



County of Monterey

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

Board Report

File #: A 21-153, **Version:** 1

- 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 \$5,098,418, to the lowest responsive bidders as follows: NMC 2021-01; Staples Construction Company, Inc.; and NMC 2021-02 Ausonio Incorporated; and NMC 2021-03 Gustav Keoni dba Precision Construction Services.
- b. Approve the Performance and Payment Bonds executed and provided by Staples Construction Company Inc., Ausonio Incorporated, and Gustav Keoni dba Precision Construction Services in the amount of \$2,000,000 each;
- c. Authorize the Chief Executive Officer (CEO) of Natividad Medical Center to execute Job Order Contracts for use by Natividad Medical Center 2021-01 with Staples Construction Company, Inc., 2021-02 with Ausonio Incorporated, and 2021-03 with Gustav Keoni dba Precision Construction Services.

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 \$5,098,418, to the lowest responsive bidders as follows: NMC 2021-01; Staples Construction Company, Inc.; and NMC 2021-02 Ausonio Incorporated; and NMC 2021-03 Gustav Keoni dba Precision Construction Services.
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- c. Authorize the Chief Executive Officer (CEO) of Natividad Medical Center to execute Job Order Contracts for use by Natividad Medical Center 2021-01 with Staples Construction Company, Inc., 2021-02 with Ausonio Incorporated, and 2021-03 with Gustav Keoni dba Precision Construction Services.

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 December 8, 2020, 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 2021-01, 2021-02 and 2021-3.

The most current annual NMC JOC Projects were advertised and bids were opened on January 28, 2021. The lowest responsive and responsible bidder is determined by the award criteria figure. The lowest responsive bidders were Staples Construction Company Ausonio Incorporated, Inc., and Gustav Keoni dba Precision Construction Services.

Each Contractor has represented that its workforce consists of primarily 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. 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 three 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 also to have work performed concurrently. At this time, Natividad Medical Center requests three JOC contract awards.

All three of these JOC contracts will be signed and therefore effective upon the first JOC project's initiation and from that point the three JOC contracts for 2021-22 shall be in effect for a one (1) year period from the date when NMC signs the three 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 2022-2023. Any Job Order authorized prior to the expiration of these three 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 \$2,000,000 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 \$2,000,000 are anticipated, NMC 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 \$1,000,000 will be brought to the Capital Improvement Committee (CIC) prior to 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 as to payment provisions. The agreement has also been reviewed and approved by NMC's Finance Committee on and by its Board of Trustees on March 12, 2021

FINANCING:

Job Order Contract expenditures will be within and not exceed the FY 2020-21 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 three individual Job Order Contract for \$2,000,000 for an initial total of \$6,000,000 with an option to extend each contract to a cap of \$5,098,418 with a potential total maximum amount of \$15,295,254. 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. Provision of adequate County facilities and infrastructure improves the quality of life for County residents, patients, and visitors at Natividad.

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

Prepared by: Brian Griffin, Project Manager. (831) 783-2605
Approved by: Gary R. Gray, DO, Chief Executive Officer, 783-2553

Attachments:
Staples Construction Company, Inc. contract which includes Performance and Payment Bonds
Ausonio Incorporated contract which includes Performance and Payment Bonds
Gustav Keoni dba Precision Construction Services contract which includes Performance and Payment Bonds

Attachments on file with the Clerk of the Board