

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY
AND RECORD OF ACTION**

January 27, 2026

FROM

NOEL CASTILLO, Director, Department of Public Works – Transportation

SUBJECT

Contract with Granite Construction Company for the Needles Highway Segment 1C Project in the Needles area

RECOMMENDATION(S)

1. Approve Addendum No. 1, issued on September 16, 2025, Addendum No. 2, issued on October 15, 2025, Addendum No. 3, issued on November 3, 2025, Addendum No. 4, issued on November 5, 2025, and Addendum No. 5, issued on November 13, 2025, to the bid documents for the Needles Highway Segment 1C Project in the Needles area.
2. Award a construction **Contract No. 26-42** to Granite Construction Company in the amount of \$7,679,732 for the Needles Highway Segment 1C project in the Needles area.
3. Authorize a contingency fund of \$767,973 for the Needles Highway Segment 1C Project in the Needles area.
4. Authorize the Director of the Department of Public Works to approve the expenditure of the contingency fund of \$767,973 for verified quantity overruns for this unit priced construction contract.
5. Authorize the Director of the Department of Public Works to order any necessary changes or additions in the work being performed under the contract for a total amount not to exceed \$210,000 of the \$767,973 contingency fund, pursuant to Public Contract Code Section 20142.
6. Authorize the Director of the Department of Public Works to accept the work when 100% complete and execute and file the Notice of Completion.
7. Authorize the Auditor-Controller/Treasurer/Tax Collector to post budget adjustments in the amount of \$8,447,705, as detailed in the Financial Impact Section, for the Needles Highway Segment 1C Project in the Needles area (Four votes required).

(Presenter: Noel Castillo, Director, 387-7906)

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

Ensure Development of a Well-Planned, Balanced, and Sustainable County.

Provide for the Safety, Health and Social Service Needs of County Residents.

FINANCIAL IMPACT

Approval of this item will not result in the use of Discretionary General Funding (Net County Cost). The Needles Highway Segment 1C (Project) is funded by \$447,705 of San Bernardino County Transportation Authority's (SBCTA) Major Local Highways Program (MLHP) funds and \$8,000,000 of federal Surface Transportation Program (STP) funds, administered by California Department of Transportation (Caltrans). The SBCTA and Caltrans will reimburse the County for eligible costs related to the Project.

**Contract with Granite Construction Company for the Needles Highway
Segment 1C Project in the Needles area
January 27, 2026**

The following budget adjustments to the Department of Public Works (Department) 2025-26 Road Operations budget (6650002000 H15179) are being requested:

Fund Center/Fund	GL Account	Description	Action	Amount
6650002000	52002445	Other Professional & Specialized Services	Increase	\$8,447,705
6650002000	40509090	Federal – Capital Grants	Increase	\$8,000,000
6650002000	40608842	Local Governmental Agencies	Increase	\$447,705

BACKGROUND INFORMATION

The Project involves pavement reconstruction and drainage improvements, from David Drive north to 0.1 mile north of Not'cho Road. The County has served as the lead agency for other projects located along Needles Highway, between "N" Street northerly to the California/Nevada state line. The Project is part of the Needles Highway Improvement Project (Parent Project), which includes three segments that have already been completed: (1) from "N" Street to 600 feet north of Balboa Place (Segment N); (2) from 600 feet north of Balboa Place to 500 feet south of Park Road (Segment 1A); and (3) from 500 feet south of Park Road to David Drive (Segment 1B).

Needles Highway, which runs through the unincorporated area of Needles and the City of Needles (City), is a roadway of regional significance. Needles Highway and its segments are a priority project because it has become a significant north/south route for travelers and goods movement to and from Interstate 40 between the City, the County unincorporated area, the Needles area, and Laughlin, Nevada. Needles Highway needs various improvements to address current traffic flow and projected increase in traffic volumes. All work for the Project will be done within the existing right-of-way.

On April 10, 2001 (Item No. 11), the Board approved Contract No. 01-257 with the City authorizing the County to act as the lead agency in the design and construction of the Parent Project within City limits.

On July 25, 2014, the Federal Highway Administration (FHWA) reviewed the Parent Project for compliance under the National Environmental Policy Act (NEPA) and made a Finding of No Significant Impact (FONSI), based on the Environmental Assessment (EA), prepared in cooperation with the FHWA, the California Department of Transportation (Caltrans), and the County.

On August 19, 2014 (Item No. 38), the Board certified that the Initial Study/Mitigated Negative Declaration (IS/MND) for the Parent Project had been completed in compliance with the California Environmental Quality Act (CEQA) and directed the Clerk of the Board to file and post a Notice of Determination (NOD) as required by CEQA. The NOD was filed with the Clerk of the Board on August 19, 2014.

On August 9, 2016 (Item No. 29), the Board approved Amendment No. 1 to Contract No. 01-257 with the City to update various terms surrounding the entire Parent Project, including, but not limited to, the limits of the Project, funding source, contribution amount, and maintenance responsibilities.

On February 8, 2022 (Item No. 42), the Board approved Advance Expenditure Agreement No. 22-85 (Agreement No. 22-1002711) with SBCTA, under which the County will advance funds for

**Contract with Granite Construction Company for the Needles Highway
Segment 1C Project in the Needles area
January 27, 2026**

the Project Approval and Environmental Document and Plans, Specifications, and Estimate phases of the Project and SBCTA will reimburse the County up to \$900,000 in Measure "I" 2010-2040 Colorado River Subarea MLHP funds as they are collected in the future.

On August 23, 2022 (Item No. 41), the Board approved Funding Agreement No. 22-788 (Agreement No. 22-1002811) with SBCTA. The funding agreement allows County to fund the right-of-way and construction phases of the Project on a reimbursement basis. Upon receipt of invoices from the County, SBCTA will reimburse the County up to \$8.5 million for eligible costs related to the Project's pavement and drainage improvement work with STP funds.

On August 18, 2023, Caltrans approved the re-validation of the FONSI/EA for the Parent Project, as required by NEPA when project conditions change. In this instance, the changed condition was the need for the next major federal approval for Segment 1C construction work.

Following Board of Supervisors (Board) approval of this item, construction is anticipated to commence Spring of 2026 and be completed by Summer of 2026.

PROCUREMENT

On April 14, 2025, the Assistant Executive Officer approved the Project's plans and specifications, as well as authorized the Director of the Department to advertise the Project for bids. This Project was advertised in the San Bernardino County Sun newspaper on August 20, 2025, The Standard on August 20, 2025, Mohave Valley News on August 20, 2025, and released on the County electronic procurement network (ePro) on August 19, 2025. A Notice inviting bids was also provided to specified construction trade journals identified pursuant to Public Contract Code Section 22036.

The following addenda were issued during the bidding phase

- Addendum No. 1: Revised the bid opening date and bidder questions deadline
- Addendum No. 2: Revised the bid opening date
- Addendum No. 3: Revised the bid opening date, Removed requirements for Disadvantaged Business Enterprises per Caltrans
- Addendum No. 4: Provided updated Davis Bacon wages, Provided answers to questions asked by bidders
- Addendum No. 5: Amended the project special provisions, Amended project plans, Provide answers to questions asked by bidders

On November 11, 2025, the following 2 bids were received:

Contractor	Location	Total Bid	
Granite Construction Company	Indio, CA	Sch. A:	\$6,597,042.00
		Sch. A+B:	\$7,312,917.00
		Sch. A+B+C:	\$7,679,732.00
		Sch. A+B+C+D:	\$8,780,857.00
		Sch.	\$9,996,767.00
		A+B+C+D+E:	

**Contract with Granite Construction Company for the Needles Highway
Segment 1C Project in the Needles area
January 27, 2026**

Sully-Miller Contracting Company	Brea, CA	Sch. A:	\$6,927,000.00
		Sch. A+B:	\$7,493,475.00
		Sch. A+B+C:	\$7,951,790.00
		Sch. A+B+C+D:	\$8,727,365.00
		Sch. A+B+C+D+E:	\$9,801,485.00

The base bid for the Project is identified as schedule A and all subsequent schedules B, C, D and E are additive items. The project scope is dependent on which bid, base schedule A plus additive items, falls within project budget limit for contract award.

The Department has reviewed the bids received and determined that they are responsive, and recommends entering into a contract with Granite Construction Company, the responsive lowest responsible bidder on Schedule A+B+C. No appeal/protest letters were received.

This Project will have a ten percent contingency fund of \$767,973 to compensate the contractor for verified quantity overruns, as well as changes in the contract under certain circumstances. Under an established formula based on the contract amount, Public Contract Code Section 20142 allows the Board to authorize the Director of the Department to order changes in the contract, including for unforeseen conditions or design shortfalls, should they become necessary in the future, for a total amount not to exceed \$210,000 of the \$767,973 contingency fund.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Aaron Gest, Deputy County Counsel, 387-5455) on December 11, 2025; Purchasing (Dylan Newton, Buyer III, 387-3377) on December 15, 2025; Auditor-Controller/Treasurer/Tax Collector (Charlene Huang, Auditor-Controller Manager, 382-7022) on January 5, 2026; and County Finance and Administration (Kathleen Gonzalez, Administrative Analyst, 387-5412) on January 9, 2026.

**Contract with Granite Construction Company for the Needles Highway
Segment 1C Project in the Needles area
January 27, 2026**

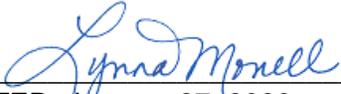
Record of Action of the Board of Supervisors
San Bernardino County

APPROVED (CONSENT CALENDAR)

Moved: Curt Hagman Seconded: Joe Baca, Jr.
Ayes: Jesse Armendarez, Dawn Rowe, Curt Hagman, Joe Baca, Jr.
Absent: Col. Paul Cook (Ret.)

Lynna Monell, CLERK OF THE BOARD

BY



DATED: January 27, 2026



cc: PW/Trans - Silao w/agree
 Contractor - c/o PW/Trans w/agree
 File - w/agree
CCM 01/28/2026