



MEETING DATE: March 11, 2026

AGENDA ITEM: 6. City Engineer Employment Agreement: Rio Grande Street Pavement Rehabilitation STIP Project

FROM: Ryan Bonk

RE: Employment Agreement- City Engineer- Rio Grande Street Pavement Rehabilitation STIP Project

BACKGROUND:

On March 21, 2024, the California Transportation Commission (CTC) approved the components for the Rio Grande Street Pavement Rehabilitation project.

The project is 100% state reimbursable.

Description of Project Scope:

The project will address pavement deterioration on the noted 70+ year-old road segment. The Street is identified as "Poor". There are several crossing streets to Rio Grande Street that are in "Poor" or "Failed" states. The intent of addressing Rio Grande Street first is that future cross streets of lower volume traffic will eventually be rehabilitated and reconstructed from this project. The basic premise is that rehabilitation must begin somewhere and then gradually expand.

The rehabilitation scope of the project will include pulverizing the roadbed per Caltrans Specification 30-2. Pulverizing will be accomplished via full-depth recycling of the existing pavement and base. The approximate depth of the recycling will be 14" below existing road grade. This recycling depth will ensure the recycling work remains above the existing in-ground infrastructure (i.e., water and sewer). Construction of concrete ADA curb ramps, rolled concrete curb and gutters, concrete valley gutters and possible unknown below-grade drainage facilities will be done prior to cement treatment of the blended base. No new sidewalks are proposed. Following construction of ADA curb ramps and new rolled curb and gutter, the cement treated base will be accomplished by adding about 3% Portland Cement to 10" of the reclaimed pavement and base blend (with added moisture). The cement treated base will be graded/trimmed to match the new concrete curb and gutter and valley gutters. Asphalt emulsion will be placed on the cement treated base just prior to paving. 2" of hot mix asphalt will be placed on top of the prepared subgrade.

Where required, placement of new manhole and valve box grade rings and concrete collars at the existing locations will be constructed. Additional incidental construction items include traffic striping, signage and pavement markings.

Attached to this staff report are the limits of the project.

EXECUTIVE SUMMARY:

The state of California allows the City to manage all STIP project tasks as long as the City Engineer is designated as a city employee. To meet this requirement, the City has previously entered into employment agreements with City Engineer Dan Bastian for STIP projects. Chapter 5.3 of the Caltrans Local Assistance Procedures Manual (2025) addressing "Reimbursable Project Costs" is attached to this staff report for reference.

The City entered into a previous agreement on 04/23/2025. This current agreement will supersede the prior agreement per Section 11.

This employment agreement will address plans, specifications, and estimates (PS&E). The prior agreement addressed CEQA documentation preparation and administration.

The employment agreement presented follows the same structure as previous employment agreements for STIP projects. In addition, the employment agreement has been reviewed by staff and legal counsel.

FISCAL IMPACT:

There are no financial impacts to this project as the project is 100% state reimbursable.

RECOMMENDATION:

Staff recommends that the City Council review and approve the employment agreement.

ATTACHMENTS:

- A. PROJECT LIMITS
- B. LAPM-2025 REIMBURSABLE PROJECT COSTS
- C. EMPLOYMENT AGREEMENT - RIO GRANDE PROJECT PS&EDOCX



PROFILE VIEW
SCALE: HORZ. 1"=80'



RIO GRANDE STREET PROJECT AERIAL EXTENT



CITY OF PORTOLA
RIO GRANDE STREET
2024 STP PROJECT
WITHIN SECTION 1 OF T.22N., R.1E., M.D.B.M.
11/2/2023

CITY OF PORTOLA
DEPARTMENT OF TRANSPORTATION
95 THIRD AVENUE / P.O. BOX 1225, PORTOLA, CA. 96122
(530)856-2644

DATE: 11/2023
DRAWN BY: DB
SCALE: AS NOTED
REVISIONS:
SHEET NO.

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OF
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5.3 Reimbursable Project Costs

The costs of salaries, wages, and related project costs may be reimbursable for the following activities. All costs must be broken down into eligible direct and/or indirect cost components. For a list of ineligible costs see [LAPM Chapter 16: Administer Construction Contracts](#) (Section 16.10: Change Order).

Phases of Work

1. **Preliminary Engineering:** Preliminary Engineering is the initiation, design, and related work preparatory to the advancement of a project to physical construction. For local STIP and ATP projects, the Preliminary Engineering costs must be segregated into:
 - Project Approval / Environmental Document (PA&ED)
 - Plans, Specifications & Estimate (PS&E)
2. **Right of Way:** Acquisition of Right of Way, real property, or rights thereto is included. It also includes the preparation of Right of Way plans, making economic studies and other related preliminary work, appraisal for parcel acquisition, review of appraisals, preparation for and trial of condemnation cases, management of properties acquired, furnishing of relocation advisory assistance, utility relocation, and other related labor expenses.

Note: Right of Way rental income and the proceeds from the sale of excess land may be retained by LPAs if it is used for a valid Title 23 purpose. It is the LPA's responsibility to assure they comply with Title 23 if this option is selected. For additional information about Right of Way topics, see [LAPM Chapter 13: Right of Way](#).
3. **Construction Engineering:** Construction Engineering is the supervision and inspection of construction activities, additional staking functions considered necessary for effective control of the construction operations, testing materials incorporated into construction, checking shop drawing, and measurements needed for the preparation of pay estimates. Construction Engineering must be authorized to be eligible for reimbursement.
4. **Construction:** Eligible construction costs include the actual costs to construct the transportation facility and its appurtenant facilities. It also includes: removal, adjustment or demolition of buildings or major construction; utilities or railroad work that is a part of the physical construction of the project; and administrative settlement cost of contract claims.
5. **Administrative Settlement Costs:** These are service costs related to contract claims related to the review and defense of claims against federal-aid-projects (see [LAPM Chapter 16: Administer Construction Contracts](#)).

Direct Costs

Direct costs are costs incurred solely for a specific state/federal-aid funded transportation project direct costs must be reasonable and allowable per 2 CFR 200. These costs include contractor payments, Right of Way acquisition, direct materials, salaries, wages, fringe benefits and related costs, approved equipment and other capital expenditures, contracted services, and other items of expense furnished specifically for the federal-aid project. Refer to [2 CFR 200, Subpart E: Cost Principles](#) and [2 CFR 200.439](#) for additional information regarding reasonable and allowable costs and equipment thresholds.

**CITY OF PORTOLA
CITY ENGINEER
EMPLOYMENT AGREEMENT**

This Agreement made this _____ day of March 2026, between the CITY OF PORTOLA, Plumas County, California, herein referred to as “Employer”, and DANIEL B. BASTIAN, herein referred to as “Employee”. Employer and Employee may also be referred to herein as “Party” or “Parties”. Employee is willing to be employed by Employer, and Employer is willing to employ Employee, on the terms, conditions, and in consideration of the mutual covenants and promises of the Parties, as hereafter set forth.

1. TERM

Employer hereby employs Employee as City Engineer of the City of Portola and Employee hereby accepts and agrees to the employment and agrees to serve and perform in that capacity as directed by the City Council or the City Manager of the City of Portola. This Agreement shall be in effect for a period of 12 months, beginning on the 20th day of March 2026, the “Effective Date” and ending on the 20th day of March 2027. This Agreement may be extended or renewed by mutual agreement of the Parties.

2. TERMINATION OF EMPLOYMENT

- a) Nothing in this Agreement shall prevent, limit, or otherwise interfere with the right of the Employer to terminate the services of Employee or this Agreement, at any time for any reason.
- b) Nothing in this Agreement shall prevent, limit or otherwise interfere with the right of Employee to resign, at any time, from his position with the City.
- c) The Parties acknowledge that applicable laws, statutes, ordinances, policies and regulations may prescribe specific procedures to be followed by either Party in the event a decision is made to terminate the employment relationship.
- d) In the event Employee voluntarily resigns his position with Employer, the Employee shall give Employer sixty (60) days’ notice, in advance.

3. SEVERANCE PAY

Employee is not entitled to any severance pay upon termination of the employment relationship, regardless of whether the Employer or Employee terminated the employment or whether the termination was for cause or without cause.

4. DESCRIPTION OF EMPLOYEE’ S DUTIES

Subject to the supervision and pursuant to the orders, advice, and direction of the City Council and City Manager, Employee shall perform the duties prescribed by the Employer, those set forth in the Portola Municipal Code and those prescribed by the laws of the State of California and shall perform such other duties as are customarily performed by one holding such position of the same or similar nature as that engaged in by Employer. Employee shall additionally render such other and unrelated services and duties as may be assigned to Employee from time to time by Employer.

5. MANNER OF PERFORMANCE OF EMPLOYEE’ S DUTIES

Employee shall at all times faithfully, industriously, and to the best of his ability, experience, and talent, perform all duties that may be required pursuant to the express and implicit terms hereof, to the satisfaction of Employer. Such duties shall be rendered at Portola and at such

other place or places as Employer shall in good faith require or as the interests, needs, business, and opportunities of Employer shall require or make advisable.

6. COMPENSATION; REIMBURSEMENT

- a) Employer shall pay Employee and Employee agrees to accept from Employer, in full payment for Employee's services as described herein, a maximum compensation of ninety one thousand dollars (\$91,000) during the 12 month term at the rate of seven thousand five hundred eighty three and 33/100 dollars (\$7,583.33) per month (gross) payable on the first scheduled pay day of each month at the same time other monthly salaried City employees are paid, starting April 2026 or once PS&E written obligation notification is issued to the City. At approximately quarterly intervals during the term of this Agreement, the City Manager may increase or decrease the amount of the monthly compensation, provided that the total compensation paid to Employee during the term of this Agreement does not exceed the maximum amount as set forth above
- b) The base scope of work will include the following:
 - i. Plans, Specifications, and Estimates (PS&E) Development for Street Design
 - Conceptual Design: Develop preliminary design concepts, including typical cross-sections and layouts, to establish the project's scope and objectives.
 - Detailed Engineering Design: Prepare comprehensive engineering plans that detail roadway alignment, profiles, grading, drainage systems, pavement designs, and intersection configurations.
 - Specification Writing: Draft technical specifications that outline material requirements, construction methods, and quality control measures in accordance with Caltrans and local standards.
 - Cost Estimation: Compile detailed construction cost estimates, including quantity take-offs and unit pricing, to provide accurate budget projections.
 - Quality Assurance: Conduct internal reviews and coordinate with stakeholders to ensure the PS&E package meets all regulatory requirements and project objectives.
- c) Employer shall pay Employee and Employee agrees to accept from Employer compensation at the rate of One Hundred Fifty-five and 00/100 Dollars (\$155.00) per hour for special services beyond those described herein as directed by Employer.
- d) Regardless of any City policy, Employee shall not earn or accrue and benefits except for those expressly set forth in the Agreement.

7. PERFORMANCE AND SALARY EVALUATION

The Employer shall review and evaluate the performance and salary of the Employee at least once annually on or before the anniversary date of this Agreement. Said review and evaluation shall be in accordance with criteria developed by the Employer.

8. MISCELLANEOUS COVENANTS AND CONDITIONS

Employee shall devote as much of his time, attention, knowledge, and skill to the City and interests of Employer necessary to fully and faithfully perform and discharge the duties of the City Engineer, and Employer shall be entitled to all benefits, emoluments, profits, and other issues arising from an incident to any and all work, services, and advice of Employee.

9. NON-DISCLOSURE OF INFORMATION CONCERNING BUSINESS

Employee will not at any time, in any fashion, form, or manner, either directly or indirectly divulge, disclose, or communicate to any person, firm, or corporation in any manner whatsoever any information of any kind, nature, or description concerning any matters

detrimentally affecting or relating to the business of the City without regard to whether any or all of the foregoing matters would be deemed confidential, material, or important.

10. EMPLOYEE'S COMMITMENTS BINDING ON EMPLOYER ONLY ON WRITTEN CONSENT

Employee shall not have the right to make any contracts or other commitments for or on behalf of the City of Portola without the written consent of Employer.

11. CONTRACT TERMS TO BE EXCLUSIVE

This written Agreement contains the sole and entire agreement between the Parties. It supersedes any and all other employment agreements between the Parties. The Parties acknowledge and agree that neither of them has made any representation with respect to the subject matter of this Agreement or any representations inducing the execution and delivery hereof except such representations as are specifically set forth herein, and each Party acknowledges that the Party has relied on its own judgment in entering into the Agreement. The Parties further acknowledge that any statements or representations that may have heretofore been made by either of them to the other are void and of no effect and that neither of them has relied thereon in connection with the dealings of the other.

12. WAIVER OF MODIFICATION

No waiver or modification of this Agreement or of any covenant, condition, or limitation herein contained shall be valid unless in writing and duly executed by the Party to be charged therewith. Furthermore, no evidence of any waiver or modification shall be offered or received in evidence in any proceeding, arbitration, or litigation between the parties arising out of or affecting this Agreement, or the rights or obligations of any Party hereunder, unless such waiver or modification is in writing duly executed as aforesaid. The provisions of this paragraph may not be waived except as herein set forth.

13. AGREEMENT GOVERNED BY LAWS OF THE STATE OF CALIFORNIA

This Agreement and performance hereunder and all suits and special proceedings hereunder shall be construed in accordance with the laws of the State of California. In any action, special proceeding, or other proceeding that may be brought arising out of, in connection with, or by reason of this Agreement, the laws of the State of California shall be applicable and shall govern to the exclusion of the law of any other forum, without regard to the jurisdiction in which the action or special proceeding may be instituted. Any action to enforce or interpret the terms of this Agreement shall be commenced and maintained in the County of Plumas, California.

14. GENERAL PROVISIONS

If any provision, or any portion thereof, contained in this Agreement is held unlawful, invalid or unenforceable, the remainder of this Agreement, or portion thereof, shall be deemed severable, shall not be affected and shall remain in full force and effect. The Parties agree to immediately renegotiate any part or provision in this Agreement rendered or declared invalid.

15. BINDING EFFECT

This Agreement shall be binding on and inure to the benefit of the respective Parties and their respective heirs, legal representatives, successors, and assigns.

Executed at Portola, California, on the date first above written.

Employer
CITY OF PORTOLA

By: _____
Ryan N. Bonk, City Manager

Dated: _____

Approved as to Form:

Dated: _____

Employee

Daniel B. Bastian

Dated: _____

Steven C. Gross, City Attorney