



County of Monterey

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

Board Report

File #: 13-1079, Version: 1

- a. Award JOC Natividad Medical Center 2013-01 contract to Ausonio Incorporated, the lowest responsible and responsive bidder for Natividad Medical Center Project JOC, with a bid award criteria figure of 1.2553, for a term of one year, with a minimum contract value of \$25,000 and maximum contract value of \$4.43 Million;
- b. Award JOC Natividad Medical Center 2013-02 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 1.3090, for a term of one year, with a minimum contract value of \$25,000 and maximum contract value of \$4.43 Million;
- c. Approve the Performance and Payment Bonds executed and provided by Ausonio Incorporated, Inc. in the amount of \$2 Million;
- d. Approve the Performance and Payment Bonds executed and provided by California Plus Engineering Incorporated, Inc. in the amount of \$2 Million

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Award JOC Natividad Medical Center 2013-01 contract to Ausonio Incorporated, the lowest responsible and responsive bidder for Natividad Medical Center Project JOC, with a bid award criteria figure of 1.2553, for a term of one year, with a minimum contract value of \$25,000 and maximum contract value of \$4.43 Million;
- b. Award JOC Natividad Medical Center 2013-02 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 1.3090, for a term of one year, with a minimum contract value of \$25,000 and maximum contract value of \$4.43 Million;
- c. Approve the Performance and Payment Bonds executed and provided by Ausonio Incorporated, in the amount of \$2 Million;
- d. Approve the Performance and Payment Bonds executed and provided by California Plus Engineering Incorporated, Inc. in the amount of \$2 Million

SUMMARY:

The recommended actions will allow for the issuance of two one-year term Natividad Medical Center Job Order Contract contracts and approve the Performance and Payment Bonds executed and provided by the two 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 August 27, 2013, the Board 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 2013-01 and 2013-02. 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.

The JOC Projects were duly advertised and bids were opened on September 26, 2013. The lowest responsive and responsible bidder, determined by the award criteria figure, for JOC Natividad Medical Center 2013-01 was Ausonio Incorporated and for JOC Natividad Medical Center 2013-02, California Plus. 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 two separate contractors to allow the Department the option to use the alternate contractor 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 two 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 and California Plus pursuant to JOC each offer a minimum contract value of \$25,000 and maximum of \$4.43 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

FINANCING:

Prepared by: Andrea Rosenberg, Assistant Administrator, 783-2562

Approved by: Harry Weis, Chief Executive Officer, 783-2553

Attachments: Bid Summaries; Agreements; Bonds

Attachments on File with the Clerk of the Board