

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS  
SITTING AS THE GOVERNING BOARD OF THE FOLLOWING:  
SAN BERNARDINO COUNTY  
BOARD GOVERNED COUNTY SERVICE AREAS  
AND RECORD OF ACTION**

October 22, 2024

**FROM**

**NOEL CASTILLO, Director, Department of Public Works – Special Districts  
LUTHER SNOKE, Chief Executive Office, County Administrative Office**

**SUBJECT**

Construction Contract and Related Actions for County Service Area 70, Zone R-51 (Old Toll Access Roads) Project

**RECOMMENDATION(S)**

1. Acting as the governing body of County Service Area 70, Zone R-51 (Old Toll Access Roads):
  - a. Adopt **Resolution No. 24-158** that accepts a loan, and states the necessity for borrowing, from the County Service Area Revolving Loan Fund, in order to fund the County Service Area 70, Zone R-51 (Old Toll Access Roads) Project, including interest at the rate earned by the County's pooled investments as determined by the County's Auditor-Controller/Treasurer/Tax Collector, being repaid within 10 years of disbursement, in the amount of \$54,250 (Four votes required).
  - b. Approve a \$54,250 increase to the County Service Area 70, Zone R-51 (Old Toll Access Roads) Project from \$258,754 to \$313,004.
  - c. Authorize the Auditor-Controller/Treasurer/Tax Collector to post 2024-25 budget adjustments, as indicated in the Financial Impact section, for County Service Area 70, Zone R-51 (Old Toll Access Roads) Project (Four votes required).
  - d. Approve Addendum No. 1, issued on August 8, 2024, to the bid documents for the County Service Area 70, Zone R-51 (Old Toll Access Roads) Project.
  - e. Award construction **Contract No. 24-1030** to Horizon Construction Co. Int'l., Inc., in the amount of \$267,621, for the County Service Area 70, Zone R-51 (Old Toll Access Roads) Project.
  - f. Approve **Amendment No. 1 to Contract No. 24-1030** with Horizon Construction Co. Int'l., Inc., for the County Service Area 70, Zone R-51 (Old Toll Access Roads) Project, reducing the scope of work and contract amount by \$14,860, from \$267,621 to \$252,761, with no change to the contract term starting from the notice to proceed plus 30 days.
  - g. Authorize a contingency fund of \$25,276 for the County Service Area 70, Zone R-51 (Old Toll Access Roads) Project.
  - h. Authorize the Director of the Department of Public Works to approve expenditures up to \$25,276 for verified quantity overruns for this unit-priced construction contract.
  - i. Authorize the Director of the Department of Public Works to order any necessary changes or additions in the work being performed under the construction contract with

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Horizon Construction Co. Int'l, Inc., for the total not-to-exceed amount of \$25,138 of the \$25,276 contingency fund, pursuant to Public Contract Code Section 20142.

- j. Authorize the Director of the Department of Public Works to accept the work when 100% complete and execute and file the Notice of Completion.
- 2. Acting as the governing body of San Bernardino County:
  - a. Adopt **Resolution No. 24-159** approving a loan from the County Service Area Revolving Loan Fund for the County Service Area 70, Zone R-51 (Old Toll Access Roads) Project, including interest at the rate earned by the County's pooled investments as determined by the County's Auditor-Controller/Treasurer/Tax Collector, being repaid within 10 years of disbursement, in the amount of \$54,250 (Four votes required).
  - b. Authorize the Auditor-Controller/Treasurer/Tax Collector to record the \$54,250 loan from the County Service Area Revolving Loan Fund to County Service Area 70, Zone R-51 (Old Toll Access Roads).

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

**COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES**

**Operate in a Fiscally-Responsible and Business-Like Manner.**

**Ensure the 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 County Service Area 70, Zone R-51 (Old Toll Access Roads) (District) is funded by special assessments on property owners within the District. The County Service Area 70, Zone R-51 (Old Toll Access Roads) Project (Project) includes \$252,761 for the amended cost of the recommended construction contract with Horizon Construction Co. Int'l, Inc. and \$25,276 for the Project's contingency fund.

The Project was initially funded by loans from the County Service Area Revolving Loan Fund (1040). The first loan was approved by the Board of Supervisors (Board) on July 12, 2022 (Item No. 51), in the amount of \$258,754, and an additional loan of \$54,250 is being requested for the difference between the original loan and the total Project cost of \$313,004, including project management services for the Project. The District will repay these loans, including interest at the rate earned by the County's pooled investments, with revenue from special assessments on property owners within the District.

The following 2024-25 budget adjustments to the CSA 70 Countywide Capital Improvement Program (CIP) Fund are needed to proceed with the Project:

<b>Fund Center</b>	<b>Commitment Item</b>	<b>Description</b>	<b>Action</b>	<b>Amount</b>
1050003604	54104010	Improvements to Land	Increase	\$ 54,250
1050003604	40909985	Long-Term Debt Proceeds	Increase	\$ 54,250

Sufficient appropriation will be included in future recommended budgets as necessary.

**BACKGROUND INFORMATION**

The District was formed in 2022 to provide road paving, maintenance, and snow removal services for 40 parcels in the Lake Arrowhead area.

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The Project proposes to pulverize and repave approximately 38,220 square feet of existing roadways within the District boundary. Rehabilitating the existing roads will dramatically increase their longevity.

This item seeks Board approval to award a construction contract for the Project in the amount of \$267,621. However, this item also seeks approval of Amendment No. 1 (Amendment) to immediately reduce the contract amount by \$14,860, from \$267,621 to \$252,761, with no changes to the original contract term. The Amendment is needed for the Project to be constructed within the available funding limits and completed before the winter season arrives. Horizon Construction Co. Int'l, Inc. agreed to eliminate some scope of work, including adjustment of manholes and valves, that was no longer needed to assist with the District's budget constraints, allowing the Project to proceed.

On July 9, 2024 (Item No. 55), the Board determined the Project was exempt under the California Environmental Quality Act Guidelines and directed the Department of Public Works (Department) to file and post the Notice of Exemption. The Board also approved the Project's plans and specifications and authorized the Director of the Department to advertise the Project for competitive bids.

**PROCUREMENT**

On July 10, 2024, the Department advertised the Project's plans and specifications in the County's Electronic Procurement Network (e-Pro), Request for Proposal (RFP) No. SPD124-SPDAD-5496, in accordance with Public Contract Code Section 22037. On July 13, 2024, and July 16, 2024, the Department advertised the Project in the San Bernardino County Sun newspaper and on July 18, 2024, in the Mountain News.

During the bidding process, the following addendums were issued:

- Addendum No. 1: Revised Itemized Bid Proposal within Section A, Bidding Requirements of the Bid Package.

On July 23, 2024, seven contractors attended the Mandatory Pre-Bid Meeting. On August 15, 2024, the Department received the following bids:

<b>Contractor Name</b>	<b>Bid Amount</b>
Horizon Construction Co. Int'l, Inc.	\$429,673.80
Tryco General Engineering	\$497,686.00

The Department reviewed the bids and determined that all were responsive. The Department recommends that the Board award the construction contract to Horizon Construction Co. Int'l, Inc. as the lowest responsive and responsible bidder. No appeal/protest letters were received.

The lowest bidder was determined pursuant to Public Contract Code section 20103.8(b), the lowest total of the bid prices on the base contract, and those additive or deductive items that were specifically identified in the bid solicitation, which included the lowest total of the total base bid plus Additive Alternate Bid No. 1 and Additive Alternate Bid No. 2. An Additive Alternative bid is a defined scope of work that is in addition of the base scope of work. This allows the District to accept alternative scopes of work if the project budget and District can accommodate due to available funding for the project. The Department has elected to move forward with

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awarding the Base Bid plus Additive Alternate Bid No. 1, for a total contract amount of \$252,761 as modified in the proposed Amendment.

The Project will have a contingency fund of \$25,276 (10% of the amended contract amount of \$252,761) to compensate the contractor (Horizon Construction Co. Int'l, Inc.) for verified quantity overruns, as well as changes in the contract under certain circumstances. Under an established formula and based on the amended contract amount of \$252,761, 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 \$25,138 of the \$25,276 contingency fund.

Upon Board approval of this item, construction is anticipated to commence in and be completed by November 2024.

**REVIEW BY OTHERS**

This item has been reviewed by County Counsel (Sophie A. Curtis, Deputy County Counsel, and Julie Surber, Principal Assistant County Counsel, 387-5455) on September 26, 2024; Auditor-Controller/Treasurer/Tax Collector (Charlene Huang, Auditor-Controller Manager, 382-7022) on September 27, 2024; Finance (Jessica Trillo, Administrative Analyst, 384-4222) on September 30, 2024; and County Finance and Administration (Paloma Hernandez-Barker, Deputy Executive Officer, 387-5423) on October 4, 2024.

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Record of Action of the Board of Supervisors  
San Bernardino County  
Board Governed County Service Areas

**APPROVED (CONSENT CALENDAR)**

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

Lynna Monell, CLERK OF THE BOARD

BY   
DATED: October 22, 2024



cc: BGCSA - Vioria w/agree  
Contractor - c/o BGCSA w/agree  
File - w/agree  
MBA 10/28/2024