



Monterey County

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Board Report

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- a. Adopt the Natividad Medical Center (NMC) 2018 Job Order Contracting (JOC) Construction Task Catalog, Technical Specifications and Project Manuals for JOC 2018, Project No. JOC Bid No. NMC 2018-01, Bid No. NMC 2018-02, and NMC 2018-03; and
- b. Authorize advertising the "Notice to Contractors" in a newspaper of general circulation.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Adopt the Natividad Medical Center (NMC) 2018 Job Order Contracting (JOC) Construction Task Catalog, Technical Specifications and Project Manuals for JOC 2018, Project No. JOC Bid No. NMC 2018-01, Bid No. NMC 2018-02, and NMC 2018-03; and
- b. Authorize advertising the "Notice to Contractors" in a newspaper of general circulation.

SUMMARY/DISCUSSION:

California Public Contract Code (PPC) 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. Job order contracting improves economy and efficiency in completing many public improvement projects, including urgent and time sensitive projects.

In April 2013, the Board of Supervisors (Board) approved an Agreement between the County of Monterey (County) and The Gordian Group, Inc. to provide the County with a JOC System. The Gordian Group job order contracting system uses an extensive catalog of construction tasks and associated technical specifications containing over 260,000 individual items specifically designed for Monterey County. Per PCC Section 20128.5, the Board may award individual annual contracts which shall not exceed the statutory maximum contract value. Per PCC Section 20128.5, each awarded contract has a maximum contract value (MxCV) that is adjusted annually to reflect the percentage change in the California Consumer Price Index (CPI), for repair, remodeling, or other repetitive work to be done according to unit prices. The percentage change in the CPI is calculated and provided by the Department of Industrial Relations (DIR). Per DIR's annual determination, the MxCV for JOC contracts was increased by 2.9 percent, from \$4,766,357 in 2017 to \$4,904,581 in 2018. County JOC specifications provide for a one (1) year term with \$25,000 worth of work guaranteed for each individual contract.

County JOC specifications require Contractors to provide a letter from a bonding company stating their ability to obtain Payment and Performance Bonds for the MxCV. This year for NMC bids, staff recommends that Monterey County require the successful bidder to furnish an initial payment bond and a performance bond for approximately fifty percent (50%) of the MxCV, each in the amount of \$2,500,000. If the aggregate Job Orders issued under any of the awarded Facilities Contracts exceed \$2,500,000, an increase in the Payment and Performance bonds for the corresponding Facilities Contract

will be required in an amount not less than one hundred percent (100%) of the MxCV of \$4,904,581. The lower initial bonding requirement for NMC Contracts is recommended 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.

With the amount of capital projects slated for fiscal year (FY) 2018-19, it is recommended by the Gordian Group to advertise three (3) separate Job Order Contracts. Each contract would be awarded to three (3) separate contractors allowing NMC the option to use the alternate contractor if one of the contractors is deemed nonresponsive or has poor performance. Any Job Order that would exceed \$1 million will be brought to the Capital Improvement Committee (CIC) prior to issuing the Notice to Proceed. The contracts will apply to eligible projects during FY 2018-19. The JOC contract will not exceed beyond a twelve (12) month contract for issuing of job orders. Any capital and/or facilities maintenance repair project that enters into FY 2019-20 will be budgeted after final approval by the Board.

OTHER AGENCY INVOLVEMENT:

County Counsel has reviewed and approved this Agreement as to legal form and risk provisions. Auditor-Controller has reviewed and approved this Agreement as to fiscal provisions. This report has been supported by NMC's Finance Committee on October 24, 2018 and Board of Trustees on November 2, 2018.

FINANCING:

The 2018 JOC Program would provide for three (3) individual NMC Job Order Contracts with a cap of \$4,904,581 for a total of \$14,713,743. Expenditures will be within and not exceed the FY 2018-19 and future FY proposed capital budgets approval by the Board of Supervisors.

Funding for the projects will come from NMC's Capital Reserve Fund. 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 JOC program helps with providing efficient and effective hospital operations by allowing improved processing for smaller and more urgent projects. 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.

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

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Approved by: Andrea Rosenberg, NMC Assistant Administrator, Operations & Support Services, 783.2562

Attachments: Natividad Medical Center 2018 Project Manual; Natividad Medical Center 2018 Construction Task Catalogs; Natividad Medical Center 2018 Technical Specifications; Notice to Contractors

(Attachments on file with the Clerk of the Board)