



County of Monterey

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

Board Report

File #: 16-160, **Version:** 1

Approve the Surety Rider to the Performance and Payment Bonds executed and provided by Pueblo Construction, Inc. in the amount of \$4,590,340.

RECOMMENDATION:

It is recommended that the Board of Supervisors approve the Surety Rider to the Performance and Payment Bond executed and provided by Pueblo Construction, Inc. and The Ohio Casualty Insurance Company in the amount of \$4,590,340.

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 November 3, 2015, the Board of Supervisors awarded Pueblo Construction, Inc. (Contractor) a JOC agreement and approved Contractor's Performance and Payment Bond No. 024059071, effective September 30, 2015, in the amount of \$2 million. At this time, Contractor's accumulative Job Orders are approaching the approved \$2 million bond limit. In order to continue to issue additional Job Orders to Pueblo Construction, Inc., it is necessary to approve the Surety Rider to the Contractor's Performance and Payment Bond to change the Contract Amount from \$2 million to the full contract amount of \$4,590,340.

OTHER AGENCY INVOLVEMENT:

The Office of the County Counsel has reviewed and approved the Surety Rider as to form. JOC Agreements are approved annually. Contractor's JOC Agreement was previously approved as to form by the Office of the County Counsel. The Auditor-Controller has reviewed and approved the Contractor's JOC Agreement as to fiscal provisions.

FINANCING:

Performance and Payment Bonds are required for each individual Job Order Contract with a cap of \$4,590,340. Expenditures will be within and not exceed Fiscal Years 2015 and 2016 Adopted Budgets. There is no impact to the General Fund.

Approved by:

Approved by:

Donald Searle
Architectural Services Manager

Dewayne Woods
Assistant County Administrative Officer

Prepared by: Judy Jeska, Project Manager III (831)755-8964

Attachment: Surety Rider to Contractor's Payment and Performance Bond No. 024059071 with Surety's Power of Attorney (1)