

# MEMORANDUM

DEPARTMENT OF PUBLIC WORKS  
County of Placer

TO: BOARD OF SUPERVISORS DATE: July 23, 2013  
FROM:  KEN GREHM / PETER KRAATZ  
SUBJECT: RIOSA ROAD IMPROVEMENT PROJECT – CONTRACT AWARD

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## ACTION REQUESTED / RECOMMENDATION

1. Adopt a Resolution awarding the construction contract for the Riosa Road Improvement Project to Baldwin Contracting Company Inc., dba Knife River Construction, for an amount of \$825,472, with County Counsel and Risk Management's review and approval. Funding for the project is being provided by Cemex Development Agreement funds. The net County cost is \$178,519.
2. Authorize the Chair to execute the construction contract.
3. Authorize the Director of Public Works to execute contract change orders up to an amount of 10 percent of the contract amount or \$82,547.
4. Authorize the advance of Placer Central Fee District Funds to be reimbursed with future Cemex extraction royalty funds in accordance with Section 15.28.030(P) of County Code.

## BACKGROUND/SUMMARY

The project proposes to construct 1,625 lineal feet of curb, gutter, drainage, asphalt overlay and landscaping improvements on Riosa Road between 9<sup>th</sup> Street and 12<sup>th</sup> Street. In addition, a sidewalk will be constructed along the north side of the road.

In 2007, Cemex Inc. and Placer County finalized a Development Agreement. Per the requirements of this agreement Cemex made installment payments to the County for Cemex to cover impacts of their business on roadways within the community. Approximately \$1,200,000 was received for roadway improvements specifically on Riosa Road or for roadway improvements in the Sheridan area. The project has an approximate \$280,000 shortfall. Section 3.3.6 of the development agreement provides an ongoing payment to the County based on the aggregate material extracted by Cemex. This funding is meant to fund any County projects at the Board's discretion. Public Works recommends this funding be used to complete the financing for the Riosa Road project. There are currently insufficient funds in this account to fund the \$280,000 shortfall so we recommend that traffic impact fees be used to fund the project now and be reimbursed in the future through the extraction fees. Some improvements to Riosa Road are found in the approved Placer Central capital improvement program. Section 15.28.030(P) allows for this type of traffic fee financing with Board approval. The Placer Central Fee District has a current balance of \$1,300,000. Riosa Road Improvement Project is identified within the Infrastructure Investment Committee process.

## ENVIRONMENTAL

A Negative Declaration was prepared for this project by the Placer County Department of Public Works pursuant to the California Environmental Quality Act (CEQA). A Notice of Determination was filed with the County Clerk on May 22, 2012.

## FISCAL IMPACT

The total construction cost including 10% contingency and Construction Management is \$1,088,019. \$809,500 of Development Agreement funds already received will be utilized toward the cost, \$100,000 in Road Fund and \$178,519 of Traffic Impact Fees. The Traffic Impact Fee money will be paid back

over time through CEMEX extraction fees in accordance with Section 3.3.6 of the Cemex Development Agreement. The department has budgeted for this contract and funding is available in the FY 2013-14 budget. Cemex extraction royalty fees are general discretionary dollars intended to fund any County project at the Board's discretion.

Attachment:

- Resolution
- Location Map

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**Before the Board of Supervisors  
County of Placer, State of California**

**In the matter of: A RESOLUTION AUTHORIZING THE CHAIR OF THE BOARD TO AWARD AND EXECUTE THE CONSTRUCTION CONTRACT FOR THE RIOSA ROAD IMPROVEMENT PROJECT TO BALDWIN CONTRACTING COMPANY INC., DBA KNIFE RIVER CONSTRUCTION, FOR AN AMOUNT OF \$825,472, WITH COUNTY COUNSEL AND RISK MANAGEMENT'S REVIEW AND APPROVAL, AND AUTHORIZE THE DIRECTOR OF PUBLIC WORKS TO EXECUTE CONTRACT CHANGE ORDERS UP TO AN AMOUNT OF 10 PERCENT OF THE CONTRACT AMOUNT OR \$82.547.**

**Resol. No:.....**

The following RESOLUTION was duly passed by the Board of Supervisors of the County of Placer at a regular meeting held \_\_\_\_\_, by the following vote on roll call:

**Ayes:**

**Noes:**

**Absent:**

**Signed and approved by me after its passage.**

**Attest:  
Clerk of said Board**

\_\_\_\_\_  
**Chair, Board of Supervisors**

\_\_\_\_\_  
**WHEREAS, the Placer County Board of Supervisors recognizes the Riosa Road Improvement Project as a high priority project in the Sheridan area; and**

**WHEREAS, Cemex Construction Materials, LP signed a Development Agreement in 2007 to extract aggregates at their mine located near Sheridan; and**

**WHEREAS, the Development Agreement provided \$1.2M for roadway improvements in the Sheridan area under Sections 3.3.3.3 and 3.3.4.1; and**

**WHEREAS, after receiving construction bids, there remains an approximate \$280,000 shortfall for the project;**

**WHEREAS, Section 15.28.030(P) provides for the use of traffic impact fee funds to advance projects found in the capital improvement program; and**

**WHEREAS, Improvements to Riosa Road are found within the Placer Central Capital Improvement Program; and**

**WHEREAS, the Director does determine that the advance funding will allow the project to be constructed in one phase which is more cost-effective;**

**BE IT HEREBY RESOLVED by the Board of Supervisors of the County of Placer, State of California, that this Board**

- 1. Approves award of the construction contract for the Riosa Road Improvement Project to Baldwin Contracting Company Inc., dba Knife River Construction, for an amount of \$825,472 with County Counsel and Risk Management review and approval; and**
- 2. Authorize the Chair to execute the construction contract; and**
- 3. Authorize the Director of Public Works to execute contract change orders up to an amount of 10 percent, or \$82,547 of the contract amount.**
- 4. Authorize the advance of Placer Central Fee District funds to construct the project and to be reimbursed, without interest, with Cemex extraction royalties received under Section 3.3.6 of their Development Agreement.**
- 5. Authorize and direct future Cemex extraction royalties reimburse the Placer Central Fee District until the advance is repaid.**

# LOCATION MAP



