



Monterey County

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Board Report

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Approve a Surety Rider to the Staples Construction Company, Inc.'s Payment and Performance Bond to change the bond amount from Two Million Dollars to Four Million Five Hundred Ninety Thousand Three Hundred Forty Dollars to allow the contractor to access the \$4,590,340 Job Order 2015 Contract Agreement A-219184 cap.

RECOMMENDATION:

It is recommended that the Board of Supervisors approve a Surety Rider to the Staples Construction Company, Inc.'s Payment and Performance Bond to change the bond amount from Two Million Dollars to Four Million Five Hundred Ninety Thousand Three Hundred Forty Dollars to allow the contractor to access the \$4,590,340 Job Order 2015 Contract Agreement A-219184 cap.

SUMMARY/DISCUSSION:

On November 3, 2015, the Board of Supervisors awarded Staples Construction Company, Inc. (Staples) JOC Agreement A-12984 and approved the contractor's Performance and Payment Bonds of \$2 Million. Following review and consideration by the Capital Improvement Committee (CIC), the RMA plans to issue to Staples a job order exceeding \$2 Million for the Jail Security Improvements Project (Project). This job order would exceed the limits of the \$2 Million bond currently in place. In order to issue this and additional job orders to Staples, it is necessary to approve the Surety Rider to their Performance and Payment Bonds at the full contract amount of \$4,590,340.

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, commonly referred to as Job Order Contracting (JOC). Use of this alternative procurement method is consistent with the Board of Supervisors' strategic initiatives of providing efficient, effective resource management and adequate County facilities and infrastructure. JOC enhances the County's ability to maintain and sustain County facilities and infrastructure by offering a viable and economical means of completing many public works projects, including urgent and time-sensitive projects, which results in an improved quality of life for County residents.

The proposed action will support the County's Strategic Initiatives Infrastructure Key Objective No. 3 that states, "Provide for adequate County facilities and infrastructure" and Strategic Initiatives Administration Key Objective No. 3 that states, "Foster innovation in order to improve efficiency and effectiveness of County services."

OTHER AGENCY INVOLVEMENT:

The Office of the County Counsel and Auditor-Controller have reviewed and approved the

Surety Rider and JOC Agreement as to form and legality, and fiscal provisions, respectively. The CIC was apprised of the need to increase the Performance and Payment Bonds of Staples on May 16, 2016.

FINANCING:

There is no additional impact to the General Fund. Costs associated with funding various JOC projects would be contained within the approved budget allocations of the individual departments utilizing JOC. For the RMA, funding is either within the approved budget allocations for a specific operating unit or contained within the board-approved project budget within Fund 401-Facilities Maintenance Projects; Fund 402-Capital Projects; or Fund 404-Facility Master Plan Projects. One project proposed to be accomplished utilizing JOC, the Fund 402 Jail Security Improvements Phase 3-Video Surveillance System, is estimated at \$2.4 Million.

Prepared by: Dave Pratt, Project Manager (831)796-6091

Approved by: Benny J. Young, RMA Interim Director of Public Works and Facilities

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

Dated: May 9, 2016

Attachments: Surety Rider for Payment and Performance Bonds #106365221-Staples Construction Company, Inc.; Staples 2015 JOC Contract Agreement A-29184; 11/3/15 Referenced Board Order