

**FILE NUMBER: 2025-112**

**DATE:** Friday, June 6, 2025

**SUBJECT: Railroad Tie Repairs at Tenth Avenue Marine Terminal, Berths 10-7 and 10-8**

**DESCRIPTION: Resolution 1) Finding the Board Action Exempt under the California Environmental Quality Act (CEQA), Including but Not Limited to CEQA Guidelines Section 15301 and 15302, and 2) Approving Plans and Specifications and Awarding Contract No. 2019-43 to Granite Construction Company in the Amount of \$1,493,169 for the Railroad Tie Repairs at Tenth Avenue Marine Terminal, Berths 10-7 and 10-8, As Authorized by the Board in the FY 2025 Major Maintenance Program Appropriation**

**EXECUTIVE SUMMARY:**

The Tenth Avenue Marine Terminal, a 96-acre omni-cargo facility, serves as a critical component of the Port of San Diego's maritime infrastructure. This terminal is designed to accommodate a diverse range of specialized cargo, including refrigerated containers for produce, large energy components, shipbuilding materials, dry bulk commodities, and heavy-lift shipments. Recognized as one of eighteen Strategic Ports in the United States, the Port of San Diego plays a vital role in supporting the Department of Defense's maritime and rail logistics for peacetime operations, national emergencies, and times of conflict.

The terminal features an on-dock rail yard, directly linked to the Burlington Northern and Santa Fe (BNSF) rail yard adjacent to the terminal. This allows for direct and efficient vessel-to-rail transfers, particularly beneficial for specialty heavy-lift cargo and military operations. During the construction of a pavement repair project in 2017, it was discovered that the railroad track ties alongside berths 10-7 and 10-8 are deteriorated and in need of replacement.

This project repairs approximately 450 linear feet of railroad track by replacing its deteriorated timber railroad ties and replacing approximately 10,000 square feet of weakened asphalt pavement alongside the track with reinforced concrete pavement to match the adjacent concrete pavement and accommodate the terminal's heavy traffic operations.

Staff recommends that the San Diego Unified Port District (District) Board of Port Commissioners (Board) approve the plans and specifications and authorize the award of Major Maintenance Contract No. 2019-43 to Granite Construction Company in the Amount of \$1,493,169 for the Railroad Tie Repairs at Tenth Avenue Marine Terminal, Berths 10-7 and 10-8.

**RECOMMENDATION:**

Resolution Finding the Board Action Exempt Under the California Environmental Quality Act (CEQA), Including, but Not Limited to, CEQA Guidelines Sections 15301 and 15302, and Approving Plans and Specifications and Awarding Contract No. 2019-43 to Granite Construction Company in the Amount of \$1,493,169 for the Railroad Tie Repairs at Tenth Avenue Marine Terminal, Berths 10-7 and 10-8, As Authorized by the Board in the FY 2025 other capital projects appropriation.

**FISCAL IMPACT:**

There is no fiscal impact caused by the approval of this action.

The original project budget was \$825,000 in FY 2024. In June 2024, Ordinance 3132 amended and increased the total project budget by \$400,000 to prepare for construction-related work, resulting in a total project budget of \$1,225,000 allocated in the FY 2025 Major Maintenance Program appropriation. The remaining budget for the full construction phase has been allocated in the FY 2026 Major Maintenance Program appropriation. Approval of this agenda will authorize the District to enter into a Construction Contract with Granite Construction Company, in the amount of \$1,493,169, and will authorize the expenditure of an additional 20% construction contingency, along with construction administration costs for the Railroad Tie Repairs at Tenth Avenue Marine Terminal, Berths 10-7 and 10-8 and a total project budget of \$2,200,000 which is summarized in the table below.

Description	Total Project Budget
Design <sup>1</sup>	\$ 200,000
Construction Contract Award Amount	\$1,493,169
20% Construction Contingency	\$ 298,633
Construction Administration	\$ 208,198
<b>Total Project Budget</b>	<b>\$2,200,000</b>

**COMPASS STRATEGIC GOALS:**

This agenda item supports the following Strategic Goal(s).

- A thriving and modern maritime seaport.
- A Port that is a safe place to visit, work, and play.

**DISCUSSION:**

The Tenth Avenue Marine Terminal, a 96-acre omni-cargo facility, serves as a critical component of the Port of San Diego’s maritime infrastructure. This terminal is designed to accommodate a diverse range of specialized cargo, including refrigerated containers for produce, large energy components, shipbuilding materials, dry bulk commodities, and heavy-lift shipments. Recognized as one of eighteen Strategic Ports in the United States,

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<sup>1</sup> A portion of the budgeted design funds have already been expended.

the Port of San Diego plays a vital role in supporting the Department of Defense's maritime and rail logistics for peacetime operations, national emergencies, and times of conflict.

The terminal boasts an on-dock rail yard, directly linked to the BNSF Railway's double-track mainline via the adjacent BNSF rail yard. The lower yard features approximately 12,000 linear feet of rail spur, distributed across seven tracks. Notably, lead tracks one and two, positioned adjacent to the terminal's western and southern vessel berths, offer a unique advantage. This proximity, uncommon in most maritime terminals, allows for direct and efficient vessel-to-rail transfers, particularly beneficial for specialty heavy-lift cargo and military operations.

Typically, pavement is placed between the rails on the railroad track to make a level surface so vehicles can cross the rails smoothly. The asphalt pavement between the rails alongside Berth 10-8 near the terminal south entrance was exposed to repair and replace the nearby pavement as part of a project that renovated the pavement alongside Berths 10-7 and 10-8 in 2017. It was then discovered that the timber ties which support the rails were deteriorated and needed replacement. This project replaces the deteriorated timber ties at Berths 10-7 and 10-8. This project also replaces approximately 10,000 square feet of weakened asphalt pavement alongside the track with reinforced concrete pavement to match the adjacent existing concrete pavement and provide a solid pavement to accommodate the heavy terminal equipment, traffic, and operations. See Attachment A.

The track work includes removing approximately 450 linear feet of railroad track, removing 280 deteriorated timber railroad ties, and reinstalling the existing rails over new ballast and new timber ties. The pavement work includes removing approximately 10,000 square feet of asphalt pavement with new reinforced concrete pavement and replacing the pavement in between the rails along the strength of the rail being repaired.

**Procurement Details:**

The Contract Documents, including Plans (No. TA-2019-05) and specifications (2019-43), were issued for advertisement for a total duration of 47 calendar days starting on January 29, 2025, for formal competition.

On March 17, 2025, the District received four (4) bids ranging from \$1,493,169 to \$2,613,110.20. The total bid amounts are shown in the table below. The Bid Tabulation (Attachment B) contains each bidder's amounts for individual bid line items:

<b>Company</b>	<b>Total Bid for Contract</b>	<b>Location</b>
Granite Construction Company	\$1,493,169.00	Carlsbad, CA 92008
DRS Contracting	\$1,757,655.00	Anaheim, CA 92808
West Coast General Group, a Joint Venture	\$1,868,275.00	El Cajon, CA 92020
AMG Demolition & Environmental Services, Inc.	\$2,613,110.20	San Diego, CA 92110

Based on a review of the bids, the lowest responsive and responsible bid was determined to be submitted by Granite Construction Company at \$1,493,169. The engineer's construction cost estimate was \$1,800,000.

In accordance with the California Public Contract Code Section 10180, Port staff determined the lowest responsive and responsible bid was submitted by Granite Construction Company in the amount of \$1,493,169. Review of Bid (Attachment C) contains the checklist used for bidding qualifications and informalities.

Should the Board approve of this item, construction is expected to commence in July 2025. This project is expected to be completed within 180 calendar days after the notice to proceed to the Contractor.

Staff recommends that the Board approve the plans and specifications and award Contract No. 2019-43 to Granite Construction Company in the amount of \$1,493,169 for the construction of the Railroad Tie Repairs at Tenth Avenue Marine Terminal, Berths 10-7 and 10-8 project.

Funds are available in the Major Maintenance Program.

#### **General Counsel's Comments:**

The Office of the General Counsel has reviewed this agenda and the attachments as presented to it and approves the same as to form and legality.

#### **Environmental Review:**

The proposed Board actions, including without limitation a resolution approving plans and specifications and awarding contract No. 2019-43 to Granite Construction Company in the amount of \$1,493,169 for the railroad tie repairs at Tenth Avenue Marine Terminal, Berths 10-7 and 10-8, as authorized by the Board in the FY 2025 Major Maintenance Program Appropriation, are Categorically Exempt pursuant to California Environmental Quality Act (CEQA) Guidelines Sections 15301 (Existing Facilities) and 15302 (Replacement and Reconstruction) and Sections III.E.3.a. and III.E.3.b of the District's Guidelines for Compliance with CEQA because the project would consist of the replacement of deteriorated railroad ties and adjacent concrete pavement that would involve no expansion of use beyond that previously existing, would be located on the same site as the structure replaced, and would have substantially the same purpose and capacity. The District has determined none of the six exceptions to the use of a categorical exemption apply to this project (CEQA Guidelines Section 15300.2). The project was also previously determined to be exempt from CEQA on October 24, 2019. Pursuant to Section 15378(c) of the CEQA Guidelines, the term "project" refers to the activity being approved, which may be subject to several discretionary approvals of governmental agencies and does not mean each separate governmental approval. Accordingly, the proposed Board actions are a subsequent discretionary approval of a previously approved project. No further action under CEQA is required.

The proposed Board actions comply with Section 87.(a)(1) of the Port Act which allows for the establishment, improvement, and conduct of harbor, and for the construction, reconstruction, repair, maintenance, and operation of wharves, docks, piers, slips, quays, and all other works, buildings, facilities, utilities, structures, and appliances incidental, necessary, or convenient, for the promotion and accommodation of commerce and navigation. The Port Act was enacted by the California Legislature and is consistent with the Public Trust Doctrine. Consequently, the proposed Board actions are consistent with the Public Trust Doctrine.

The proposed Board actions are considered excluded development pursuant to Sections 8.a. Existing Facilities and 8.b. Replacement or Reconstruction of the District's Coastal Development Permit Regulations because the project would consist of the replacement of deteriorated railroad ties and adjacent concrete pavement that would involve negligible or no expansion of use beyond that previously existing, would be located essentially on the same site as the structure replaced, and would have substantially the same purpose and capacity as the structure replaced. In addition, a categorical determination of exclusion and notice of approval was previously issued for this project on October 24, 2019, and became effective 10 working days after notification to California Coastal Commission staff since no appeals were received. Therefore, issuance of a Coastal Development Permit or subsequent exclusion is not required for the proposed Board actions.

**Diversity, Equity, and Inclusion Program:**

Due to limited Small Business vendor availability, no SBE goal was established for this opportunity.

**PREPARED BY:**

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**Attachment(s):**

Attachment A: Project Location Maps  
Attachment B: Bid Tabulation