



# County of Monterey

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

## Board Report

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**File #: A 15-054, Version: 1**

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- a. Authorize the Deputy Purchasing Agent for Natividad Medical Center (NMC) to execute Renewal and Amendment No. 1 to the NMC Master Agreements (A-12187) with JKL Construction, Origin Solutions, Ausonio, Inc., and Integrated Construction Management for Construction Management Services whereby the construction management fees do not exceed \$100,000 per project at NMC per RFP 9600-24, retroactive to January 1, 2014 and extending the Agreement an additional two (2) year period for a revised term of February 1, 2012 through and including December 31, 2015; and
- b. Authorize the Deputy Purchasing Agent for Natividad Medical Center (NMC) to execute amendments to extend the Agreements one additional two (2) year extension as per the Agreement provided there is no significant change to the scope of work; and
- c. Authorize the Deputy Purchasing Agent for Natividad Medical Center (NMC) to establish a total obligation for all project contracts combined not to exceed \$600,000 per calendar year effective January 1, 2014 through until the Agreement expires and all projects started during the active Agreement term have been completed, whereby the construction management fees do not exceed \$100,000 per project at NMC per RFP 9600-24, for an aggregate total of up to \$3,000,000 should the County opt to utilize the services for the full seventy one (71) month term.

### RECOMMENDATION:

#### **It is recommended the Board of Supervisors:**

- a. Authorize the Deputy Purchasing Agent for Natividad Medical Center (NMC) to execute Renewal and Amendment No. 1 to the NMC Master Agreements (A-12187) with JKL Construction, Origin Solutions, Ausonio, Inc., and Integrated Construction Management for Construction Management Services whereby the construction management fees do not exceed \$100,000 per project at NMC per RFP 9600-24, retroactive to January 1, 2014 and extending the Agreement an additional two (2) year period for a revised term of February 1, 2012 through and including December 31, 2015; and
- b. Authorize the Deputy Purchasing Agent for Natividad Medical Center (NMC) to execute amendments to extend the Agreements one additional two (2) year extension as per the Agreement provided there is no significant change to the scope of work; and
- c. Authorize the Deputy Purchasing Agent for Natividad Medical Center (NMC) to establish a total obligation for all project contracts combined not to exceed \$600,000 per calendar year effective January 1, 2014 through until the Agreement expires and all projects started during the active Agreement term have been completed, whereby the construction management fees do not exceed \$100,000 per project at NMC per RFP 9600-24, for an aggregate total of up to \$3,000,000 should the County opt to utilize the services for the full seventy one (71) month term.

### SUMMARY/DISCUSSION:

NMC entered into four Master Agreements for Construction Management services back in February 2012 after issuing RFP 9600-24. NMC received ten proposals from construction management firms. On August 2, 2011 four qualified construction management firms received the highest ranking from the NMC Selection Committee and, in conformance with State laws regarding qualification-based selection, were awarded master agreements to provide Construction Management Services at Natividad Medical Center. The four firms were as follows:

1. JKL Construction Services
2. Integrated Construction Management
3. Ausonio Inc.
4. Origin Solutions

When NMC presented the board report to the Board of Supervisors back on March 13, 2012 asking for authority to execute the four agreements, NMC also included a request to authorize an aggregate not to exceed amount of \$400,000 per year for all agreements through January 31, 2015. This request was inconsistent with the term expiration dates stated in the agreements. The agreements actually expired on December 31, 2013 (initial term February 1, 2012 through December 31, 2013). Unfortunately, NMC and all four Contractors have been operating under the assumption that the terms of the agreements were good through January 31, 2015, and NMC has only recently discovered its error. Therefore, as a result, NMC needs to make these Renewal and Amendment No. 3 documents retroactive to January 1, 2014 in order to cover services rendered since that time.

NMC is requesting a two year extension to the term of the agreements at this time per the conditions stated in the agreements which allow the agreements to be extended for two additional two year periods. Because the agreements did expire back on December 31, 2013 a two year extension (retroactive to January 1, 2014) will set the new expiration dates to December 31, 2015 with a remaining option to extend the Agreements for a final two year period.

These NMC Master Agreements allow NMC to utilize professional, qualified resources to complete building improvement projects but are no guarantee of a project however.

Services may include the following but are not limited to:

**Construction Management including but not limited to the following types of projects:**

- Healthcare Facilities Construction
- New Building Construction
- Building Renovation
- Building Rehabilitation
- Tenant Improvements
- Site Work
- Infrastructure
- General Engineering
- Conceptual Estimating

The original aggregate total annual spending limit for all Construction Management Agreements requested by NMC and approved by the Board was \$400,000 per year. At this time NMC is requesting to increase the aggregate spending limit to \$600,000 per year retroactive back to the start of this fiscal year on July 1, 2014 due to high demand for these services. For clarification this aggregate spending limit is not stated within the individual Agreements themselves, it is set within the Board Order and is effective per approval by the Board of Supervisors.

**OTHER AGENCY INVOLVEMENT:**

County Counsel has reviewed and approved this Renewal and Amendment No. 1 as to legal form and risk provisions, and the Auditor-Controller has reviewed and approved as to payment provisions. The Renewal and Amendment No. 1 has also been reviewed and approved by NMC's Finance Committee on 1/22/15 and by its Board of Trustees on 2/6/15.

**FINANCING:**

The cost for Renewal and Amendment No. 1 for all four Master Agreements shall not exceed \$600,000 annually. \$600,000 is included in the Fiscal Year 2014-15 Adopted Budget and amounts for remaining years of the Master Agreements will be included in those budgets as appropriate. There is no impact to the General Fund.

Prepared by: Andrea Rosenberg, Asst. Administrator Operations & Support Services, 783-2562

Approved by: Gary R. Gray, DO, Interim Chief Executive Officer, 783-2504

**Attachments:**

Renewal and Amendment No. 1 to Agreement with JKL Construction

Renewal and Amendment No. 1 to Agreement with JKL Construction

Renewal and Amendment No. 1 to Agreement with Origin Solutions

Renewal and Amendment No. 1 to Agreement with Ausonio, Inc.

Renewal and Amendment No. 1 to Agreement with Integrated Construction Management

Original Board Order Authorizing NMC to Execute Agreements for Construction Management

Original Agreement with JKL Construction

Original Agreement with Origin Solutions

Original Agreement with Ausonio, Inc.

Original Agreement with Integrated Construction Management

Spend Sheet

Attachments on file with the Clerk of the Board