



Monterey County

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Board Report

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Matter Type: BoS Agreement

- a. Award Roads & Bridges Job Order Contracts (JOC) for a term of one year from date signed by County or upon the payment by County to Contractor of the maximum amount payable under the agreement, whichever occurs earlier with a minimum contract value of \$25,000 and maximum contract value of \$4.766 million to the following bidders: 2017-01 Granite Rock Company; 2017-02 Granite Construction Company; and 2017-03 Newton Construction and Management Inc.;
- b. Award Facilities Job Order Contract (JOC) for a term of one year from date signed by County or upon the payment by County to Contractor of the maximum amount payable under the agreement, whichever occurs earlier, with a minimum contract value of \$25,000 and maximum contract value of \$4.766 million to the following bidders: 2017-01 Newton Construction; 2017-02 Ausonio Incorporated;
- c. Approve the Performance and Payment Bonds for Roads & Bridges JOC in the amount of \$4,766,357 each by Granite Rock Company; Granite Construction Company; and Newton Construction and Management Inc;
- d. Approve the Performance and Payment Bonds for Facilities JOC in the amount of \$4,766,357 each by Newton Construction; and Ausonio Incorporated; and
- e. Authorize the RMA - Deputy Director of Public Works & Facilities to execute the Roads & Bridges and Facilities Job Order Contracts.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Award Job Order Contract Roads & Bridges 2017-01 contract to Granite Rock Company, the lowest responsible and responsive bidder for Roads & Bridges Project JOC, with a bid award criteria figure of 1.1260, for a term of one year from date signed by County or upon the payment by County to Contractor of the maximum amount payable under the agreement, whichever occurs earlier, with a minimum contract value of \$25,000 and maximum contract value of \$4.766 million;
- b. Award Job Order Contract Roads & Bridges 2017-02 contract to Granite Construction and Management Company, the lowest responsible and responsive bidder for Roads & Bridges Project JOC, with a bid award criteria figure of 1.1500, for a term of one year from date signed by County or upon the payment by County to Contractor of the maximum amount payable under the agreement, whichever occurs earlier, with a minimum contract value of \$25,000 and maximum contract value of \$4.766 million;
- c. Award Job Order Contract Roads & Bridges 2017-03 contract to Newton Construction and Management Inc., the lowest responsible and responsive bidder for Roads & Bridges Project JOC, with a bid award criteria figure of 1.1400, for a term of one year from date signed by County or upon the payment by County to Contractor of the maximum amount payable under the agreement,

whichever occurs earlier, with a minimum contract value of \$25,000 and maximum contract value of \$4.766 million;

- d. Award Job Order Contract Facilities 2017-01 contract to Newton Construction and Management Inc., the lowest responsible and responsive bidder for Facilities Project JOC, with a bid award criteria figure of 1.2480, for a term of one year from date signed by County or upon the payment by County to Contractor of the maximum amount payable under the agreement, whichever occurs earlier, with a minimum contract value of \$25,000 and maximum contract value of \$4.766 million;
- e. Award Job Order Contract Facilities 2017-02 contract to Ausonio Incorporated, the lowest responsible and responsive bidder for Facilities Project JOC, with a bid award criteria figure of 1.4153, for a term of one year from date signed by County or upon the payment by County to Contractor of the maximum amount payable under the agreement, whichever occurs earlier, with a minimum contract value of \$25,000 and maximum contract value of \$4.766 million;
- f. Approve the Performance and Payment Bonds executed and provided by Granite Rock Company in the amount of \$4,766,357;
- g. Approve the Performance and Payment Bonds executed and provided by Granite Construction Company in the amount of \$4,766,357;
- h. Approve the Performance and Payment Bonds executed and provided by Newton Construction and Management Inc. in the amount of \$4,766,357;
- i. Approve the Performance and Payment Bonds executed and provided by Newton Construction and Management Inc. in the amount of \$4,766,357;
- j. Approve the Performance and Payment Bonds executed and provided by Ausonio Incorporated in the amount of \$4,766,357; and
- k. Authorize the RMA - Deputy Director of Public Works & Facilities to execute Job Order Contract Roads & Bridges 2017-01 with Granite Rock Company; Job Order Contract Roads & Bridges 2017-02 with Granite Construction Company; Job Order Contract Roads & Bridges 2017-03 with Newton Construction and Management Inc.; Job Order Contract Facilities 2017-01 with Newton Construction and Management Inc.; Job Order Contract Facilities 2017-02 with Ausonio Incorporated.

SUMMARY:

The recommended action allows for the issuance of three (3) Roads & Bridges JOC 2017 contracts and two (2) Facilities JOC 2017 contracts and approval of the Performance and Payment Bonds provided by the respective contractors. The contracts are for a term of one year from date signed by County or upon the payment by County to Contractor of the maximum amount payable under the agreement, whichever occurs earlier.

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. JOC provides 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).

On April 9, 2013, the Board of Supervisors (Board) approved an Agreement between the County of Monterey and The Gordian Group, Inc. to provide assistance to the County in developing a JOC system. On September 17, 2013, the Board adopted the Monterey County JOC Policy Guidelines which constitute the Board order approving Job Order Contracts pursuant to California Public Contract Code Section 20128.5. On August 29, 2017, the Board adopted the Monterey County 2017 JOC Construction Task Catalogs for the JOC 2017 contracts (2017 JOC Program) and authorized advertising for bids.

The JOC 2017 Projects were duly advertised and bids were opened on September 21, 2017. The lowest responsive and responsible bidder, determined by the award criteria figure, for JOC Roads & Bridges 2017-01 was Granite Rock Company; for JOC Roads & Bridges 2017-02 was Granite Construction Company; for JOC Roads & Bridges 2017-03 was Newton Construction; for JOC Facilities 2017-01 was Newton Construction.; for JOC Facilities 2017-02 was Ausonio Incorporated. No responsive and responsible bids were received for JOC Facilities 2017-03. Newton Construction and Ausonio Incorporated were the sole bidders for JOC Facilities 2017-03 and per the JOC Policy, only one (1) contract of either category may be awarded to any bidder. Each Contractor has certified to make a good faith effort to employ Monterey Bay Area residents on each Job Order proposal in compliance with Section 5.08.120 of the Monterey County Code. Each contractor has an office located within the Monterey Bay Area.

For the Roads & Bridges JOC 2017 and Facilities JOC 2017, Resource Management Agency-Public Works and Facilities (RMA-PW&F) recommends awarding three (3) Roads & Bridges contracts and two (2) Facilities contracts to allow RMA-PW&F the option to use the alternate contractors if a contractor is deemed nonresponsive or has poor performance as well as to enable parallel project work to be performed.

JOC 2017 contracts will be effective upon award and are for a term of one year from date signed by County or upon the payment by County to Contractor of the maximum amount payable under the agreement, whichever occurs earlier. County will not issue any new Job Orders after expiration of the contracts. Any Job Order authorized prior to the expiration of the Agreement must be completed within the time specified in the Job Order. In the event a scheduled completion for any Job Order extends beyond the term of the contract, the terms of the contract shall continue in effect and be applicable for such Job Orders.

The table below summarizes the number and costs of JOC projects per year since the inception of the Monterey County JOC program to date. A total of 278 JOC projects have been implemented since the inception of the program in 2013. All 2013, 2014 and 2015 JOC projects are now completed. Ten (10) JOC 2016 Facilities and seven (7) JOC Roads and Bridge projects have been completed to date.

	Cumulative Job Order Value to Date	Number of Projects
JOC ROADS & BRIDGE 2013	\$1,191,859.04	12
JOC FACILITIES 2013	\$1,813,660.63	27
JOC ROADS & BRIDGE 2014	\$2,837,971.45	36
JOC FACILITIES 2014	\$6,421,707.22	20
JOC FACILITIES 2015	\$9,025,672.32	40
JOC ROADS & BRIDGE 2015	\$5,768,702.05	42
JOC FACILITIES 2016	\$4,455,578.50	37
<u>JOC ROADS & BRIDGE 2016</u>	<u>\$9,112,422.57</u>	<u>64</u>
Grand Total	\$40,645,522.67	278

The 2016 JOC contracts will expire or will have reached, or are anticipated to reach, their Maximum Contract Value (MCV) at the time of issuance of the 2017 JOC contracts. RMA-PW&F plans to continue issuing job orders to enable the 2016 JOC contractors to attain their MCV to the extent practical. The JOC 2017 contracts awarded to each of the five (5) contractors pursuant to JOC, offer a minimum contract value of \$25,000 and maximum value of \$4.766 million. Contractors were required to provide performance and payment bonds in the amount of the Maximum Contract Value of \$4.766 million in order to provide for JOC efficiency, maintain control of contractor performance, as well as limit potential risk to the County.

Per the JOC Policy, any Job Order that exceeds \$1 million will be brought to the Capital Improvement Committee (CIC) prior to issuance of a notice to proceed. RMA-PWF 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.

Based on historical JOC Contract costs summarized above, staff anticipates that the two (2) JOC Facilities contracts and the three (3) JOC Roads and Bridges contracts will provide sufficient capacity to implement projects. If required, staff also has the option to use the Gordian Group’s ezIQC Cooperative Purchasing program which was authorized by the Board of Supervisors on March 28, 2017. The ezIQC program is yet another tool in the JOC procurement toolbox for expediting straightforward construction projects. The Gordian Group’s ezIQC program was launched in 2009 and rolled out nationwide in 2010, under the National Joint Powers Alliance (NJPA), to which the County of Monterey is a participating agency. As a participating agency, the County of Monterey can sign onto participation agreements that were previously created after a bidding process. This allows the County to remain compliant with bidding laws and regulations, while signing onto agreements that benefit the County.

OTHER AGENCY INVOLVEMENT:

RMA-PWF coordinated preparation of the JOC Project Specifications, including the standard agreement language with Contracts/Purchasing, the Office of the County Counsel, the Auditor-Controller's Office, and the Risk Management Division of the Office of the County Counsel. The Office of the County Counsel and the County Administrative Office Contracts/Purchasing Division attended the bid opening and reviewed all bids for conformance with applicable regulations. RMA-PW&F 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.

FINANCING:

If approved, the 2017 JOC Program would provide for individual Job Order Contracts, with a cap of up to \$4,766,357 per contract, for a cumulative total of \$23,831,785 under the JOC program - three (3) for Roads & Bridges and two (2) for Facilities. Funding for JOC projects, including applicable Gordian Group fees, is contained within the adopted FY 2017-18 budget allocations for various funds; Fund 401 - Facilities Maintenance Projects, 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: Donald D. Searle, Deputy Director of Public Works & Facilities
Approved by: Carl P. Holm, AICP, RMA Director

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

Attachment A - Bid Summaries

Attachment B - JOC R& B 2017-01 Granite Rock Agreement Packet

Attachment C - JOC R& B 2017-02 Granite Construction Company Agreement Packet

Attachment D - JOC R& B 2017-03 Newton Construction Agreement Packet

Attachment E - JOC FAC 2017-01 Newton Construction Agreement Packet

Attachment F - JOC FAC 2016-02 Ausonio Incorporated Agreement Packet

Attachment G - JOC R& B 2017-01 Granite Rock Bonds

Attachment H - JOC R& B 2017-02 Granite Construction Company Bonds

Attachment I - JOC R& B 2017-03 Newton Construction Bonds

Attachment J - JOC FAC 2017-01 Newton Construction Bonds

Attachment K - JOC FAC 2017-02 Ausonio Incorporated Inc. Bonds