



County of Monterey

Item No.

Board Report

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

Legistar File Number: A 25-233

June 17, 2025

Introduced: 6/2/2025

Current Status: Agenda Ready

Version: 1

Matter Type: BoS Agreement

- a. Award a contract to Coastal Paving and Excavating, Inc., the lowest responsible bidder for Elkhorn Road Rehabilitation, Project No. 1155 (Project), in the total amount of \$4,618,149;
- b. Approve the Performance and Payment Bonds executed and provided by Coastal Paving and Excavating, Inc.;
- c. Authorize a contingency, not to exceed 10% of the contract amount or \$461,815, to provide funding for approved contract change orders;
- d. Authorize the Director of Public Works, Facilities and Parks to execute the contract subject to the provisions of the Public Contract Code and Board Policies as applicable, approve change orders to the contract that do not exceed 10% of the original contract amount or \$461,815, do not significantly change the scope of work, not to exceed the maximum contract amount of \$5,079,964; 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 the Elkhorn Road Rehabilitation, Project No. 1155.

California Environmental Quality Act (CEQA) Action: 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 (See CEQA Guidelines, California Code of Regulations (CCR) Section 15301 Existing Facilities).

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Award a contract to Coastal Paving and Excavating, Inc., the lowest responsible bidder for the Elkhorn Road Rehabilitation, Project No. 1155. (Project), in the total amount of \$4,618,149;
- b. Approve the Performance and Payment Bonds executed and provided by Coastal Paving and Excavating, Inc.;
- c. Authorize a contingency, not to exceed 10% of the contract amount or \$461,815, to provide funding for approved contract change orders;
- d. Authorize the Director of Public Works, Facilities and Parks to execute the contract subject to the provisions of the Public Contract Code and Board Policies as applicable, approve change orders to the contract that do not exceed 10% of the original contract amount or \$461,815, do not significantly change the scope of work, not to exceed the maximum contract amount of \$5,079,964; 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 the Elkhorn Road Rehabilitation, Project No. 1155.

SUMMARY/DISCUSSION:

The Elkhorn Road Rehabilitation Project (Project), in general, consists of overlaying the existing pavement with hot-mix-asphalt from just north of Walker Valley Road (Mile Post 1.9) to Salinas Road (Mile Post 8.0), approximately 6 miles in length. The project is to extend the pavement life of the road.

This Project was identified as a top priority project under the Measure X program.

On April 15, 2025, the Board of Supervisors adopted the Plans and Special Provisions for the Elkhorn Road Rehabilitation, Project No. 1155. The Project was subsequently advertised, and bids were received and opened on May 9, 2025. Seven bids were received. The lowest responsible, responsive bidder was Coastal Paving and Excavating, Inc. (Coastal) in the amount of \$4,618,149, which is 3.5% under the Engineer's Estimate of \$4,796,972. The second lowest bidder was McKim Corporation (McKim) in the amount of \$4,670,499. Construction is expected to begin in July 2025.

On May 9, 2025, McKim submitted a formal protest challenging the bid submitted by Coastal, stating that Coastal's bid was non-responsive due to their failure to list a subcontractor for Bid Item No. 11 - Pavement Reinforcing Fabric, valued at approximately \$633,769. This exceeds the statutory threshold of \$23,090 (0.5% of the total bid). McKim claimed this omission violated the Subletting and Subcontracting Fair Practices Act and argued that this specialty work requires listing an experienced subcontractor.

In their response, Coastal clarified that they intended to self-perform the Pavement Reinforcing Fabric work and were therefore not required to list a subcontractor under the applicable Public Contract Code provisions. They confirmed that their personnel are qualified to perform this work, and that no subcontractor will be used for that item.

The Department of Public Works, Facilities and Parks (PWFP) reviewed McKim's protest and Coastal's response, and determined that Coastal's bid submittal is responsive, as the omission of a subcontractor listing for Item No. 11 is acceptable when the bidder intends to self-perform the work. It is PWFP's position that Coastal's bid meets all requirements of the Public Contract Code and the protest by McKim does not provide sufficient grounds for disqualification.

On February 19, 2025, in accordance with the California Environmental Quality Act (CEQA), PWFP filed a Notice of Exemption for the Project with the State Clearinghouse (SCH), a division of the Governor's Office of Planning and Research (OPR) 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 (See CEQA Guidelines, California Code of Regulations (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. The Office of the County Counsel concurs with PWFP's determination regarding the bid protest.

FINANCING:

The total estimated Project cost, including engineering, construction management, and construction is \$9.6 million. The Project is mainly funded by Measure X, and SB1.

The construction phase of the Project is estimated to be \$6.9 million. The recommended budget for FY2025-26 Road Fund 002, which will be presented to the Board of Supervisors, will include \$6.9 million in appropriations to fund the construction phase of this Project.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The Project will pave approximately 6 miles of County maintained roads, extending the pavement life. The recommended action supports the following Board of Supervisors' Strategic Initiatives:

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

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Reviewed by: Lindsay Lerable, Assistant Director of Public Works, Facilities and Parks

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 - Contract, Bonds, & Insurance

Attachment B - Project Budget

Attachment C - Bid Summary

Attachment D - Location Map

Attachment E - Bid Protest Determination