



CITY OF DEL REY OAKS

650 CANYON DEL REY BLVD., DEL REY OAKS, CALIFORNIA 93940
PHONE (831) 394-8511 FAX (831) 394-6421

DATE: June 24, 2025

TO: Honorable Mayor and City Council

FROM: John Guertin, City Manager

SUBJECT: Award Contract and Authorize the City Manager to Sign Agreement with Graniterock in the amount of \$81,150 for the Work Ave Drainage Improvements Project

CEQA: Staff has determined this project to be Class 1 categorically exempt per Section 15301 of the CEQA Guidelines.

Discussion

Graniterock, under contract with the Transportation Agency of Monterey County (TAMC), is currently constructing the Fort Ord Regional Trail and Greenway(FORTAG) project throughout the city. A section of the project, along Carlton Way at the intersection of Work Avenue, includes significant drainage improvements that include the installation of new storm drains and pipes. This work is currently underway.

The City Public Works department, in consultation with the City's contract Civil Engineer, have identified a storm water drainage concern at the intersection of Saucito Road and Work Avenue. Staff has identified the need to install a new drainage inlet and pipes as well as curb and gutter. The project is adjacent to the FORTAG project and would tie into the drainage infrastructure currently being installed.

As the Work Avenue project is outside of the grant-approved project boundaries of the FORTAG project, the City was unable to utilize the TAMC contract for the additional work. To take advantage of the timing and economies of scale for our small project, staff is recommending approval of the proposed contract on a sole-source basis.

Fiscal Impacts

The not-to-exceed amount of the contract is \$81,150. The FY 2024-25 adopted budget included \$40,000 in SB1 funds for the Saucito/Work Gutter and Curb project. Staff recommend utilizing additional SB1 Fund Balance to cover the additional \$41,150 needed for the project. This will reduce the FY 25-26 estimated fund balance from \$53,831 to \$12,681.

Recommendation

Approve award of a sole-source agreement with Graniterock for \$81,150 for the Work Ave Drainage Improvements Project. Authorize the additional allocation of \$41,150 from Fund 211 – SB1.

Attachments

- Agreement with Graniterock

Respectfully submitted,

John Guertin
City Manager

CITY OF DEL REY OAKS
AGREEMENT FOR SAUCITO AND WORK IMPROVEMENT PROJECT

THIS AGREEMENT (“Agreement”) is executed this day of 2025, by and between the CITY OF DEL REY OAKS, a municipal corporation, (hereinafter “City”), and Granite Rock (hereinafter “Contractor”), each of which is referred to herein as a “party,” and collectively referred to herein as the “parties”.

RECITALS

WHEREAS, the City wishes to engage Contractor to perform the services required by this Agreement as City does not have the capability to perform such work; and

WHEREAS, Contractor is customarily engaged in the business of providing the services required herein and is willing to provide such services on the following terms and conditions; and

WHEREAS, Contractor represents it is specially trained, experienced, and competent to perform the services required by this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the terms and conditions herein contained, the parties hereby covenant and agree as follows:

1. SERVICES

A. **Scope of Services.** Contractor agrees to provide to the City, as the scope of services under this Agreement, the services described in “Scope of Work” attached hereto and incorporated herein as Exhibit “A”.

B. **Amendment of Services.** The parties may make changes to the scope of services as defined in Section 1.A above. The parties shall agree in writing prior to commencement of any such changes.

2. COMPENSATION

A. **Total Fee.** The City agrees to pay and Contractor agrees to accept as full and fair consideration for the performance of this Agreement \$81,150.00. If the City determines the services set forth in the written invoice have not been performed in accordance with the terms of this Agreement, the City shall not be responsible for payment until the services have been satisfactorily performed.

B. **Invoicing.** Contractor shall submit written invoices to the City. Contractor’s invoices shall include a brief description of services performed.

3. AGREEMENT TERM

A. **Term.** The work under this Agreement shall commence on _____.

B. **Timely Work.** Contractor shall perform all services in a timely fashion. Failure to perform shall be deemed a material breach of this Agreement, and the City may terminate this Agreement with no further liability hereunder, or may authorize, in writing, an extension of time to the Agreement.

4. INDEPENDENT CONTRACTOR

A. **Independent Contractor.**

i. Contractor is an independent contractor. This Agreement does not create the relationship of employer and employee, a partnership, or a joint venture.

ii. No offer or obligation of permanent employment with the City or particular City department or agency is intended in any manner, and Contractor shall not become entitled by virtue of this Agreement to receive from the City any form of employee benefits including but not limited to sick leave, vacation, retirement benefits, workers' compensation coverage, insurance or disability benefits. Contractor shall be solely liable for and obligated to pay directly all applicable taxes, including federal and state income taxes and social security, arising out of Contractor's performance of services under this Agreement. In connection therewith, Contractor shall defend, indemnify and hold the City harmless from any and all liability, which the City may incur because of Contractor's failure to pay such taxes.

B. **Not an Agent of the City.** Nothing in this Agreement shall be interpreted so as to render the City the agent, employer, or partner of Contractor, or the employer of anyone working for or subcontracted by Contractor, and Contractor must not do anything that would result in anyone working for or subcontracted by Contractor being considered an employee of the City. Contractor is not, and must not claim to be, an agent of the City.

5. REPRESENTATIVES AND COMMUNICATIONS

A. **City's Representative.** The City appoints the individual named below as the City's contact person for the purposes of this Agreement.

Name: John Guertin
Title: City Manager
Address: 650 Canyon Del Rey Blvd. Del Rey Oaks, CA 93940
Telephone: (831) 394-8511

B. **Contractor's Representative.** Contractor appoints the person named below as its contract person for the purposes of this Agreement.

Name: Chris Sveum
Title: Manager
Address: 5225 Hellyer Ave. #220 San Jose, CA 95138
Telephone: 831-840-8397

C. **Communications and Notices.** Any notice, report, or other document that either party may be required or may wish to give to the other must be in writing, unless otherwise provided for, and shall be deemed to be validly given to and received by the addressee, if delivered personally,

on the date of such personal delivery, if delivered by email, on the date of transmission, or if by mail, seven (7) calendar days after posting.

6. INDEMNIFICATION

Contractor hereby agrees to the following indemnification clause:

To the fullest extent permitted by law Contractor shall defend (with legal counsel reasonably acceptable to the City), indemnify and hold harmless the City and its officers, designated agents, departments, officials, representatives and employees (collectively "Indemnitees") from and against claims, loss, cost, damage, injury expense and liability (including incidental and consequential damages, court costs, reasonable attorneys' fees, litigation expenses and fees of experts, consultants or expert witnesses incurred in connection therewith and costs of investigation) to the extent they arise out of, pertain to, or relate to, the negligence, recklessness, or willful misconduct of Contractor, anyone directly or indirectly employed by Contractor, or anyone Contractor controls (collectively "Liabilities"). Such obligations to defend, hold harmless and indemnify any Indemnatee shall not apply to the extent that such Liabilities are caused in part by the gross negligence or willful misconduct of such Indemnatee.

7. INSURANCE

Contractor shall submit and maintain in full force all insurance as described herein. Without altering or limiting Contractor's duty to indemnify, Contractor shall maintain in effect throughout the term of this Agreement a policy or policies of insurance with the following minimum limits of liability:

A. Commercial General Liability Insurance including but not limited to premises, personal injuries, bodily injuries, property damage, products, and completed operations, with a combined single limit of not less than \$1,000,000 per occurrence and \$2,000,000 in the aggregate.

B. Automobile Liability Insurance covering all automobiles, including owned, leased, non-owned, and hired automobiles, used in providing services under this Agreement, with a combined single limit of not less than \$1,000,000 per occurrence.

C. Workers' Compensation Insurance. If Contractor employs others in the performance of this Agreement, Contractor shall maintain Workers' Compensation insurance in accordance with California Labor Code section 3700 and with a minimum of \$1,000,000 per occurrence.

D. Other Insurance Requirements:

- i. The City shall be a named additional insured on Contractor's policy.
- ii. All insurance required under this Agreement must be written by an insurance company either:
 1. admitted to do business in California with a current A.M. Best rating of no less than A:VI;
 - or
 2. an insurance company with a current A.M. Best rating of no less than A:VII.

iii. Prior to the start of work under this Agreement, Contractor shall file certificates of insurance and endorsements evidencing the coverage required by this Agreement with the City Manager. Contractor shall file a new or amended certificate of insurance promptly after any change is made in any insurance policy that would alter the information on the certificate then on file, including, without limitation, the amount of coverages or the term of coverages.

iv. Neither the insurance requirements hereunder, nor acceptance or approval of Contractor's insurance, nor whether any claims are covered under any insurance, shall in any way modify or change Contractor's obligations under the indemnification clause in this Agreement, which shall continue in full force and effect. Notwithstanding the insurance requirements contained herein, Contractor is financially liable for its indemnity obligations under this Agreement.

v. City reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

8. PERFORMANCE STANDARDS

A. Contractor warrants that Contractor and Contractor's employees performing services under this Agreement are specially trained and experienced to perform the services described herein.

B. Contractor and its employees shall perform all services in a safe and skillful manner consistent with the highest standards of care, diligence and skill ordinarily exercised by professionals in similar fields. All services performed under this Agreement that are required by law to be performed or supervised by licensed personnel shall be performed in accordance with such licensing requirements.

C. Contractor shall furnish, at its own expense, all materials, equipment and personnel necessary to carry out the terms of this Agreement, except as otherwise specified in this Agreement. Contractor shall not use the City premises, property (including equipment, instruments, or supplies) or personnel for any purpose other than in the performance of its obligations under this Agreement, the RFP, or Contractor's Estimate.

D. Contractor agrees to perform all work under this Agreement to the satisfaction of City and as specified herein. The City Manager or his or her designee shall perform an evaluation of the work. If the quality of work is not satisfactory, City in its discretion may meet with Contractor to review the quality of work and resolve the matters of concern.

9. CITY INFORMATION AND RESOURCES

A. **City Resources.** The City acknowledges that Contractor's ability to provide services in accordance with this Agreement may be dependent on the City providing available information and resources in a prompt and timely manner as reasonably required by Contractor. To the extent that the City fails to provide City resources, Contractor shall not be liable for any resulting delay in services, but in no event shall such delay or failure to provide City resources constitute a breach of this Agreement by the City, nor shall Contractor be entitled to extra compensation for same.

B. **Obligations of Contractor.** No reviews, approvals, or inspections carried out or supplied by the City shall derogate from the duties and obligations of Contractor, and all responsibility related to performance of services shall be and remain with Contractor.

10. OWNERSHIP AND USE OF MATERIALS

A. **Ownership of the Materials.** All data, studies, reports, calculations, field notes, sketches, designs, drawings, plans, specifications, cost estimates, manuals, correspondence, agendas, minutes, notes, audio-visual materials, photographs, models, software data, computer software (if purchased on the City's behalf) and other documents or products produced by Contractor under this Agreement (collectively, "the Materials") are and shall remain the property of the City even though Contractor or another party may have physical possession of them or a portion thereof. Contractor hereby waives, in favor of the City, any moral rights Contractor, its employees, vendors, successors or assignees may have in the Materials. Contractor agrees that all copyrights, which arise from creation of the work or services pursuant to this Agreement, shall be vested in the City and waives and relinquishes all claims to copyright or intellectual property rights in favor of the City.

B. **Delivery and Use of the Materials.** All Materials shall be transferred and delivered by Contractor to the City without further compensation following the expiration or sooner termination of this Agreement, provided that the City may, at any time prior to the expiration or earlier termination of this Agreement, give written notice to Contractor requesting delivery by Contractor to the City of all or any part of the Materials in which event Contractor shall forthwith comply with such request. The Materials created electronically must be submitted in a format and medium acceptable to the City. The Materials may be used by the City in any manner for the intended purpose or as part of its operations associated with the Materials.

11. DISPUTE RESOLUTION

The City Manager and Contractor shall make reasonable efforts to resolve any dispute by amicable negotiations and shall provide frank, candid, and timely disclosure of all relevant facts, information, and documents to facilitate negotiations.

If all or any portion of a Dispute cannot be resolved by good faith negotiations as set forth above within thirty (30) days either party may, by notice to the other party, submit the dispute for formal mediation to a mediator selected mutually by the parties. The cost of the mediation (including fees of mediators) shall be borne equally by the parties, and each party shall bear its own costs of participating in mediation. The mediation shall take place within Monterey County.

Should either party not be satisfied with the outcome of the mediation, the matter may be submitted to a court of competent jurisdiction.

All claims by Contractor against the City for money or damages must comply with the Government Claims Act (California Government Code Sections 810-996.6).

12. TERMINATION OF AGREEMENT

A. **Termination for Cause or Default.** The City reserves the right to immediately terminate this Agreement, in whole or in part, if Contractor defaults or fails to deliver the services in accordance with the terms and conditions of this Agreement. Such termination shall be in writing, shall set forth the effective date of termination, and may be issued without any prior notice. Without limitation, Contractor is in default of its obligations contained in this Agreement if Contractor:

- i. Fails to perform the required services within the term and/or in the manner provided under this Agreement;
- ii. Fails to observe or comply with the City's reasonable instructions;
- iii. Otherwise violates any provision of this Agreement.

13. LEGAL ACTION / VENUE

Should either party to this Agreement bring legal action against the other, the validity, interpretation and performance of this Agreement shall be controlled by and construed under the laws of the State of California, excluding California's choice of law rules. Venue for any such action relating to this Agreement shall be in the Monterey County Superior Court.

14. MISCELLANEOUS PROVISIONS

A. **Non-discrimination.** During the performance of this Agreement, Contractor shall not unlawfully discriminate against any person because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status, either in Contractor's employment practices or in the furnishing of services to recipients.

B. **Acceptance of Services Not a Release.** Acceptance by the City of services to be performed under this Agreement does not operate as a release of Contractor from professional responsibility for the services performed.

C. **Headings.** The headings appearing herein shall not be deemed to govern, limit, modify, or in any manner affect the scope, meaning or intent of the provisions of this Agreement. The headings are for convenience only.

D. **Entire Agreement.** This Agreement, including the Exhibits attached hereto, constitute the entire agreement between the parties hereto with respect to the terms, conditions, and services and supersedes any and all prior proposals, understandings, communications, representations and agreements, whether oral or written, relating to the subject matter thereof pursuant to Section 1B, "Amendment of Services". Any amendment to this Agreement will be effective only if it is in writing signed by both parties hereto and shall prevail over any other provision of this Agreement in the event of inconsistency between them.

E. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, and may be signed in counterparts, but all of which together shall constitute one and the same Agreement.

F. **Multiple Copies of Agreement.** Multiple copies of this Agreement may be executed, but the parties agree that the Agreement on file in the office of the City's City Clerk is the version of the Agreement that shall take precedence should any difference exist among counterparts of this Agreement.

G. **Authority.** Any individual executing this Agreement on behalf of the City or Contractor represents and warrants hereby that he or she has the requisite authority to enter into this Agreement on behalf of such party and bind the party to the terms and conditions of this Agreement.

H. **Severability.** If any of the provisions contained in this Agreement are held illegal, invalid or unenforceable, the enforceability of the remaining provisions shall not be impaired thereby. Limitations of liability and indemnities shall survive termination of the Agreement for any cause. If a part of the Agreement is valid, all valid parts that are severable from the invalid part remain in effect. If a part of this Agreement is invalid in one or more of its applications, the part remains in effect in all valid applications that are severable from the invalid applications.

I. **Non-exclusive Agreement.** This Agreement is non-exclusive and both the City and Contractor expressly reserve the right to enter into agreements with other Contractors for the same or similar services, or may have its own employees perform the same or similar services.

J. **Assignment of Interest.** The duties under this Agreement shall not be assignable, delegable, or transferable without the prior written consent of the City. Any such purported assignment, delegation, or transfer shall constitute a material breach of this Agreement upon which the City may terminate this Agreement and be entitled to damages.

K. **Laws.** Contractor agrees that in the performance of this Agreement it will reasonably comply with all applicable federal, state and local laws and regulations. This Agreement shall be governed by and construed in accordance with the laws of the State of California and the City of Del Rey Oaks.

L. **Exhibits.** The following Exhibit is incorporated herein by reference as if fully set forth: Exhibit A, Contractors Scope of Work

IN WITNESS WHEREOF, the parties enter into this Agreement on the day and year first above written in Del Rey Oaks, California.

CITY OF DEL REY OAKS

CONTRACTOR

John Guertin,
City Manager
Date:_____

Printed name
Date:_____



May 16, 2025

Ron Fucci
Public Works Supervisor
City of Del Rey Oaks

Project: Work Avenue Drainage Improvements

Dear Mr. Fucci,

Please see the revised cost breakdown below for the Work Avenue drainage improvements as requested. The lump sum price includes all labor, equipment, and materials to demo/grade/prepare the improvement area, install 1 EA G3 drainage inlet per the attached drawings, pothole the existing 16" watermain, excavate/lay/backfill 105 LF of 15" SDR 26 PVC storm drain pipe, subgrade prep and install base rock at sidewalk/driveway, and to form/pour/strip sidewalk/driveway as shown on the plan sheet markup received on 3/10/25. Disposal of trench spoils and separate mobilization of current work under the FORTAG project are not included in this proposal.

Labor -	\$30,633.00
Equipment -	\$8,115.00
Materials -	\$42,402.00
Total -	\$81,150.00

Should you have any questions regarding this proposal or would like to discuss this further please feel free to contact me at 831-840-8397.

Sincerely,

Armando Hernandez
Project Manager
GRANITEROCK