



Monterey County

Item No.

Board Report

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Legistar File Number: 20-573

July 28, 2020

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Approve Surety Riders to the Performance and Payment Bonds executed and provided by: 1) Newton Construction & Management, Inc.; 2) Quincon Inc.; and 3) Jacobs Construction & Design, to reflect 100% of the Maximum Contract Value (\$4,949,291 each).

RECOMMENDATION:

It is recommended that the Board of Supervisors approve the Surety Riders to the Performance and Payment Bonds executed and provided by: 1) Newton Construction & Management, Inc.; 2) Quincon Inc.; and 3) Jacobs Construction & Design, to reflect 100% of the Maximum Contract Value (\$4,949,291 each).

SUMMARY/DISCUSSION:

On October 22, 2019, the Board of Supervisors awarded Facilities Job Order Contracts to Newton Construction & Management, Inc.; Quincon Inc.; and Jacobs Construction & Design for a maximum contract value (MCV) of \$4,949,291. The successful bidder was required to furnish an initial payment bond and a performance bond for approximately 50% of the MCV, each in the amount of \$2,500,000. The lower initial bonding requirement for Facilities Contracts was approved by the Board on July 24, 2018 to attract Contractors who may otherwise not bid on the Facilities projects due to the high bonding requirement relative to the guaranteed work of \$25,000. If the aggregate Job Orders issued under any of the awarded Facilities Contracts exceeded \$2,500,000, an increase in the Payment and Performance bonds for the corresponding Facilities Contract was required by the Board in an amount not less than 100% of the MCV of \$4,949,291.

The aggregate JOC 2019 Facilities job orders issued to date are now nearing the initial performance and payment bond maximum of \$2,500,000. The cumulative job order value issued to date for Newton Construction & Management, Inc. is \$2,434,192.44 with \$65,807.56 remaining bonding capacity. The cumulative job order value issued to date for Quincon Inc. is \$592,363.82 with \$1,907,636.18 remaining bonding capacity. An additional three (3) Quincon job orders totaling \$2.4MIL are on hold pending an increase in bonding capacity. The cumulative job order value issued to date for Jacobs Construction & Design is \$1,005,516.19 with \$1,494,483.81 remaining bonding capacity. An additional three (3) Jacobs Construction job orders totaling \$2.2MIL are on hold

pending an increase in bonding capacity. In order to continue to issue additional Job Orders to Newton Construction & Management, Inc.; Quincon Inc.; and Jacobs Construction & Design, it is necessary to approve their respective Performance and Payment bonds at the full contract amount of \$4,949,291.

OTHER AGENCY INVOLVEMENT:

The Office of the County Counsel, Auditor-Controller, and Risk Management have reviewed and approved the contract documents as to form, fiscal terms, and insurance provisions, respectively.

FINANCING:

Funding for JOC projects, including applicable Gordian Group fees, is contained within the adopted FY 2019-20 and FY 2020-21 budget allocations for various funds; Fund 402 - Capital Projects, Fund 404 - Facilities Master Plan Projects, Fund 002 - Road Fund, the respective County Service Area or County Sanitation District Fund, and the individual department authorizing the project. 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. Optionally, as needed, the County may utilize JOC Project Management services for an additional 5.95% fee. Gordian fees are contained in the overall eligible project budgets.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:


The Job Order Contract (JOC) program helps with providing efficient and effective government operations by allowing improved processing for smaller and more urgent projects. Monterey County has multiple documents to help identify and address critical infrastructure needs (Pavement Management Plan, ADA Transition Plan, Facility Asset Report, Municipal Climate Action Plan, etc.). Taking these documents into account, a Five-Year Capital Improvement Program is adopted each year to efficiently allocate resources for projects with budgets over \$100,000 to help sustain the infrastructure. The JOC program projects include improvements to health and safety facilities. Provision of adequate County facilities and infrastructure improves the quality of life for County residents and supports economic development results.

Related Board of Supervisors Strategic Initiatives include:

- Economic Development
- Administration
- Health & Human Services
- Infrastructure
- Public Safety

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Approved by: Lindsay Lerable, Chief of Facilities, RMA

Approved by: Carl P. Holm, AICP, RMA Director 

The following attachments are on file with the Clerk of Board:

Attachment A - Surety Rider for Performance and Payment Bond #SU1160832

Newton Construction & Management, Inc

Attachment B - Surety Rider for Performance and Payment Bond #14866- Quincon Inc

Attachment C - Surety Rider for Performance Bond #SU1160835 Jacobs Construction & Design