



Monterey County

168 West Alisal Street,
1st Floor
Salinas, CA 93901
831.755.5066

Board Report

Legistar File Number: A 15-040

April 07, 2015

Introduced: 2/19/2015

Current Status: Agenda Ready

Version: 1

Matter Type: BoS Agreement

- a. Award Job Order Contract Natividad Medical Center 2014-01 contract to California Plus Engineering Incorporated, the lowest responsible and responsive bidder for Natividad Medical Center Project JOC, with a bid award criteria figure of 1.1950, for a term of one year, with a minimum contract value of \$25,000 and maximum contract value of \$4.5 Million;
- b. Award Job Order Contract Natividad Medical Center 2014-02 contract to Ausonio Incorporated, the lowest responsible and responsive bidder for Natividad Medical Center Project JOC, with a bid award criteria figure of 1.2060, for a term of one year, with a minimum contract value of \$25,000 and maximum contract value of \$4.5 Million;
- c. Award Job Order Contract Natividad Medical Center 2014-03 contract to John F. Otto, Inc. dba Otto Construction, the lowest responsible and responsive bidder for Natividad Medical Center Project JOC, with a bid award criteria figure of 1.304, for a term of one year, with a minimum contract value of \$25,000 and maximum contract value of \$4.5 Million;
- d. Approve the Performance and Payment Bonds executed and provided by Ausonio Incorporated, Inc. in the amount of \$2 Million;
- e. Approve the Performance and Payment Bonds executed and provided by California Plus Engineering Incorporated, Inc. in the amount of \$2 Million
- f. Approve the Performance and Payment Bonds executed and provided by Otto Construction, Inc. in the amount of \$2 Million
- g. Approve the CEO of Natividad Medical Center to execute Job Order Contract Natividad Medical Center 2014-01 with California Plus Engineering Incorporated, Job Order Contract Natividad Medical Center 2014-02 with Ausonio Incorporated, and Job Order Contract Facilities 2014-03 with John F. Otto, Inc. dba Otto Construction.

RECOMMENDATION:

It is recommended that the Board of Supervisors

- a. Award Job Order Contract Natividad Medical Center 2014-01 contract to California Plus Engineering Incorporated, the lowest responsible and responsive bidder for Natividad Medical Center Project JOC, with a bid award criteria figure of 1.1950, for a term of one year, with a minimum contract value of \$25,000 and maximum contract value of \$4.5 Million;
- b. Award Job Order Contract Natividad Medical Center 2014-02 contract to Ausonio Incorporated, the lowest responsible and responsive bidder for Natividad Medical Center Project JOC, with a bid award criteria figure of 1.2060, for a term of one year, with a minimum contract value of \$25,000 and maximum contract value of \$4.5 Million;
- c. Award Job Order Contract Natividad Medical Center 2014-03 contract to John F. Otto, Inc. dba Otto Construction, the lowest responsible and responsive bidder for Natividad Medical Center Project JOC, with a bid award criteria figure of 1.304, for a term of one year, with a minimum contract value of \$25,000 and maximum contract value of \$4.5 Million;

- d. Approve the Performance and Payment Bonds executed and provided by Ausonio Incorporated, Inc. in the amount of \$2 Million;
- e. Approve the Performance and Payment Bonds executed and provided by California Plus Engineering Incorporated, Inc. in the amount of \$2 Million
- f. Approve the Performance and Payment Bonds executed and provided by Otto Construction, Inc. in the amount of \$2 Million
- g. Approve the CEO of Natividad Medical Center to execute Job Order Contract Natividad Medical Center 2014-01 with California Plus Engineering Incorporated, Job Order Contract Natividad Medical Center 2014-02 with Ausonio Incorporated, and Job Order Contract Facilities 2014-03 with John F. Otto, Inc. dba Otto Construction

SUMMARY:

The recommended actions will allow for the issuance of three one-year term Natividad Medical Center Job Order Contract contracts and the approval of the Performance and Payment Bonds executed and provided by the three contractors.

DISCUSSION:

Public Contract Code Section 20128.5 provides that counties may award annual contracts for repair, remodeling, or other repetitive work to be done according to unit prices. This is commonly referred to as Job Order Contracting (JOC), and is typically done by developing a construction task catalog that is then competitively bid. JOC is an indefinite quantity contract pursuant to which the Contractor will perform a variety of projects, consisting of specific construction tasks, providing an alternative procurement method for completing public works projects, which improves economy and efficiency in completing many public works projects, including urgent and time-sensitive projects. The price of an individual project will be determined by multiplying the preset unit prices and the appropriate quantities by the appropriate adjustment factor. The adjustment factor will vary depending upon the location of the work, and the time at which the work will be performed (normal working hours versus other than normal working hours).

In April 9, 2013, the Board of Supervisors approved an Agreement between the County of Monterey and The Gordian Group, Inc. to provide assistance to the County in developing a Job Order Contracting (JOC) System. On September 17, 2013, the Board adopted the Monterey County Job Order Contracting Policy Guidelines constituting the order of the Board approving Job Order Contracts pursuant to Public Contract Code Section 20128.5. On October 21, 2014, the Board of Supervisors approved the Monterey County Construction Task Catalog, Natividad Medical Center Project Manuals, and Monterey County Natividad Medical Center Technical Specifications for the Job Order Contract Projects, and authorized the advertising of the Notice to Contractors for their respective Bid Nos.: NMC 2014-01, 2014-02 and 2014-03.

The JOC Projects were advertised and bids were opened on November 13, 2014. The lowest responsive and responsible bidder, determined by the award criteria figure, for JOC Natividad Medical Center 2014-01 was California Plus Engineering and for JOC Natividad Medical Center 2014-02, Ausonio Incorporated and for JOC Natividad Medical Center 2014-03, Otto Construction. Each Contractor has certified to make a good-faith effort to employ Monterey Bay Area residents on the Project in compliance with Section 5.08.120 of the Monterey County Code. Each contractor has a staffed office located within the Monterey Bay Area.

For the Natividad Medical Center JOC, Natividad Medical Center recommends awarding contracts to three separate contractors to allow the Department the option to use the alternate contractors if one of the contractors is deemed nonresponsive or has poor performance and also to have work performed concurrently. At this time, Natividad Medical Center requests three JOC contract awards.

JOC contracts will not exceed beyond a 12-month contract for the issuance of job orders. The contracts awarded to Ausonio Incorporated, California Plus Engineering and Otto Construction pursuant to JOC each offer a minimum contract value of \$25,000 and maximum of \$4.5 million. Due to that range, contractors were each required to provide performance and payment bonds in the amount of \$2 million in order to provide for JOC efficiency, maintaining control of contractor performance, as well as limiting potential risk to the County. At the time that cumulative Job Orders in excess of \$2 million are anticipated, Natividad Medical Center will return to the Board for approval of increased payment and performance bonds to cover the amount of the anticipated job orders.

Any Job Order that exceeds \$1 Million will be brought to the Capital Improvement Committee (CIC) prior to issuance of a notice to proceed. Natividad Medical Center will provide quarterly JOC status reports to the CIC summarizing issued Job Orders, including scope, cost, schedule, and source of previously appropriated/expended funds. The JOC contracts will provide another mechanism to accomplish work that fits within the JOC guidelines. Projects that do not meet JOC criteria or are not a good fit for JOC will continue to be completed using other procurement processes, such as the typical design/bid/build process.

OTHER AGENCY INVOLVEMENT:

Natividad Medical Center coordinated preparation of the JOC process and the standard agreement language with Contracts/Purchasing, County Counsel, Auditor-Controller, and Risk Management as to form and the required legal, fiscal, and insurance provisions. The Office of the County Counsel and Contracts/Purchasing attended the bid opening and reviewed all bids for conformance with applicable regulations. Natividad Medical Center reviewed the bids for responsiveness. The Office of the County Counsel, Auditor-Controller, and Risk Management have reviewed and approved the contract documents as to form and legality, fiscal terms, and insurance provisions, respectively. The contracts were supported by the NMC Finance Committee on November 25, 2014, NMC Board of Trustees on December 5, 2014, Capital Improvement Committee on December 4, 2014, and Budget Committee on January 28, 2015. The CAO-Budget & Analysis Division recommends the funding source for capital projects should be placed in a separate capital projects fund. NMC Finance and A/C have met on how to address with a targeted completion by the end of FY 2014-15 (June 30, 2015-Effective July 1, 2015).

FINANCING:

Job Order Contract expenditures will be within and not exceed the FY 2014-15 approved capital projects and operational budgets. The future fiscal year capital and operational budgets will be appropriately budgeted and approved prior to proceeding with expenditures. The Agreement is for three individual Job Order Contracts for \$2,000,000 with an option to extend the contract to a cap of \$4,500,000 for an initial contract total of \$6,000,000, with a potential

total maximum cap of \$13,500,000. A five percent (5%) License Fee to utilize the JOC program is payable to the Gordian Group only if and when a Job Order is issued to a JOC Contractor. The capital funds will be designated and set aside to insure the capital funds are not competing with operational funds. The source of funds for Capital Projects will be from NMC's cash balance. There is no impact to the General Fund.

Approved by:

Dr. Gary Gray
Interim Chief Executive Officer

Prepared by: Brian Griffin, NMC Interim Physical Plant Manager

Attachments: Agreements which include the performance and payment bonds