



County of Monterey

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

Board Report

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Receive a Status Report on the Job Order Contracting Program from the Resource Management Agency-Public Works and Facilities.

RECOMMENDATION:

It is recommended that the Capital Improvement Committee receive a Status Report on Job Order Contracting Program from the Resource Management Agency-Public Works and Facilities.

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 62 projects under 15 contracts:

- Six (6) 2016 JOC Contracts awarded on November 15, 2016 resulted in 116 projects totaling \$14,554,808. Attachment A tracks five (5) projects under construction during this reporting period issued through the 2016 JOC Contracts.
- Five (5) 2017 JOC Contracts awarded November 7, 2017 resulted in 65 projects totaling \$10,067,385. Attachment B tracks forty (40) projects under construction issued during this reporting period through the 2017 JOC Contracts.
- Six 2018 JOC Contracts awarded November 2, 2018 has resulted in 37 projects totaling \$3,930,459. Attachment C tracks seventeen (17) projects under construction issued during this reporting period through the 2018 JOC Contracts.

During the reporting period, RMA accomplished the following:

- 2016 JOC Contracts. Five (5) projects completed, no new job orders were issued.
- 2017 JOC Contracts. Twenty-nine (29) projects completed and twelve (12) new projects started.
- 2018 JOC Contracts. Four (4) projects completed and seventeen (17) 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. For certain projects that are not time sensitive, Project Managers are assessing the feasibility of taking the Projects out to bid and tracking the administrative costs of developing plans and specifications followed by the traditional bidding and award process.

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, the majority of completed project job orders 79% (30 out of 38) achieved a local employment goal of 50% or better. Cumulatively, the average local employment percentage during this reporting period was 81% (50 out of 62).

DISCUSSION:

For all the active and completed projects this quarter, Attachments A, B, and C summarize project information

such as Job Order Value, Gordian Group fees, project status, project funding, and Local Employment compliance status. Attachment D summarizes applicable Gordian Group fees for JOC projects during this reporting period. Attachment E provides a summary of maximum JOC contract values for the 2016, 2017, and 2018 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 2017, and JOC 2018 contracts, procurement time has ranged from (0) days for emergency job orders to (177) 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 F provides contractor evaluations for all JOC projects completed during this reporting period. 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 59% to 95% with an average percentage score of as 88%. Thirty-seven (37) of the thirty-eight (38) contractors achieved a performance score above 60%. The ITD Restroom Renovation had a performance score of 59%. This lower score was caused by the contractor's delay in providing a complete proposal and delay in providing submittals (materials and vendor information) which in turn delayed the project completion. The Contractor was required to reimburse the County for additional costs to rent temporary restroom facilities. Thirty (30) of the thirty-eight (38) completed project job order contracts achieved the County's 50% Monterey Bay Area Local Employment goal. Projects did not meet the 50% local employment goal when local sub-contractors were not available that provided the expertise required for the scope of work or when local sub-contractors were not available to perform the work within the project time frame.

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, Gordian License Fee and project management fees totaled \$744,971 or an overall average of 7% of the total construction contract value of \$10,639,054, 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

Attachment B - 2017 JOC Program Active Projects

Attachment C - 2018 JOC Program Active Projects

Attachment D - Gordian Group Fee Summary

Attachment E - Cumulative Summary of JOC Contract Values and Costs

Attachment F - Contractor Evaluations