

County of Santa Clara
Roads and Airports Department



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DATE: June 20, 2017

TO: Board of Supervisors

FROM: Harry Freitas, Director

SUBJECT: Repair of County Roads damaged by 2017 winter storms

RECOMMENDED ACTION

Consider recommendations relating to repair of storm damaged roads resulting from January 2017 Storm (FEMA #DR-4301) and February 2017 Storm (FEMA #DR-4308). (Roads and Airports Department)

Possible action:

- a. Receive report from the Roads and Airports Department relating to repair of storm damaged roads resulting from January 2017 Storm (FEMA #DR-4301) and February 2017 Storm (FEMA #DR-4308).
- b. Authorize the County Executive or designee to advertise for bids, to the existing pool of pre-qualified Job Order Contract (JOC) contractors, contract documents for contract JOC RAD-2017-01 with a minimum contract amount of \$50,000, a maximum contract amount of \$1,500,000, and a maximum contract duration of one calendar year.
- c. Direct the Clerk of the Board of Supervisors to open bids for JOC contract JOC RAD-2017-01 on a date to be determined by the County Executive or designee.
- d. Authorize the County Executive or designee to issue a Prequalification Questionnaire Package (PQP) to establish a new pool of prequalified contractors and advertise for bids contract documents for contracts JOC RAD-2017-02, JOC RAD-2017-03, JOC RAD-2017-04 and JOC RAD-2017-05, each with a minimum contract amount of \$50,000, a maximum contract amount of \$4,500,000, and a maximum contract duration of one calendar year.
- e. Authorize the County Executive or designee to determine the pool of prequalified contractors for JOC RAD-2017-02, JOC RAD-2017-03, JOC RAD-2017-04 and JOC RAD-2017-05 based on PQP evaluations and qualification hearings, if necessary.
- f. Direct the Clerk of the Board of Supervisors to open bids for JOC RAD-2017-02, JOC RAD-2017-03, JOC RAD-2017-04 and JOC RAD-2017-05 on date(s) to be determined

by the County Executive or designee, subsequent to establishment of the prequalification list.

FISCAL IMPLICATIONS

The Department estimates that the cost of repairing the damage from the 2017 winter storms is approximately \$35M. Although much of this amount is eligible for reimbursement from the Federal Emergency Management Agency (FEMA) and the California Office of Emergency Services (Cal OES), the total cost net of reimbursements is difficult to estimate at this time.

As discussed during the Department's Budget Workshop on May 17, 2017, the Road Fund will need a loan from the General Fund to balance its FY 2018 operating budget and fully fund a small number of capital projects while the revenue sources from the newly enacted SB1 are phased in over the next 2-3 years. The estimated amount of the FY 2018 loan is currently \$7.5M, of which \$750K is allocated for preliminary costs associated with storm damage repair. This \$750K is the only funding identified in the FY 2018 budget for storm damage repair.

In order to pursue repair of the storm damage sites as expeditiously as possible, the Department will need additional GF loan amounts on a pay-as-you-go basis consistent with the Board's direction at the Budget Workshop. The Department will coordinate closely with the Office of Budget and Analysis to provide its best estimates of the timing and magnitude of the expenditures necessary to prosecute the storm damage repairs in a diligent manner.

CONTRACT HISTORY

On August 16, 2016 the Board approved the Prequalification Questionnaire Package (PQP) for JOC RAD-2016-01 and authorized the Director, Roads and Airports Department, to determine the pool of prequalified contractors based on PQP evaluations. The Department's existing prequalification list for JOC contracts up to \$1.5M is valid through September 27, 2017.

REASONS FOR RECOMMENDATION

The 2017 winter storms resulted in over \$35 million in damage to the County road system at 47 locations. The attached spreadsheet provides a comprehensive overview of the storm damage by location including type of damage, community impacts, proposed repair and proposed execution method, along with rough estimates of schedule and cost.

The Department has identified its Job Order Contracting (JOC) program as a key component of the strategy to implement repairs in an expeditious manner. Staff estimates that about half of the aforementioned storm damage repairs (by dollar value) lends itself to being accomplished by JOC. The Department currently has one active JOC contract with a maximum value of \$1.5M. To create the additional JOC contracting capacity required, the Department recommends advertising for bids immediately a second \$1.5M JOC contract using the existing list of prequalified contractors as well as initiating a new prequalification process for larger contracts up to \$4.5M. The Department plans to run four such contracts simultaneously, devoted almost exclusively to storm damage repair. The Recommended Action outlines the actions necessary to initiate these contracts and for which the

Administration is requesting authority. Staff will agendize all recommended contract awards for the Board's consideration at the appropriate time.

As a result of the storms this winter, the Federal Government has declared two local disasters. The first, DR-4301, cover damages incurred between January 3-12, 2017. The second, DR-4308, cover damages incurred between February 1-23, 2017. The reimbursements for qualified costs may be paid as follows: Federal 75% and State 18.75%. County funds would cover the remaining 6.25%. The Department is coordinating closely with County OES, FEMA and the California Office of Emergency Services (Cal OES) to obtain advance approval of repair actions to the extent possible in order to maximize the amount of potential reimbursement.

FEMA and Cal OES jointly conducted a briefing for all of the jurisdictions included in the federally declared disasters. The briefing provided an overview of the process to be followed in order to for the County to obtain reimbursement for losses. In the case of road damage FEMA reimburses costs in three categories.

1. Category A - Debris Removal – pays for dirt and debris removal from roads.
2. Category B – Emergency Protective Measures – pays for repairs to temporarily re-open roads and keep it safe for the public.
3. Category C – Permanent Work – pays for work needed to put the road back to its pre-disaster condition.

County staff have been assured that roadway damage is an eligible expense for reimbursement as long as FEMA and Cal OEs regulations are complied with. In consideration of the likelihood of obtaining substantial reimbursement, staff plans to proceed with the repairs as soon as possible and may need to take actions in advance of formal FEMA approval. In these instances, staff will pursue approval retroactively but it is important to note that some risk exists that reimbursement could ultimately be denied. Offsetting this risk to some extent is the benefit of accomplishing the repairs sooner than would otherwise be possible, thus reducing the negative impacts and risks inherent to the existence of a storm-damaged road, such as vehicle weight limits, reduced access, heightened safety concerns, and the possibility of further deterioration, for example.

BACKGROUND

Job Order Contracting (JOC) has proven to be a flexible, cost-effective, and expeditious contracting method for Roads & Airports Department projects. The Contract Documents are comprised of a Construction Task Catalog (CTC), Task Specifications and Special Provisions. The unit price for each task is established based on local prices for material, labor and equipment. Contractors bid one adjustment factor to the CTC prices for work performed during normal working hours and one adjustment factor for work outside of normal working hours. These two adjustments factors, which include the contractor's overhead and profit, are then weighted using an Award Criteria Formula to determine the Award Criteria Figure. An annual contract is then awarded to the responsible bidder submitting the lowest responsive Award Criteria Figure.

The prequalification process is conducted in accordance with the Public Contract Code

(PCC) and Board policy 5.7.5.3. Establishing a prequalified contractor list ensures access to JOC contractors with sufficient resources, appropriate experience, and a proven track record of on-time completion. The Prequalification Questionnaire Package (PQP) follows the template published by the State Department of Industrial Relations, and was used for the two most recent JOC contracts.

CHILD IMPACT

The recommended action will have no/neutral impact on children and youth.

SENIOR IMPACT

The recommended action will have no/neutral impact on seniors.

SUSTAINABILITY IMPLICATIONS

The recommended action will have no/neutral sustainability implications.

CONSEQUENCES OF NEGATIVE ACTION

The recommended JOC contracts will not proceed and other contracting methods must be utilized to repair the storm damaged roads.

STEPS FOLLOWING APPROVAL

Send notification of completed processing to:

1. Tony Arata, Roads and Airports Dept., Administration
2. Ron Jackson, Roads and Airports Dept., Road Maintenance Division
3. Dawn Cameron, Khoa Vo and David Parks, Roads and Airports Dept., Infrastructure Development Division.
4. Kelly Roberts, Roads and Airports Department - Administration

ATTACHMENTS:

- Storm Damaged Roads (Jan-Feb 2017 Storms) (XLSX)
- JOC RAD-2017 Notice to Bidders (PDF)
- JOC RAD-2017 Prequalification Questionnaire Package (PDF)
- JOC RAD-2017-01 Special Provisions (PDF)
- Updated Storm Damaged Roads (January - February 2017 Storms) (PDF)