THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
BOARD ACTION SUMMARY

DEPT: Public Works

BOARD AGENDA: 7.2
AGENDA DATE: November 3, 2026

SUBJECT:
Approval to Increase the Project Construction Budget for the Urban Pocket Area 41 - Topeka-Santa Fe Project, Approval of Retroactive Contract Change Orders to the Construction Agreements with George Reed, Inc., Approval to Increase the Project Construction Budget for the Couchman-McGerry Sidewalk Project, and Approval of Contract Change Orders to the Construction Agreement with United Pavement Maintenance, Inc.

BOARD ACTION AS FOLLOWS: **RESOLUTION NO. 2026-0593**

On motion of Supervisor B. Condit **Seconded by Supervisor** C. Condit
and approved by the following vote,
Ayes: Supervisors: B. Condit, Withrow, Grewal, C. Condit, and Chairman Chiesa
Noes: Supervisors: None
Excused or Absent: Supervisors: None
Abstaining: Supervisor: None

1) X **Approved as recommended**
2) _____ **Denied**
3) _____ **Approved as amended**
4) _____ **Other:**

MOTION:

ATTEST: MARY E. HARTSFIELD, Clerk of the Board of Supervisors

File No. BAD-01-4

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
AGENDA ITEM

DEPT: Public Works

BOARD AGENDA:7.2
AGENDA DATE: November 3, 2026

CONSENT ☐

CEO CONCURRENCE: YES

4/5 Vote Required: YES

SUBJECT:

Approval to Increase the Project Construction Budget for the Urban Pocket Area 41 - Topeka-Santa Fe Project, Approval of Retroactive Contract Change Orders to the Construction Agreements with George Reed, Inc., Approval to Increase the Project Construction Budget for the Couchman-McGerry Sidewalk Project, and Approval of Contract Change Orders to the Construction Agreement with United Pavement Maintenance, Inc.

STAFF RECOMMENDATION:

1. Approve an increase to the project construction budget for the Urban Pocket Area 41 – Topeka-Santa Fe Project by $90,000 from $4,805,168 to $4,895,168.
2. Retroactively approve Contract Change Order Numbers 19 through 23 to the Construction Agreement with George Reed, Inc., for unforeseen site conditions and project overruns in the amount of $90,000 for the Urban Pocket Area 41 – Topeka-Santa Fe Project.
3. Authorize the Director of Public Works to execute Change Orders with George Reed, Inc., in the amount of $90,000, and sign necessary documents.
4. Approve an increase to the project construction budget for the Couchman-McGerry Sidewalk Project by $210,165 from $405,922 to $616,087.
5. Approve Contract Change Order Number 1 to the Construction Agreement with United Pavement Maintenance, Inc., for the construction of sidewalks and project overruns in the amount of $210,165 for the Couchman-McGerry Sidewalk Project.
6. Authorize the Director of Public Works to execute Change Orders with United Pavement Maintenance, Inc., in the amount of $210,165, and to sign necessary documents.
7. Direct the Auditor-Controller to increase estimated revenues and appropriations by $300,165 in the Public Works Urban Pocket Infrastructure Project budget unit.
8. Authorize the Director of Public Works to take any appropriate action necessary to carry out the purpose and intent of these recommendations.

DISCUSSION:

District 1 – ARPA Funded Project's Contract Change Order Increase

Area 41 – Topeka-Santa Fe Infrastructure Project

On May 18, 2021, through Resolution No. 2021-0210, the Board of Supervisors (Board) approved the American Rescue Plan Act (ARPA) funding strategy, which prioritizes infill infrastructure projects for urban community pockets. One of the identified communities is Urban Pocket Area 41 – Topeka-Santa Fe, an unincorporated community northeast of the City of Riverbank. The project is bounded by 8th Street to the west, Topeka Street to the north, Claus Road to the east, and Santa Fe Street to the south. This urban pocket lacks storm drainage infrastructure, curbs, gutters, sidewalks, and street lighting. Some parcels also lack sanitary sewer and domestic water service.

The intent of this project is to improve public health and safety by providing centralized sanitary sewer and potable water service, reducing localized flooding through the construction of storm drainage facilities, constructing sidewalks to enhance pedestrian connectivity, and installing streetlights. Improvements to this area will consist of sanitary sewer mains and laterals, water laterals, storm drain facilities, streetlights, sidewalks, and roadway widening and restriping.

A Mitigated Negative Declaration in compliance with the California Environmental Quality Act (CEQA) was filed with the Stanislaus County Clerk-Recorder on August 29, 2024.

An invitation to bid was electronically posted to the PlanetBids website on April 14, 2025. On May 14, 2025, six bids were electronically received through PlanetBids and publicly read. On July 22, 2025, through Resolution No. 2025-0391, the Board awarded a construction contract to George Reed, Inc. At that time, the Board also authorized the Director of Public Works to execute Contract Change Orders not to exceed 10% of the contract amount of $3,454,898. On February 24, 2026, the Board approved an increase to Contract Change Orders in the amount of $500,000.

The following are additional costs that will exceed the Board approved budget:

1. The contractor's operations were delayed due to Pacific Gas & Electric (PG&E) requirements for potholing near their facilities. The contractor was limited to a water pressure of 1,200 pounds per square inch (psi) for its equipment, which significantly slowed its operations. Additionally, PG&E required additional potholing, causing further delays.
2. The contractor encountered underground gas and water lines that were not shown on the plans or located near the Underground Service Alert (USA) marks. The work included excavation and repair of the lines, including placement of slurry around the pipe as required by the utility agencies. The work also included removal of reinforced concrete pipe, installation of polyvinyl chloride (PVC) pipe, and potholing prior to installation of drainage inlets.
3. The contractor performed extra work to expose an underground storm drain line not shown on the plans. The work included excavating the entire line to ensure there was no conflict with the proposed improvements.

4. Due to utility delays, additional site management, water pollution control, and stormwater mitigation monitoring and reporting costs were incurred to complete the project.

Original Agreement–Board approved July 22, 2025	$3,454,898
Contract Change Order–Board approved July 22, 2025	$ 345,490
Increase Contract Change Order–Board approved February 24, 2026	$ 500,000
Increase Contract Change Order (this request)	$ 90,000
Construction Engineering	$ 431,862
Design Construction Support	$ 72,918
Total	**$4,895,168**

Due to delays in approving additional costs incurred, the work was determined to be a County liability and the work was completed prior to exceeding the authorized total contingency amount of $845,490. It has been determined that the extra work was necessary for the completion of the project and staff request that the Board authorize an additional $90,000 in contract contingencies retroactively.

Couchman-McGerry Sidewalk Project

Another of the identified communities is Urban Pocket Area 1 – Sylvan-Coffee, an unincorporated community northeast of the City of Modesto. The project is bounded by McGerry Street to the east, Couchman Lane to the north, Keller Street to the west, and Colin Lane to the south. This urban pocket lacks sidewalks.

The intent of this project is to improve public health and safety by enhancing pedestrian connectivity through the construction of sidewalks and Americans with Disabilities Act (ADA) curb ramps.

An invitation to bid was electronically posted to the PlanetBids website on April 7, 2026. On April 29, 2026, nine bids were electronically received through PlanetBids and publicly read. On July 14, 2026, through Resolution No. 2026-0393, the Board awarded a construction contract to United Pavement Maintenance, Inc. At that time, the Board also authorized the Director of Public Works to execute Contract Change Orders not to exceed 10% of the contract amount of $331,365.

The following additional costs will exceed the Board approved budget:

Extension of curb, gutter, and sidewalk along Couchman Lane and Keller Street. The work is required to replace deteriorated curb, gutter, and sidewalk, including the installation of new sidewalk to fill in gaps along the walkway. The work also includes constructing ADA-compliant curb ramps.

Original Agreement – Board approved July 14, 2026	$ 331,365
Contract Change Order – Board approved July 14, 2026	$ 33,136
Increase Contract Change Order	$ 210,165
Construction Engineering	$ 41,421
Total	**$ 616,087**

Under Public Contract Code section 20137(b), changes to a project that exceeds 10% of the contract price requires competitive bidding. However, in these cases, grounds

exist for exceptions under *Graydon v. Pasadena Redevelopment Agency* (1980) 104 Cal.App.3d 631, which states that the Board may approve changes or additional work in excess of 10% of the contract price without rebidding the project, if the Board finds that a competitive bid for the additional work would not produce an advantage to the County and the public, and that advertising for competitive bids would therefore be undesirable, impractical, or impossible. Rebidding the projects and hiring a new contractor is unlikely to reduce costs, as the current contractor is already on-site and actively working. The mobilization cost alone for a new contractor to perform the extra work would be prohibitive. Additionally, the work noted above would be difficult to coordinate and perform among multiple contractors if they were on-site at the same time, leading to inefficiency and increased risks for the County.

Reallocation of Project Funds

Under Board Resolution No. 2024-0668, ARPA funds can be reallocated between the enumerated ARPA related projects. District 1 has received a total of $6,782,443 in ARPA funds, which would be sufficient to cover the total requested increase of $300,165 to the Contract Change Order for the Area 41 - Topeka-Santa Fe Infrastructure Project and the Couchman-McGerry Sidewalk Project.

Public Works will begin to evaluate and implement updated policies and procedures to prevent the need for retroactive approvals such as these. It is generally more cost-effective to continue the work which is understood to be necessary, rather than take on costs associated with project delays, so staff will implement new monitoring and reporting procedures to request Board authority prior to exceeding previously approved amounts.

POLICY ISSUE:

The Board previously authorized Public Works to approve project change orders in accordance with Public Contract Code sections 20137 and 20142. The amounts of the change orders for these projects exceed the statutory authorization provided under these sections; therefore, these changes must be approved by the Board. As previously stated, under Public Contract Code section 20137(b), changes in a project that exceed 10% of the contract price require competitive bidding. In this case, grounds exist for an exception under *Graydon v. Pasadena Redevelopment Agency* (1980) 104 Cal.App.3d 631, which states that the Board may approve changes or additional work in excess of 10%, without re-bidding the project, if the Board finds that a competitive bid for the additional work would not produce an advantage to the County and the public, and that advertising for competitive bids would therefore be undesirable, impractical, or impossible. These factors exist for the following reasons:

1. It would have been impractical and undesirable to stop the project while it was underway, to bid out the extra work while the County's contractor was ready and qualified to perform it.
2. The County likely would not receive a lower price by bidding out the extra work. This is due to the original bid being $427,863 below the engineer’s estimate and the economies of scale expected from including extra work as part of the overall project.
3. Competitive bidding requires an award for the lowest responsible bidder. This could result in multiple contractors working on the same project at the same time, which

potentially result in conflicts and making it difficult to apportion responsibility for issues involving liability, project completion dates, and performance.

4. Additionally, having another prime contractor on-site with their staff and various large pieces of equipment to perform the extra work would be challenging and could expose the County to unnecessary risks including schedule delay claims, property damage, equipment damage, and injury to contractor personnel.

Furthermore, California Government Code section 29125 provides that transfers and revisions to the adopted appropriations may be made by an action formally adopted by the Board of Supervisors at a regular or special meeting by a four-fifths vote.

FISCAL IMPACT:

The Board of Supervisors previously allocated $6.8 million in ARPA funds for three projects within District 1: the Valley Home Sidewalk Project, the Area 41-Topeka-Santa Fe Infrastructure Project and the Couchman-McGerry Sidewalk Project. Of the $580,000 allocated to the Valley Home Sidewalk Project, $326,000 was expended through project closeout, leaving a remaining balance of $254,000. This unexpended balance will be used to cover increased costs associated with Contract Change Orders (CCOs) for the Area 41 – Topeka-Santa Fe Infrastructure Project and the Couchman-McGerry Sidewalk Project.

The Area 41- Topeka-Santa Fe Infrastructure Project has an unexpended balance of allocated ARPA funds in the amount of $58,594, which will be applied toward the increased costs associated with the CCOs. This remaining balance will help offset the additional project costs and reduce the funding shortfall resulting from the requested increase in the CCO amounts.

Based on the additional costs identified above, corresponding budget adjustments are necessary. If the requested Contract Change Order increases are approved, the construction engineering phase budget will increase, resulting in a revision to the previously Board-approved project budget. The revised budgets are as follows:

Area 41 -Topeka-Santa Fe Infrastructure Project:

Budget Item	**Approved Budget**	**Requested Adjustment**	**Amended Budget**
George Reed, Inc. Contract	$3,454,898	$ -	$3,454,898
Contingencies (Change Orders)	$ 845,490	$ 90,000	$ 935,490
Construction Engineering**	$ 431,862	$ -	$ 431,862
Design Construction Support	$ 72,918	$ -	$ 72,918
Total	**$4,805,168**	**$ 90,000**	**$4,895,168**

Couchman-McGerry Sidewalk Project:

Budget Item	**Approved Budget**	**Requested Adjustment**	**Amended Budget**

United Pavement Maintenance Inc. Contract	$ 331,365	$ -	$ 331,365
Contingencies (Change Orders)	$ 33,136	$ 210,165	$ 243,301
Construction Engineering**	$ 41,421	$ -	$ 41,421
Total	**$ 405,922**	**$ 210,165**	**$ 616,087**

***Construction Engineering includes Construction Administration, Material Testing, and Staff time.*

Public Works is recommending an increase of estimated revenue and appropriations by $300,165 of District 1 ARPA funds in the Public Works Urban Pockets Infrastructure Project budget unit per the attached budget journal.

Appropriations for Transfers Out in the ARPA budget unit were included in the 2027 Adopted Budget for the Urban Pockets Infrastructure budget unit.

BOARD OF SUPERVISORS' PRIORITY:

The recommended actions are consistent with the Boards' priorities of *Delivering Efficient Public Services* and *Enhancing Community Infrastructure* by providing these county pocket communities with needed modern infrastructure.

STAFFING IMPACT:

Existing Public Works staff are overseeing the work related to these projects.

CONTACT PERSON:

David A. Leamon, Public Works Director
Telephone: (209) 525-4130

ATTACHMENT(S):

1. Topeka-Santa Fe Change Order Log
2. Couchman-McGerry Change Order Log
3. Budget Journal

CHANGE ORDER LOG

10/20/26

230001 Urban Pocket Area 41 Topeka - Santa Fe							
NO.	DESCRIPTION	UNIT	QTY	UNIT PRICE	TOTAL	PREVIOUS BALANCE	NEW BALANCE
1	Redesigned WL, Topeka St (Rev 2)	LS	1	$202,000.00	$202,000.00	$845,490.00	$643,490.00
2	Winterize Topeka St & Santa Fe St	LS	1	$97,400.00	$97,400.00	$643,490.00	$546,090.00
3	Unknown Water Main at Santa Fe & 8th St	LS	1	$27,800.00	$27,800.00	$546,090.00	$518,290.00
4	Winterize Santa Fe St	LS	0	$0.00	$0.00	$518,290.00	$518,290.00
5	Digouts on Topeka St & Santa Fe St	LS	1	$22,600.00	$22,600.00	$518,290.00	$495,690.00
6	Additional Demo & Grading on Driveways	LS	1	$9,800.00	$9,800.00	$495,690.00	$485,890.00
7	Demo, Grade, Concrete, & Pave @ La Perla	LS	1	$13,800.00	$13,800.00	$485,890.00	$472,090.00
8	Temporary Fence Installation & Delivery	LS	1	$2,800.00	$2,800.00	$472,090.00	$469,290.00
9	Neenah DI Grates	LS	1	$70,900.00	$70,900.00	$469,290.00	$398,390.00
10	Demo & Remove Existing Sidewalk/Wall	LS	1	$480.00	$480.00	$398,390.00	$397,910.00
11	Fence Replacement	LS	1	$22,600.00	$22,600.00	$397,910.00	$375,310.00
12	Remove Redwood Tree	LS	1	$14,900.00	$14,900.00	$375,310.00	$360,410.00
13	Geogrid & AB	LS	1	$271,000.00	$271,000.00	$360,410.00	$89,410.00
14	Air Release Valve & OS Catch Basins	LS	1	$46,300.00	$46,300.00	$89,410.00	$43,110.00
15	Out of Sequence Labor	LS	1	$70,200.00	$70,200.00	$43,110.00	-$27,090.00
16	Miscellaneous T&M Tags	LS	1	$163,000.00	$163,000.00	-$27,090.00	-$190,090.00
17	Minor Concrete Overage	CY	23	$1,130.00	$25,990.00	-$190,090.00	-$216,080.00
18	Balancing Change Order	LS	1	-$225,969.28	-$225,969.28	-$216,080.00	$9,889.28
19	Extra Potholing	LS	1	$42,400.00	$42,400.00	$9,889.28	-$32,510.72
20	Unforeseen Underground Conditions	LS	1	$68,609.28	$68,609.28	-$32,510.72	-$101,120.00
21	Various Extra Work Tags (DA Wood)	LS	1	$53,600.00	$53,600.00	-$101,120.00	-$154,720.00
22	Extended Site Monitoring	LS	1	$65,200.00	$65,200.00	-$154,720.00	-$219,920.00
23	Balancing Change Order	LS	1	-$129,920.00	-$129,920.00	-$219,920.00	-$90,000.00

TOTAL CHANGE ORDERS TO DATE:	$935,490.00
BOS APPROVED CONTINGENCY:	$845,490.00
ADDITIONAL FUNDS REQUIRED:	$90,000.00

TOTAL ADDITIONAL FUNDS REQUIRED FOR PROJECT: $90,000.00

CHANGE ORDER LOG

10/20/26

250011 Couchman-McGerry Sidewalk

NO.	DESCRIPTION	UNIT	QTY	UNIT PRICE	TOTAL	PREVIOUS BALANCE	NEW BALANCE
1A	Bid Item #22 Overruns	EA	4	$6,173.00	$24,692.00	$33,136.00	$8,444.00
1B	Bid Item #24 Overruns	SF	8,095	$15.00	$121,425.00	$8,444.00	-$112,981.00
1C	Bid Item #25 Overruns	LF	300	$50.00	$15,000.00	-$112,981.00	-$127,981.00
1D	Bid Item #26 Overruns	SF	3,169	$16.00	$50,704.00	-$127,981.00	-$178,685.00
1E	Bid Item #28 Overruns	TONS	42	$440.00	$18,480.00	-$178,685.00	-$197,165.00
1F	Clearing and Grubbing, Demolition	LS	1	$13,000.00	$13,000.00	-$197,165.00	-$210,165.00
					$0.00	-$210,165.00	-$210,165.00
					$0.00	-$210,165.00	-$210,165.00
					$0.00	-$210,165.00	-$210,165.00
					$0.00	-$210,165.00	-$210,165.00

TOTAL CHANGE ORDERS TO DATE:	$243,301.00
BOS APPROVED CONTINGENCY:	$33,136.00
ADDITIONAL FUNDS REQUIRED:	$210,165.00

TOTAL ADDITIONAL FUNDS REQUIRED FOR PROJECT: $210,165.00

ORACLE

Budget Adjustment Template

Budget Entry Identifier (For department tracking only)		Agenda Item 8501 - Urban Pockets Topeka Santa-Fe & Couchman-McGerry

*SC_FUND[..] (4 char)	*SC_COST CENTER[..] (7 char)	*SC_ACCOUNT[..] (5 char)	*SC_PROJECT[..] (7 char)	*SC_LOCATION[..] (6 char)	*SC_MISC[..] (6 char)	*SC_INTERFUND[..] (4 char)	*SC_FUTURE[..] (5 char)	Increase to Expense, Decrease to Revenue	Decrease to Expense, Increase to Revenue	Net Increase/(Decrease)	Comment
2260	0040501	46600	0000000	000000	055143	0000	00000		90,000	90,000	Increase - Operating Transfers In (ARPA)
2260	0040501	46600	0000000	000000	055221	0000	00000		210,165	210,165	Increase - Operating Transfers In (ARPA)
2260	0040501	84020	0000000	000000	055143	0000	00000	90,000		90,000	Increase - Drainage Systems
2260	0040501	80300	0000000	000000	055221	0000	00000	210,165		210,165	Increase - Structures & Improvements (Sidewalk)
										-	
										-	
										-	
										-	
										-	
										-	
										-	
										-	
										-	
Total								300,165	300,165	600,330	

Explanation: Increase estimated revenue and appropriations by $90,000 in the PW Urban Pockets Infrastructure Project budget unit for the Topeka Santa-Fe Project

Increase estimated revenue and appropriations by $210,165 in the PW Urban Pockets Infrastructure Project budget unit for the Couchman-McGerry Sidewalk Project

Requesting Department	CEO	Auditor-Controller's Office
Janelle Kostlivy	William Shirley	Maryam Davis
Prepared by	Approved By	Approved By
10.21.26	10/21/2026	10/27/2026
Date	Date	Date

Stanislaus County

PUBLIC WORKS

Discussion Item
Urban Pocket Infrastructure Projects

Construction Budget Increases and Contract Change Orders

Topeka-Santa Fe and Couchman-McGerry

Stanislaus County Public Works
Board of Supervisors
November 3, 2026 • Agenda Item 7.2

Project Changes

Topeka-Santa Fe

Area 41, northeast of Riverbank

Contractor: George Reed, Inc.

Utility restrictions and additional potholing slowed work. Crews encountered unshown gas, water and storm drain lines. Delays added site management and stormwater compliance costs.

Couchman-McGerry

Area 1, northeast of Modesto

Contractor: United Pavement Maintenance, Inc.

Additional curb, gutter and sidewalk work along Couchman Lane and Keller Street replaces deteriorated facilities, closes sidewalk gaps and adds ADA curb ramps.

Budget and Funding

Project	Current budget	Increase	Revised budget
Topeka–Santa Fe	$4,805,168	$90,000	$4,895,168
Couchman–McGerry	$405,922	$210,165	$616,087
Total	**$5,211,090**	**$300,165**	**$5,511,255**

Existing District 1 ARPA funds cover the $300,165 increase

Available balances: Valley Home $254,000 + Topeka–Santa Fe $58,594 = $312,594

Staff Recommendations: Project Approvals

Topeka–Santa Fe

1. Increase the construction budget by $90,000 to $4,895,168.
2. Retroactively approve Change Orders 19–23 with George Reed, Inc., totaling $90,000.
3. Authorize the Public Works Director to execute the change orders and necessary documents.

Couchman–McGerry

4. Increase the construction budget by $210,165 to $616,087.
5. Approve Change Order 1 with United Pavement Maintenance, Inc., for $210,165.
6. Authorize the Public Works Director to execute the change order and necessary documents.

Staff Recommendations: Funding and Authority

7. Direct the Auditor-Controller to increase estimated revenues and appropriations by $300,165 in the Public Works Urban Pocket Infrastructure Project budget unit.

8. Authorize the Public Works Director to take appropriate action to carry out these recommendations.

Four-fifths vote required

Staff supports an exception to rebidding based on added mobilization costs, coordination difficulties and project risks. Public Works will update monitoring and reporting procedures to seek Board authority before approved limits are exceeded.