bidders were Teichert Construction Company and Granite Rock Company. The Engineer's Estimate was \$1,524,105 for the Project. The RMA issued the Notice to Proceed to Granite Construction Company on September 19, 2017 to expedite the completion of the repairs prior to the winter/rain season. Since then, staff has been coordinating with the County Administrative Office (CAO) regarding budgetary constraints for all the 2017 Winter Storm Repair projects. The CAO indicated the need to bring a summary report of the storm repair prior to approval of this item. On January 23, 2018, staff presented the status of the winter storm damages to the Board of Supervisors (Board) as well as a report on the Road Fund. Per the direction of the Board and the given criteria, staff is now prioritizing the storm damage projects to determine which projects can proceed with the given budget constraints. To date, five (5) contract change orders have been performed totaling \$115,827, within the 10% contingency. Staff requests the Board actions to ratify the emergency contracting actions taken by the RMA to address an immediate need for a total amount of \$1,996,362 for the construction phase of the project as follows:

Construction Management	\$ 260,395
Construction Contract	\$ 1,578,152
<u>10% Contingency</u>	<u>\$ 157,815</u>
Total	\$ 1,996,362

DISCUSSION:

On March 14, 2017, the Board approved allocating \$16.8 million from the Strategic Reserve to the Disaster Assistance fund to make critical repairs in response to Winter Storm damages through February 16, 2017 and the Soberanes Fire of 2016. The allocation did not address the additional storm event that occurred through February 20, 2017, which caused even more damage to the County of Monterey (County) infrastructure, including Cachagua Road. Of this amount, \$9.5 million was applied towards FY 2016-17 costs and the remaining \$7.3 million was included in the adopted FY 2017-18 General Fund budget, Appropriation Unit CAO017, to reimburse the Road Fund for storm damage repairs.

Winter storm expenditures and commitments, assuming all existing commitments are realized, would exceed the remaining \$7.3 million in the Disaster Assistance fund by \$7.7 million. Prior Board actions have committed \$3.3 million of the \$7.3 million allocation to: 1) Palo Colorado/Rocky Creek repairs (\$1.6 million), 2) Pajaro County Sanitation District sewer repairs (\$1.5 million, loan), and 3) Boronda County Sanitation District - San Jerardo water system repairs (\$189,000 loan). Additionally, there are \$1.3 million in FY 2016-17 winter storm costs that were not reimbursed last fiscal year, and on-going repair costs and commitments in FY 2017-18 of

\$10.4 million (which include \$4.9 million for Palo Colorado-Rocky Creek crossing contract, \$2.0 million for Cachagua, and \$3.6 million for debris removal and other storm related projects).

To address these on-going winter storm repair costs, staff will present, under a separate Board item, potential funding options for Board consideration and direction. Staff will return to the Board, through the Budget Committee, to address the budgetary constraints and further explore funding options, as directed by the Board.

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, Auditor-Controller, and Risk Management have reviewed and approved the Contract and Bonds as to form, fiscal terms, and insurance provisions, respectively.

FINANCING:

Total estimated project cost including engineering, construction management and construction contract is \$2,201,962. The cost for the engineering phase of the project (\$205,600) was covered in the FY 2016-17 adopted budget. The requested appropriation for the remaining amount of \$1,996,362 is to cover the construction phase of the project. The project was submitted to FEMA for reimbursement of \$1,578,152 on August 16, 2017. The project was accepted by FEMA investigators on October 7, 2017 and forwarded through the FEMA administrative approval process. No funding from FEMA has been obligated for this project yet.

The recommended action will amend the FY 2017-18 adopted budget by increasing operating transfers in and appropriations in the amount of \$1,996,362 in the Road Fund 002, Appropriation Unit RMA012, financed by an operating transfer out of \$1,996,362 from the General Fund 001, Appropriation Unit CAO017. The General Fund's adopted FY 2017-18 budget includes appropriations of \$7.3 million for storm damage repairs related to the 2017 Winter Storms. However, as detailed in the Summary/Discussion section, there are other winter storm projects competing for these remaining funds.

The RMA staff is coordinating with FEMA to obtain reimbursements for eligible costs associated with this Project since the damages to Cachagua Road resulted from a federally declared disaster. Maximum reimbursements could be up to 93.75% of the costs incurred, shared by FEMA and the California Office of Emergency Services (Cal OES). The remaining 6.25% will be covered by the County. It is uncertain if and when reimbursement from FEMA will be received. Reimbursement is unlikely in the current fiscal year (FY 2017-18).

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The project supports the following Board of Supervisors Strategic Initiatives in that the project will reconstruct and reopen Cachagua Road providing safe access to the public.

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

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Approved by: Carl P. Holm, ACIP, RMA Director

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

Attachment A - Project Budget

Attachment B - Resolution

Attachment C - Location Map

Attachment D - Bid Summary

Attachment E - Construction Contract

Attachment F - Plans & Special Provisions