



County of Monterey

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

Board Report

File #: A 23-305, **Version:** 2

- a. Award Job Order Contracts (JOC) for use by Natividad Medical Center (NMC) with a term of one year from the date signed by NMC, with a minimum contract value of \$25,000 and maximum contract value of \$5,797,725 to the lowest responsive bidders as follows: NMC 2023-01; Staples Construction; and NMC 2023-02 and Ausonio Incorporated.
- b. Approve the Performance and Payment Bonds executed and provided by Staples Construction and Ausonio Incorporated in the amount of \$5,797,725 each.
- c. Authorize the Chief Executive Officer (CEO) of Natividad Medical Center to execute Job Order Contracts for use by Natividad Medical Center 2023-01 with Staples Construction and 2023-02 with Ausonio Incorporated.

RECOMMENDATION:

It is recommended the Board of Supervisors:

- a. Award Job Order Contracts (JOC) for use by Natividad Medical Center (NMC) with a term of one year from the date signed by NMC, with a minimum contract value of \$25,000 and maximum contract value of \$5,797,725, to the lowest responsive bidders as follows: NMC 2023-01; Staples Construction; and NMC 2023-02 and Ausonio Incorporated.
- b. Approve the Performance and Payment Bonds executed and provided by Staples Construction and Ausonio Incorporated in the amount of \$5,797,725 each.
- c. Authorize the Chief Executive Officer (CEO) of Natividad Medical Center to execute Job Order Contracts for use by Natividad Medical Center 2023-01 with Staples Construction and 2023-02 with Ausonio Incorporated.

SUMMARY/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).

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. On April 25, 2023, the Board of Supervisors 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 2023-01, and 2023-02.

The most current annual NMC JOC Projects were advertised, and bids were opened on May 25, 2023. The lowest responsive and responsible bidder is determined by the award criteria figure. The lowest responsive bidders were Staples Construction and Ausonio Incorporated.

Each contractor has represented that its workforce consists primarily of Monterey Bay Area residents or 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. Additionally, each contractor has an office located within Monterey County.

In conjunction with NMC staff, the Gordian Group serves as JOC program administrators under an amended GPO contract through Sourcewell as approved by the Board of Supervisors last on September 29, 2020.

For the Natividad Medical Center JOC projects, Natividad Medical Center recommends awarding contracts to two separate contractors to allow the Department the option to use the alternate contractor if the other contractor is deemed nonresponsive or has poor performance and to have work performed concurrently. Currently, Natividad Medical Center requests two JOC contract awards.

All two of these JOC contracts will be signed and therefore effective upon the first JOC project's initiation, and from that point, the two JOC contracts for 2023-24 shall be in effect for a one (1) year period from the date when NMC signs the two contracts. However, if during the one (1) year contract period, payments by County to Contractor reach the maximum amount payable, all contracts shall terminate. The County will not issue any new Job Order Projects under these contracts after the one (1) year term expires and will likely issue a new JOC bid package for new contracts for 2024-2025. Any Job Order authorized prior to the expiration of these two contracts must be completed within the time specified in the individual project Job Order documents. In the event a scheduled completion for any Job Order extends beyond the term of the contract, the term of the associated contract shall continue in effect and be applicable for such Job Orders until that JOB order has been completed to the satisfaction of NMC.

Due to the potential project scopes and project range, contractors were each required to provide performance and payment bonds in the amount of \$5,797,725 to provide for JOC efficiency, maintaining control of contractor performance, as well as limiting potential risk to the County.

Any Job Order that exceeds \$1,000,000 will be brought to the Capital Improvement Committee (CIC) prior to the issuance of a notice to proceed. Natividad Medical Center will provide 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:

The Office of County Counsel has reviewed and approved this agreement as to form, and the Auditor-Controller has reviewed and approved payment provisions.

FINANCING:

Job Order Contract expenditures will be within and not exceed the FY 2023-24 approved capital projects and operational budgets. The future fiscal year capital and operational budgets will be appropriately budgeted and approved by the Board of Supervisors prior to proceeding with expenditures. The agreement is for two

individual Job Order Contracts for \$5,797,725 for a total maximum amount of \$11,595,450. 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. There is no impact to the general fund.

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. The provision of adequate County facilities and infrastructure enhances the quality of life for County residents, patients, and visitors at Natividad.

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

Prepared by: Brian Griffin, Project Manager, (831) 783-2605

Approved by: Charles R. Harris, Chief Executive Officer, 783-2504

Attachments:

Staples Construction contract, which includes Performance and Payment Bonds

Ausonio Incorporated contract, which includes Performance and Payment Bonds

Attachments on file with the Clerk of the Board