



**CITY OF SALINAS
COUNCIL STAFF REPORT**

DATE: MARCH 10, 2026
DEPARTMENT: PUBLIC WORKS DEPARTMENT
FROM: DAVID JACOBS, P.E., L.S., PUBLIC WORKS DIRECTOR
BY: VICTOR SANCHEZ, ASSISTANT ENGINEER
TITLE: ACCEPTANCE OF FAA GRANT FUNDS AND REJECTION OF BIDS FOR THE SALINAS MUNICIPAL AIRPORT TAXILANE REHABILITATION PROJECT – PHASE 1, CIP 9354

RECOMMENDED MOTION:

A motion to approve a resolution:

1. Accepting \$880,610 of Federal Aviation Administration (FAA) grant funds;
2. Increasing the revenue appropriation to Intergovernmental Other Federal Grants by \$880,610;
3. Increasing the expenditure appropriation by \$880,610 of FAA grant funds for the Southside Taxilane Rehabilitation Project (CIP 9354); and
4. Rejecting all bids received for the Salinas Airport Taxilane Rehabilitation Project – Phase 1, CIP 9354.

EXECUTIVE SUMMARY:

In March 2024, three bids were received for the Southside Taxilane Rehabilitation Project, CIP 9354. On August 13, 2024, the Federal Aviation Administration (FAA) announced that the Salinas Municipal Airport was awarded a grant offer as part 2024 Bipartisan Infrastructure Law (BIL) Airport Infrastructure Grants (AIG) Round 9 announcements in the amount of \$880,610 which was insufficient based on the bids received.

In January 2026, after consulting with the City Attorney, both the Airport Manager and Public Works staff agreed to reduce the scope of work to rebid the project. To do this, bids received in 2024 must be rejected and funds appropriated.

BACKGROUND:

In June 2023, the Airport Manager contracted Kimley Horn and Associates to assist in the preparation of a grant application package to secure funds from the Federal Aviation

Administration (FAA) for the Taxilane Rehabilitation Project, Phase 1, CIP 9354 (“Project”. The Project aims to rehabilitate the taxilanes R, K, L, and O. The Project scope of work included full depth pavement reconstruction, 3-inch asphalt pavement inlay, installation of valley gutters, and installation of pavement markings.

The FAA requires projects to be bid prior to award grant funds and in February 2024, the City Engineer approved the plans and specifications for the Project and authorized a call for bids. On March 15, 2024, three bids were electronically received and publicly read via a Zoom meeting, with Coastal Paving & Excavating Inc. being the apparent lowest responsible and responsive bidder below engineer’s estimate as shown on Table 1.

Table 1: BID RESULTS

Contractor	Total Base Bid 1 - Base Bid 2
Coastal Paving & Excavating Inc	\$1,650,650.00
Radius Earthwork Inc	\$1,935,342.75
Granite Rock Company	\$1,970,248.50
Engineer’s Estimate	\$1,790,000.00

On August 13, 2024, the FAA announced that the Salinas Municipal Airport was awarded a grant offer as part of the 2024 Bipartisan Infrastructure Law (BIL) Airport Infrastructure Grants (AIG) Round 9 announcements. The maximum obligation under the grant offer from the FAA is \$880,610 with the grant performance period expiring on August 23, 2028. City staff had expected the grant offer to cover the full cost of the project. The grant offer was executed by the City Manager on September 3, 2024.

Although bids expired on September 11, 2024, based on the Project specifications, in January 2025, City Staff inquired with the bidders if they were willing to hold their bids. Coastal Paving indicated they would maintain their bids, while Granite Rock Company indicated the bids would have to be adjusted for inflation. Radius Earthwork Inc submitted an incomplete bid package and as a result were disqualified from the bid. Despite Coastal Paving & Excavating Inc. maintaining their bids, insufficient funds prevented the City from awarding the project.

In January 2026, after consulting with the City Attorney, both the City Airport Manager and Public Works staff agreed to reduce the scope of work to rehabilitate only taxilanes R and K.

Staff recommends approving a resolution accepting the FAA funds in the amount of \$880,610, appropriating the funds into the Southside Taxilane Rehabilitation Project (CIP 9354), and rejecting all bids for the Salinas Municipal Airport Taxilane Rehabilitation Project – Phase 1 due to insufficient funds in CIP 9354 and the expiration of bids. Staff will rebid the project in mid-2026 after revising the bid package to reflect the reduced scope of work.

CEQA CONSIDERATION:

Not a Project. The City of Salinas has determined that the proposed action is not a project as defined by the California Environmental Quality Act (CEQA) (CEQA Guidelines Section 15378). In addition, CEQA Guidelines Section 15061 includes the general rule that CEQA applies only to activities which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. Because the proposed action and this matter have no potential to cause any effect on the environment, or because it falls within a category of activities excluded as projects pursuant to CEQA Guidelines section 15378, this matter is not a project. Because the matter does not cause a direct or foreseeable indirect physical change on or in the environment, this matter is not a project. Any subsequent discretionary projects resulting from this action will be assessed for CEQA applicability.

CALIFORNIA GOVERNMENT CODE §84308 APPLIES:

No.

STRATEGIC PLAN INITIATIVE:

This project, when awarded, will address the City Council’s goals of *Economic Development and Infrastructure*.

DEPARTMENTAL COORDINATION:

Coordination between Public Works and Airport Department for identification of scope of work and grant coordination.

FISCAL AND SUSTAINABILITY IMPACT:

The proposed funding from the FAA AIP/BIL Grant is \$880,610 and will be utilized to fund operations as described in this report. No matching funds are required to receive these grant funds and there is no anticipated impact to the City’s General Fund budget.

Fund	General Ledger Number (Operating/CIP)	General Ledger Account Name	Remaining Budget Appropriation	Amount Requested
5102	50.9354-66.4000	Capital Outlays Improvements	\$0	\$880,610
5102	00.0000-55.5511	Intergovernmental Other Federal Grant	\$0	\$880,610

ATTACHMENTS:

- Resolution
- Bid Tabulation
- Grant Agreement