



# County of Monterey

**Item No.69**

## Board Report

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

**Legistar File Number: A 26-304**

**July 07, 2026**

**Introduced:** 6/18/2026

**Current Status:** Public Works, Facilities &  
Parks - Consent

**Version:** 1

**Matter Type:** BoS Agreement

- a. Approve award of contract to Zara Construction Inc., the lowest responsible bidder to construct the Community of San Ardo Connection Project, Project No. 1178 in the total amount of \$1,849,730;
- b. Approve the Performance and Payment Bonds executed and provided by Zara Construction Inc.;
- c. Authorize a contingency, not to exceed 10% of the contract amount of \$184,973 to provide funding for approved contract change orders;
- d. Authorize the Director of Public Works, Facilities and Parks (PWFP) 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 10% (\$184,973) of the original contract amount and do not significantly change the scope of work, not to exceed the maximum of \$2,034,703; and
- e. Authorize the Director of PWFP 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 Community of San Ardo Connection Project, Project No.1178.

**California Environmental Quality Act (CEQA):** A Notice of Exemption was filed on July 18, 2024, pursuant to CEQA Guidelines, California Code of Regulations (CCR) Section 15301 (c) Existing Facilities. The Project has been determined to be categorically exempt (Class 1) because the Project is to perform repair and maintenance of existing streets and similar facilities which involve no expansion of an existing use (CEQA Guidelines, CCR Section 15301 (c)).

It is recommended that the Board of Supervisors:

- a. Approve award of a contract Zara Construction Inc., the lowest responsible bidder to construct the Community of San Ardo Connection Project, Project No. 1178, in the total amount of \$1,849,730;
- b. Approve the Performance and Payment Bonds executed and provided by Zara Construction Inc.;
- c. Authorize a contingency, not to exceed 10% of the contract amount or \$184,973 to provide funding for approved contract change orders;
- d. Authorize the Director of Public Works, Facilities and Parks (PWFP) 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 10% (\$184,973) of the original contract amount and do not significantly change the scope of work, not to exceed the maximum of \$2,034,703; and
- e. Authorize the Director of PWFP 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 Community of San Ardo Connection Project, Project No. 1178.

SUMMARY:

Awarding the contract to Zara Construction Inc. will allow the Public Works, Facilities and Parks Department (PWFP) to commence with the construction of the Community of San Ardo Connection Project, Project No. 1178.

DISCUSSION:

On June 14, 2022, the Board of Supervisors (Board) of the County of Monterey (County) approved the submittal of a grant application to the California Department of Transportation (CalTrans) for an Active Transportation Program (ATP) Grant. On June 2022, in collaboration with the County Health Department, PWFP submitted five applications to Caltrans for ATP grant funds including infrastructure and non-infrastructure projects in San Ardo, Chualar, and Castroville. In December 2022, the California Transportation Commission (CTC) approved three out of the five PWFP projects to receive funding. These projects, in San Ardo, Chualar, and Castroville (ATP Projects), received funding totaling \$16,260,000 from Caltrans.

The infrastructure portion of the San Ardo Community and School Connections Through Active Transportation Project (Project) consists of constructing approximately 2,690 lineal feet of sidewalks along one side of three streets, installing curb ramps, curb and gutter, corresponding pavement markings, signage, solar lighting and four rectangular rapid flashing beacons (RRFB's) to enhance safety and connect the San Ardo Community with safe pedestrian facilities to encourage active transportation.

On March 10, 2026, the Board of Supervisors adopted the Plans and Special Provisions for the San Ardo Sidewalk Project, Project No 1185. The Project was subsequently advertised, and bids were received and opened on April 16, 2026. Six out of Eight (8) contractors submitted bids which did not meet the following requirement (Book Two, Bid Form, Item 2, Paragraph 3):

The basis of award to the lowest responsive, responsible bidder will be the lowest Base Bid plus Bid Alternate. In the event that the lowest Base Bid plus Bid Alternate exceeds the available funds, a single award will be made based on the lowest Base Bid. All bid items in the Base Bid and Bid Alternate must include equal unit prices. (Book Two, Bid Form, Item 2, Paragraph 3).

Based on this information, the County rejected all bids, implemented minor modifications to the contract documents, and re-advertised.

On May 19, 2026, the Board rejected all bids and adopted the Plans and Special Provisions for the San Ardo Sidewalk Project, Project No.1178. The Project was subsequently advertised, and bids were received and opened on June 11, 2026. Six (6) bids were received. The apparent lowest bidder was Zara Construction Inc. in the amount of \$1,849,730. The second lowest bidder was Monterey Peninsula Engineering in the amount of \$1,971,664. The third lowest bidder was Graniterock in the amount of \$1,984,143, as shown in Attachment B. Construction is expected to begin in July 2026.

In compliance with the California Environmental Quality Act (CEQA), PWFP filed a Notice of Exemption (NOE) with the County Clerk on July 18, 2024, pursuant to CEQA Guidelines, California Code of Regulations (CCR) Section 15301(c) Existing Facilities. On April 28, 2026, PWFP filed an NOE with the State Clearinghouse (SCH), a division of the Governor’s Office of Land Use and Climate Innovation (LCI) which coordinates State-level review of environmental documents prepared pursuant to CEQA. The project has been determined to be categorically exempt (Class 1) because the Project is to perform repair and maintenance of existing streets and similar facilities which involve no expansion of an existing use (CEQA Guidelines, CCR Section 15301 Existing Facilities).

OTHER AGENCY INVOLVEMENT:

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

FINANCING:

The total estimated cost of the Project, including design engineering, environmental, right-of-way, and construction is \$3,846,331. The County has secured Active Transportation Program (ATP) funding for the Project as outlined in Attachment B, Project Budget. The Project is largely funded by a combination of State ATP Funds in the amount of \$3,448,000. The remaining \$398,331 will be funded through Measure X funds. The adopted FY2025-26 Road Fund 002, budget includes \$2.8 million in appropriations to fund the construction phase of the project.

The recommended budget for the FY2026-27 Road Fund, that was presented to the Board this June for adoption, included the remaining cost of this project.

BOARD OF SUPERVISORS STRATEGIC PLAN GOALS:

The Project will construct sidewalks along one side of three streets, installing curb ramps, curb and gutter, corresponding pavement markings, signage, solar lighting and four beacons to enhance safety and connect the San Ardo Community with safe pedestrian facilities to encourage active transportation. The recommended action supports the following Board of Supervisors’ Strategic Initiatives:

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

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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 - Bid Summary

Attachment C - Contracts, Insurance, and Bonds

Attachment D - Project Budget