



County of Monterey

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

Board Report

File #: 14-502, **Version:** 1

- a. Overrule and reject bid protest and award an agreement in the total amount of \$3,412,000 to Geney/ Gassiot Inc. the lowest responsible and responsive base bidder, for Natividad Medical Center Project #9600-18 - Building 400 Third Floor Tenant Improvement, Bid #NMC-1011; and
- b. Approve the Performance and Payment Bonds executed and provided by Geney/ Gassiot Inc.; and
- c. Authorize a contingency (not to exceed 10% of the contract amount) to provide funding for approved contract change order; and
- d. Authorize the Purchasing Manager at NMC to execute the contract and subject to the terms of the Public Contract Code, approve change order to the contract that do not exceed 10% of the original contract amount, and do not significantly change the scope of work.

(ADDED VIA ADDENDUM)

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Overrule and reject bid protest and award an agreement in the total amount of \$3,412,000 to Geney/ Gassiot Inc. the lowest responsible and responsive base bidder, for Natividad Medical Center Project #9600-18 - Building 400 Third Floor Tenant Improvement, Bid #NMC-1011; and
- b. Approve the Performance and Payment Bonds executed and provided by Geney/ Gassiot Inc.; and
- c. Authorize a contingency (not to exceed 10% of the contract amount) to provide funding for approved contract change order; and
- d. Authorize the Purchasing Manager at NMC to execute the contract and subject to the terms of the Public Contract Code, approve change order to the contract that do not exceed 10% of the original contract amount, and do not significantly change the scope of work.

SUMMARY/DISCUSSION:

Natividad Medical Center (NMC) has been working collaboratively with the Monterey County Health Department to design and develop all of the space on the third floor of Building 400 (Medical Office Building) to be used as primary care clinic space managed and operated by the Monterey County Health Department. The space consists of 7,500 square feet of shell space and 10,500 square feet of recently vacated office space. In order for construction to begin, the current occupants (NMC Information Technology, Nursing Education, Hospital Training, and Interpretive Services) relocated to the new modular buildings behind the hospital. These relocations vacated the third floor Building 400, and will allow us to start the tenant improvements for the new Family Medicine primary care clinic. The build out of this space is critical for NMC to achieve its Delivery System Reform Incentive Pool (DSRIP) milestone of increasing its number of Family Medicine residents. The clinic space on the campus must expand to accommodate the increase of Family Medicine residents.

The bids were opened and publicly read aloud on December 5, 2013 by the Contracts/Purchasing Agent in the Clerk of the Board's Conference Room 1032, Monterey County Administration Building, 168 West Alisal St., FL1, Salinas, CA. The bids were received per the posted announcements on the bid board. The low bid came in at \$3,380,000 (Geney/ Gassiot). One week later on December 12, 2013 a bid protest was received from Ausonio protesting the bid that came in from Geney/ Gassiot.

The listed items in Ausonio's protest letter were reviewed and on December 16, 2013, NMC sent a letter to Geney/ Gassiot notifying them of the protest. The rebuttal of the protest by Ausonio was received from Geney/ Gassiot on December 18, 2013 and their answers to the protest were reviewed by NMC and County Counsel. After this review it was determined that the bid by Geney/ Gassiot was valid and well within the requirements of the public bidding laws. A response letter was sent from NMC to Ausonio on January 10, 2014 stating that their protest was without merit. On January 14, 2014 Ausonio sent in another protest letter stating the same issues as the first protest letter from December further embellishing the same arguments. This protest was once again reviewed, re-addressed with Geney/ Gassiot and at this time a second rebuttal letter was received from Geney/ Gassiot on January 23, 2014. This rebuttal was reviewed with NMC and County Counsel, and we came to the same conclusion that Geney/ Gassiot bid was valid. A final response letter was sent to Ausonio on January 27, 2014 stating that the conclusions that were reached in this review are that the bid by Geney/ Gassiot is valid and their protest is without merit.

With the final closure of the bid protest NMC requests authorization from the Board of Supervisors to award the Building 400 - Third floor Tenant Improvement Project No.9600-18 to Geney/ Gassiot, Inc. with a base bid of \$3,380,000. NMC is accepting the add alternate (LED Lighting) of \$32,000 with a total construction cost of \$3,412,000. Project expenditures for Architectural and Engineering services is \$564,529 added to total construction cost of \$3,412,000 with a total expenditure of \$3,941,979 (including the 10% construction contingency). The anticipated schedule of construction is 120 working days.

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.

The Agreement has also been reviewed and approved by Natividad Medical Center's Finance Committee on February 27, 2014 and the Board of Trustees on March 10, 2014. The Capital Improvement Committee supported the Agreement on April 7, 2014. The CAO-Budget and Analysis Division has advised to inform the BOS the spending authority (appropriations) associated with NMC's FY 2014 Adopted Budget has been exceeded and approval and authorization for modification of NMC's appropriation budget should be presented to the BOS. Since NMC is an Enterprise Fund, this does not prevent continued expenditures and is not a legal requirement, but it is considered good public policy, transparency and fiscal management.

FINANCING:

The total agreement cost of \$3,412,000 for construction, and \$341,200 for the 10% contingency, is \$3,753,200 which is included within the Fiscal Year 2013/2014 Adopted Capital Budget. Project costs for Architectural and Engineering services total \$564,529. A total construction cost with a 10% contingency is \$3,753,200. Total project expenditures are \$4,317,729. Natividad Medical Center's capital budget for Building 400 Third Floor Tenant Improvement and Construction is \$4,235,957 and is approved in the Fiscal Year 2013/2014 Capital Budget #B13-2013-XX68. Natividad Medical Center would then proceed to augment for any capital shortfalls from Building Construction Contingency Capital Budget # B14-2014-XX50. There is no impact to the General Fund. NMC is confirming its appropriations position and if its spending authority has been exceeded will return to the Board.

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

Approved by: Harry Weis, Chief Executive Officer, 783.2553

Attachments: Agreement,

(Attachments on files with the Clerk of the Board)