



Midpeninsula Regional
Open Space District

R-23-76
Meeting 23-18
July 12, 2023

AGENDA ITEM 3

AGENDA ITEM

Award Two Contracts to Salinas Valley Barb Wire for Construction of Wildlife-Friendly Livestock Fencing for the Elkus/Lobitos Conservation Grazing Unit at Purisima Creek Redwoods Open Space Preserve and the Lone Madrone Conservation Grazing Unit at La Honda Creek Open Space Preserve.

GENERAL MANAGER'S RECOMMENDATIONS

1. Authorize the General Manager to execute a contract with Salinas Valley Barb Wire in the base amount of \$114,756 with a 10% contingency amount of \$11,476 to construct 5,000 feet of wildlife friendly livestock fencing for the Elkus/Lobitos conservation grazing unit in Purisima Creek Redwoods Open Space Preserve for a total not-to-exceed contract amount of \$126,232.
2. Authorize the General Manager to execute a contract with Salinas Valley Barb Wire in the base amount of \$223,985 with a 10% contingency amount of \$22,399 to construct 8,000 feet of wildlife friendly livestock fencing for the Lone Madrone conservation grazing unit at La Honda Creek Open Space Preserve for a total not-to-exceed contract amount of \$246,384.

SUMMARY

In support of the Midpeninsula Regional Open Space District's (District) conservation grazing program, the General Manager recommends approval of two contracts to construct wildlife friendly livestock fencing along pasture and riparian areas. The first contract supports the Elkus/Lobitos conservation grazing unit in Purisima Creek Redwoods Open Space Preserve (Elkus/Lobitos) and protects Lobitos Creek. The second contract supports the Lone Madrone grazing unit at La Honda Creek Open Space Preserve (Lone Madrone) and protects La Honda Creek. The General Manager recommends awarding both contracts to Salinas Valley Barb Wire as the low bidder for each of the two bids: the base amount for Elkus/Lobitos of \$114,756; and the base amount for Lone Madrone of \$223,985. The Fiscal Year 2023-24 (FY24) budget includes sufficient funding for the first contract (Elkus/Lobitos) and insufficient funding for the second contract (Lone Madrone). A budget adjustment will be brought to the board during a future quarterly review related to the second contract (Lone Madrone) that is expected to be covered by budget savings or unspent funds.

BACKGROUND

In the late 1990's, the San Mateo County coast was becoming a focal point for development. Coastside residents expressed support in extending the District's boundaries to include the San Mateo County coast to protect the rural, open space and agricultural character of the area and

reduce the threat of continued development. When the District's Coastal Service Plan was adopted in 2004, a commitment was made to preserve these important open space values, as reflected in the District's Coastside Mission Statement:

To acquire and preserve in perpetuity open space land and agricultural land of regional significance, protect, and restore the natural environment, preserve rural character, encourage viable agricultural use of land resources, and provide opportunities for ecologically sensitive public enjoyment and education.

Conservation grazing is integral in the preservation of agricultural open spaces and their natural resource values on the coast. The District's conservation grazing program focuses on the use of livestock to pursue specific conservation goals, such as protection of coastal prairies and native grassland habitats. Coastal grasslands are one of the most biodiverse and threatened ecosystems in North America. To prevent the encroachment of non-native grasses, shrubs and forest, these grasslands depend upon regular disturbances. Historically, these disturbances were provided by grazing of native wildlife herds as well as Native American burning practices and natural fires. Today, conservation grazing serves to mimic historic wildlife herds and has proven beneficial in preventing or minimizing encroachment of invasive vegetation.

Utilizing livestock to achieve conservation goals is what distinguishes conservation grazing from basic livestock production. The District uses conservation grazing as a critical tool for managing approximately 10,000 acres of coastal range and grasslands for ecological health, biodiversity, and wildland fire resiliency. Each grazing unit has a customized Rangeland Management Plan (RMP). The RMP establishes the management parameters (such as class of livestock, the stocking rates, seasonality and duration of the grazing activity) to meet conservation goals. The District's Conservation Grazing Program is a mutually beneficial partnership with local ranchers on the San Mateo County Coast to accomplish multiple goals aligned with the District's Coastside mission.

The District purchased the 450-acre Elkus property from the University of California (UC) in 2009 (R-09-91). At the time of acquisition, the property was leased to a local rancher, Vince Fontana, who ran a cow-calf operation. The lease was assigned to the District and Fontana remained as the grazing tenant.

In 2010 (R-10-32), the District acquired the neighboring 340-acre Lobitos Ridge property from Peninsula Open Space Trust (POST). POST had leased this property to Vince Fontana, which he used in conjunction with the Elkus property for his cow-calf grazing operation. At the completion of this acquisition, the District drafted a new lease with Fontana, combining the Elkus and Lobitos properties into one grazing unit, thus creating the Elkus/Lobitos grazing unit.

The District purchased the former 1,098-acre McDonald Ranch (Attachment 1) as an addition to the La Honda Creek Open Space Preserve in 1990 (R-90-37). The District introduced conservation grazing on the property in 2014. After a competitive Request for Proposal process in 2014, Eric and Doniga Markegard were selected as tenants and operators of the conservation grazing program on this property. The grazing property consists of four pasture areas.

DISCUSSION

Elkus/Lobitos

The total length of the fence proposed at Elkus/Lobitos is approximately 5,000 linear feet. The proposed wildlife-friendly livestock fencing will contain cattle to the pasture area and prevent cattle from straying on to neighboring private lands or entering Lobitos Creek.

Lobitos Creek has two downstream barriers that restrict anadromous fish (steelhead trout) passage to a narrow band of stream flows that occur certain times of year. A future Measure AA-funded project will work to address these fish barriers at Highway 1 and Verde Road and dramatically improve fish access to the watershed and the preserve. The proposed fencing will improve water quality and protect the fishery to maximize the anadromy benefits of the future Lobitos Creek barrier removal project. In addition, the exclusion of grazing from the riparian area around the creek will allow trees and vegetation to grow, which is one of the most effective ways to increase carbon storage near grazing lands.

Lone Madrone

The total length of the fence proposed at Lone Madrone is approximately 8,000 linear feet. The wildlife-friendly livestock fence will contain cattle in the pasture 4 area and prevent cattle from entering La Honda Creek. The fence location was planned in coordination with La Honda Creek Phase II Trail planning to avoid future cattle impacts to planned trails.

Consistency with Existing Policy

Installing the fence to prevent cattle access into Lobitos Creek, La Honda Creek, and the surrounding riparian areas is in line with the District's Conservation Grazing Policy-1; *Manage agricultural leases and easements to protect and enhance riparian areas and to maximize the protection or enhancement of water quality.* While cattle grazing maintains grasslands and improves habitat for numerous threatened species, it is important to exclude cattle from sensitive riparian areas where their presence can harm sensitive plant species or impact water quality. In particular, La Honda Creek supports steelhead and excess sediment into the stream can smother insect larvae and fish eggs and impact spawning areas for fish.

Contractor Selection

Staff posted a Request for Bid for each fencing project on *Periscope* on May 17, 2023. Ads were also placed in local publications. A mandatory pre-bid meeting and site tour was held May 31, 2023, with representatives from four fencing companies in attendance. Staff received bids from three companies for both projects and opened bids on June 9, 2023. The bid results from the opening are summarized in the table below.

Bids for Elkus/Lobitos

Company	Bid Amount	Project Estimate	% Difference
Hammer Fence	\$ 98,790	\$216,000	-54%
Salinas Valley Barb Wire	\$114,756	\$216,000	-47%
Bay Valley Construction	\$175,993	\$216,000	-19%

Bids for Lone Madrone

Company	Bid Amount	Project Estimate	% Difference
Hammer Fence	\$ 168,690	\$128,250	32%
Salinas Valley Barb Wire	\$ 223,985	\$128,250	75%
Bay Valley Construction	\$ 266,261	\$128,250	108%

Hammer Fence (Hammer) was announced at the bid opening as the apparent low bidder for each project. Shortly after the bid opening, the District received a bid protest from Salinas Valley Barb Wire contending that each of Hammer's bids should be rejected as nonresponsive on two grounds: because Hammer's contractor's license was suspended at the time of each bid and because Hammer's registration with the Department of Industrial Relations was not effective at the time of each bid. Pursuant to each project's bid package, staff notified Hammer of the protest and provided company representatives the opportunity to submit a response.

Under California law, a contractor must have a license in good standing at the time of bid. A failure to do so renders the bid nonresponsive and a public agency must reject it. One requirement to have a license in good standing is for the contractor to have on file with the Contractors State License Board (CSLB) at all times, a current and valid certificate of workers' compensation insurance coverage, unless it is exempt from this requirement. The failure to maintain workers' compensation insurance coverage results in the automatic suspension of a contractor's license by operation of law and the contractor must clear the suspension before it can engage in any activity to which the license relates.

The District confirmed through CSLB records as well as phone calls to CSLB's Public Information Center, that Hammer did not maintain workers' compensation coverage at the time of bid. Therefore, based on the District's review of governing law, the CSLB license database information and Hammer's response to the protest, the District concluded that Hammer's bids for both projects were nonresponsive for failure to have a contractor's license in good standing at the time of bid. Salinas Valley Barb Wire was therefore determined to be the lowest responsive, responsible bidder.

FISCAL IMPACT

Elkus/Lobitos

The FY24 adopted budget includes \$326,000 for the Elkus/Lobitos Creek Fencing #61024 project. There are sufficient funds in the project budget to cover the recommended action and expenditures.

Elkus/Lobitos Creek Fencing #61024	Prior Year Actuals	FY24 Adopted	Estimated Future Years	TOTAL
District Funded (Fund 40):	\$0	\$326,000	\$0	\$326,000
Total Budget:	\$0	\$326,000	\$0	\$326,000
Spent-to-Date (as of 06/28/23):	\$0	\$0	\$0	\$0
Encumbrances:	\$0	\$0	\$0	\$0
Salinas Valley Barb Wire Contract:	\$0	(\$114,756)	\$0	(\$114,756)
Salinas Valley Barb Wire Contract Contingency:	\$0	(\$11,476)	\$0	(\$11,476)
Budget Remaining (Proposed):	\$0	\$199,768	\$0	\$199,768

This recommended action is not funded by Measure AA.

Lone Madrone

The FY24 adopted budget includes \$131,250 for the Lone Madrone Ranch Fence Installation project (MAA05-011). There are insufficient funds in the project budget to cover the

recommended action and expenditures. The bids exceeded the project budget primarily because the length of the fence is approximately 1,550 feet longer than originally budgeted. The additional length was deemed necessary after the budget was developed to reduce future cattle impacts on upcoming Phase II Trails. A budget adjustment will be brought to the board during a future quarterly review that is expected to be covered by unspent funds or savings.

This contract is eligible for Measure AA reimbursement.

MAA05-011 Lone Madrone Ranch Fence Installation	Prior Year Actuals	FY24 Adopted	Estimated Future Years	TOTAL
District Funded (Fund 30):	\$0	\$131,250	\$0	\$131,250
Total Budget:	\$0	\$131,250	\$0	\$131,250
Spent-to-Date (as of 06/28/23):	\$0	\$0	\$0	\$0
Encumbrances:	\$0	\$0	\$0	\$0
Salinas Valley Barb Wire Contract:	\$0	(\$223,985)	\$0	(\$223,985)
Salinas Valley Barb Wire Contract Contingency:	\$0	(\$22,399)	\$0	(\$22,399)
Budget Remaining (Proposed):	\$0	(\$115,134)	\$0	(\$115,134)

The following table outlines the portfolio allocation, costs to date, projected future project expenditures and projected portfolio balance remaining of Measure AA Portfolio #05 *La Honda Creek — Upper Area Recreation, Habitat Restoration and Conservation Grazing Projects*.

MAA05 La Honda Creek — Upper Area Recreation, Habitat Restoration and Conservation Grazing Projects Portfolio Allocation:	\$11,733,000
Grant Income (through FY27):	\$0
Total Portfolio Allocation:	\$11,733,000
Life-to-Date Spent (as of 06/28/23):	(\$3,326,728)
Encumbrances:	\$0
Remaining FY24 Project Budgets:	(\$2,058,244)
Future MAA05 project costs (projected through FY27):	(\$5,473,560)
Total Portfolio Expenditures:	(\$10,858,532)
Portfolio Balance Remaining (Proposed):	\$874,468

The following table outlines the portfolio allocation, projected life of project expenditures and portfolio balance remaining of Measure AA Portfolio #05 *La Honda Creek — Upper Area Recreation, Habitat Restoration and Conservation Grazing Projects*.

MAA05 La Honda Creek — Upper Area Recreation, Habitat Restoration and Conservation Grazing Projects Portfolio Allocation:	\$11,733,000
Grant Income (through FY27):	\$0
Interest Income Allocation:	\$0
Fund 40 Allocation:	\$0
Total Portfolio Allocation:	\$11,733,000
Projected Project Expenditures (life of project):	
05-001 La Honda Creek Land Conservation Opportunities	(\$1,756,093)

05-002 Upper La Honda Creek Grazing Infrastructure	(\$297,432)
05-005 La Honda Creek Red Barn Parking Area and Easy Access Trail	(\$327,514)
05-007 La Honda Creek Phase II Trail Connection	(\$925,043)
05-008 La Honda Creek White Barn Structural Rehabilitation	(\$512,420)
05-009 La Honda Creek Redwood Cabin Removal and Site Restoration	(\$477,824)
05-010 Restoration Forestry Demonstration Project	(\$1,441,469)
05-011 Lone Madrone Ranch Fence Installation	(\$194,613)
05-012 Paulin Culvert/Bridge Improvements	(\$244,944)
05-013 La Honda Parking and Trailhead Access – Implementation	(\$3,597,875)
05-014 Lone Madrone Corrals	(\$57,000)
05-015 Upper La Honda Creek Land Conservation (Eberhard)	(\$1,026,305)
Total Portfolio Expenditures:	(\$10,858,532)
Portfolio Balance Remaining (Proposed):	\$874,468

PRIOR BOARD AND COMMITTEE REVIEW

Fencing needs in general for the *Elkus/Lobitos grazing units* previously came before the full Board at the following public meetings:

- **August 12, 2009:** Acquisition of the Elkus Upland property from the University of California ([R-09-91, meeting minutes](#))
- **March 17, 2010:** Acquisition of the Lobitos Ridge grazing unit from POST ([R-10-32, meeting minutes](#))
- **November 10, 2010:** Amendment of a Preliminary Use and Management Plans for Lobitos Ridge/Elkus Ranch Uplands; Incorporation of a Rangeland Management Plan, Approval of a Negative Declaration and Grazing Lease for Lobitos Ridge/Elkus Uplands ([R-10-99, meeting minutes](#))
- **August 26, 2020:** Approval of a Grazing Lease for Lobitos Ridge/Elkus Uplands property ([R-20-95, meeting minutes](#))

Fencing needs in general for the *Lone Madrone grazing unit* previously came before the full Board at the following public meetings:

- **August 22, 2012:** Board adopted the Mitigated Negative Declaration and Mitigation Monitoring Program and approved the Master Plan for the La Honda Creek Open Space Preserve ([R-12-83, meeting minutes](#))
- **May 26, 2021:** Board awarded contract to install livestock fencing ([R-21-66, meeting minutes](#))

PUBLIC NOTICE

Public notice was provided as required by the Brown Act.

CEQA COMPLIANCE

The environmental impacts of the proposed wildlife friendly livestock fencing for the Elkus/Lobitos conservation grazing lease were evaluated in an Initial Study/ Negative Declaration (IS/MND) for the Elkus and Lobitos Properties Rangeland Management Plan, approved by the Board on November 10, 2010 (R-10-99).

The environmental impacts of the proposed wildlife friendly livestock fencing for the Lone Madrone conservation grazing unit were evaluated in an IS/MND for the La Honda Creek Master Plan, adopted by the Board in August 2012 (R-12-83).

Fence construction activities will adhere to the relevant mitigation measures within each adopted IS/MND.

NEXT STEPS

If approved by the Board, the General Manager will execute contracts with Salinas Valley Barb Wire to construct wildlife friendly livestock fencing at Purisima Creek and La Honda Creek Open Space Preserves.

Attachments

1. Location map – Elkus/Lobitos
2. Location map – Lone Madrone

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