



County of Monterey

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

Board Report

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Receive a Quarterly Report on Job Order Contracting from the Resource Management Agency-Public Works and Facilities for the period ending September 30, 2018.

RECOMMENDATION:

It is recommended that the Capital Improvement Committee receive a Quarterly Report on Job Order Contracting from the Resource Management Agency-Public Works and Facilities for the period ending September 30, 2018.

SUMMARY:

The Capital Improvement Committee (CIC) requested to receive quarterly reports on the Job Order Contracting (JOC) program managed by the Resource Management Agency (RMA). This quarterly report does not include information of JOC Programs managed by other agencies (e.g. NMC). During this reporting period, RMA managed 60 projects under 11 contracts:

- Six (6) 2016 JOC Contracts awarded on November 15, 2016 resulted in 116 projects totaling \$14,554,808. Attachment A tracks seventeen (17) projects under construction issued through the 2016 JOC Contracts.
- Five (5) 2017 JOC Contracts awarded November 7, 2017 resulted in 64 projects totaling \$10,635,738. Attachment B tracks forty-three (43) projects under construction issued during this reporting period through the 2017 JOC Contracts.

During the reporting period of July 1, 2018 through September 30, 2018 RMA accomplished the following:

- 2016 JOC Contracts. Twelve (12) projects completed, no new job orders were issued.
- 2017 JOC contract. Thirteen (13) projects completed and sixteen (16) new projects started.

RMA has been able to implement a higher volume of projects using The Gordian Group (TGG) project management services. While JOC can be more efficient for timing, we are experiencing that JOC projects may cost more due to administrative costs (JOC + County). RMA is assessing where there is the best cost/benefit threshold for projects using JOC versus going out to bid.

Overall, project job orders completed via the JOC procurement process continue to exceed the County's Monterey Bay Area Local Employment goal. During this reporting period, all the completed project job orders (25 out of 25) achieved a local employment goal of 50% or better. Cumulatively, the average local employment percentage during this reporting period was 83% (50 out of 60).

DISCUSSION:

For all the active and completed projects this quarter, Attachments A, and B summarize project information such as Job Order Value, Gordian Group fees, project status, project funding, and Local Employment compliance status. Attachment C summarizes applicable Gordian Group fees for JOC projects during this reporting period. Attachment D provides a summary of maximum JOC contract values for the 2016 and 2017 JOC Contracts, the total job order values to date and the remaining contract values. The Gordian services have helped expedite the amount of time it takes to get work under contract. Under the JOC 2016 and JOC 2017 contracts, procurement time has ranged from (0) days for emergency job orders to (208) days for a project that

was placed on hold pending funding allocation. On average, Job Orders take two to four weeks to procure from the time a Request for Proposal is issued to the time a Notice to Proceed is issued to the JOC contractor. The traditional bidding process for works of public improvement take three months to six months and requires board approval of plans and specifications, an advertising period, and board approval to award a contract.

Attachment E provides contractor evaluations for all JOC projects completed during the quarter ending September 30, 2018. Evaluations are a decision-making tool to determine a contractor's suitability for future JOC projects. During this reporting period, the contractor performance rating ranged from 70% to 99% with an average percentage score of as 91%. All twenty-five (25) contractors achieved a performance score above 60%. Twenty-five (25) of the twenty-five (25) completed project job order contracts achieved the County's 50% Monterey Bay Area Local Employment goal.

The Five-Year Capital Improvement Plan (CIP) is adopted yearly and tracks allocation of resources for projects with budgets over \$100,000. Projects under \$100,000 and emergency projects are not included in the Five-Year CIP. Projects implemented through the JOC Program include projects listed in the adopted Five-Year CIP; smaller maintenance and repair projects that are not specifically listed in the CIP but funded through established Unscheduled Maintenance Project budget or funded with outside Department funding; emergency projects that have secured funding; and new projects with secured funding for which Departments have sought Board approval to implement.

OTHER AGENCY INVOLVEMENT:

RMA-Public Works coordinates the preparation of Job Orders with RMA Finance and the Auditor-Controller.

FINANCING:

Funding for JOC projects is contained either within the approved budget allocations of: Fund 401 - Facilities Maintenance Projects; Funds 402/404 - Capital Projects; Fund 002 - Road Fund; the respective funds established for individual County Service Areas or County Sanitation Districts, or the individual department authorizing the project. Funding Sources for each JOC project are listed in Attachments A, B, and C. The Gordian Group (TGG) fee is a 5% License Fee of each JOC project total value and is payable by the County upon issuance of a Job Order to the JOC Contractor. TGG offers project management services for job orders as requested by the County for a set fee of 5.95% of the job order total value.

For all the active and completed projects during the period of July 1 to September 30, 2018, Gordian License Fee and project management fees totaled \$725,980 or an overall average of 7% of the total construction contract value of \$10,067,721 during this reporting period. This fee is lower than the industry standard of 10% for construction management fees.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The Job Order Contract (JOC) program helps with providing efficient and effective government operations by allowing improved processing for smaller and more urgent projects. The County has multiple documents to help identify and address critical infrastructure needs (Pavement Management Plan, ADA Transition Plan, Facility Asset Report, Municipal Climate Action Plan, etc.). Taking these documents into account, a 5-Year Capital Improvement Program is adopted each year to efficiently allocate resources for projects with budgets over \$100,000 to help sustain the infrastructure. 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 and supports economic development results.

X Economic Development

X Administration
X Health & Human Services
X Infrastructure
X Public Safety

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Attachments:

Attachment A - 2016 JOC Program Active Projects Period Jul. 1 -Sep. 30, 2018

Attachment B - 2017 JOC Program Active Projects Period Jul. 1 -Sep. 30, 2018

Attachment C - Gordian Group Fee Summary

Attachment D - Cumulative Summary of JOC Contract Values and Costs

Attachment E - Contractor Evaluations