



## Board Report

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**File #:** 19-0796, **Version:** 1

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- a. Award Roads & Bridges Job Order Contracts (JOC) for a term of (1) one year from date signed by County with a minimum contract value of \$25,000 and maximum contract value of \$4,949,291 to the following bidders: 2019-01 Granite Rock Company; 2019-02 Granite Construction Company; and 2019-03 Newton Construction & Management, Inc.;
- b. Award Facilities Job Order Contracts (JOC) for a term of (1) one year from date signed by County with a minimum contract value of \$25,000 and maximum contract value of \$4,949,291 to the following bidders: 2019-01 Newton Construction & Management, Inc.; 2019-02 Quincon Inc.; and 2019-03 Jacobs Construction & Design, Inc.;
- c. Approve the Performance and Payment Bonds for Roads & Bridges JOC in the amount of \$4,949,291 each by Granite Rock Company; Granite Construction Company; and Newton Construction & Management, Inc.;
- d. Approve the Performance and Payment Bonds for Facilities JOC in the amount of \$2,500,000 each by Newton Construction & Management, Inc.; Quincon Inc.; and Jacobs Construction & Design, Inc.; and
- e. Authorize the RMA Director or the assigned designee to execute the Roads & Bridges and Facilities Job Order Contracts.

**RECOMMENDATION:**

It is recommended that the Board of Supervisors approve the following items:

Award the following JOC Road & Bridges contracts to the lowest responsible and responsive bidders for a term of (1) one year from date signed by County with a minimum contract value of \$25,000 and maximum contract value of \$4,949,291:

- a. JOC Roads & Bridges 2019-01 contract to Granite Rock Company, with a bid award criteria figure of 1.1250
- b. JOC Roads & Bridges 2019-02 contract to Granite Construction Company, with a bid award criteria figure of 1.1199
- c. JOC Roads & Bridges 2019-03 contract to Newton Construction & Management, Inc. with a bid award criteria figure of 1.1740

Award the following JOC Facilities contracts to the lowest responsible and responsive bidders for a term of (1) one year from date signed by County with a minimum contract value of \$25,000 and maximum contract value of \$4,949,291:

- d. JOC Facilities 2019-01 contract to Newton Construction & Management, Inc. with a bid award criteria figure of 1.0995
- e. JOC Facilities 2019-02 contract to Quincon, Inc with a bid award criteria figure of 1.1850,
- f. JOC Facilities 2019-03 contract to Jacob Construction & Design, Inc with a bid award criteria figure of 1.1958

Approve the following Performance and Payment Bonds for Roads & Bridges JOC in the amount of \$4,949,291;

- g. Performance and Payment Bonds executed and provided by Granite Rock Company
- h. Performance and Payment Bonds executed and provided by Granite Construction Company
- i. Performance and Payment Bonds executed and provided by Newton Construction & Management, Inc.

Approve the following Performance and Payment Bonds for Facilities JOC in the amount of \$2,500,000;

j. Performance and Payment Bonds executed and provided by Newton Construction & Management, Inc.

k. Performance and Payment Bonds executed and provided by Quincon, Inc.

l. Performance and Payment Bonds executed and provided by Jacob Construction & Design, Inc.

Authorize the RMA Director or the assigned designee to execute Contracts:

m. JOC Roads & Bridges 2019-01 with Granite Rock Company; JOC Roads & Bridges 2019-02 with Granite Construction Company ; JOC Roads & Bridges 2019-03 with Newton Construction & Management, Inc.; JOC Facilities 2019-01 with Newton Construction & Management, Inc.; JOC Facilities 2019-02 with Quincon, Inc.; and JOC Facilities 2019-03 with Jacob Construction & Design, Inc..

#### SUMMARY:

The recommended action allows for the issuance of (3) three Roads & Bridges JOC 2019 contracts and (3) three Facilities JOC 2019 contracts and approval of the Performance and Payment Bonds provided by the respective contractors. The contracts are for a term of (1) one year from date signed by County.

#### 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. JOC provides 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 April 9, 2013, the Board of Supervisors (Board) approved an Agreement between the County of Monterey (County) and The Gordian Group, Inc. to provide assistance to the County in developing a JOC system. On September 17, 2013, the Board adopted the Monterey County JOC Policy Guidelines (sometimes referred to as JOC Program) which constitute the Board order approving Job Order Contracts pursuant to California Public Contract Code Section 20128.5. On August 27, 2019, the Board adopted the Monterey County 2019 JOC Construction Task Catalogs for the JOC 2019 contracts (2019 JOC Program) and authorized advertising for bids.

The JOC 2019 Projects were duly advertised and bids were opened on September 25, 2019. The lowest responsive and responsible bidder, determined by the award criteria figure, for JOC Roads & Bridges 2019-01 was Granite Rock Company; for JOC Roads & Bridges 2019-02 was Granite Construction Company ; for JOC Roads & Bridges 2019-03 was Newton Construction & Management, Inc.; for JOC Facilities 2019-01 was Newton Construction & Management, Inc.; for JOC Facilities 2019-02 was Quincon, Inc.; and for JOC Facilities 2019-03 was Jacob Construction & Design, Inc.

A. Teichert & Son, Inc. DbA Teichert Construction was initially listed as the apparent low bidder for JOC Roads & Bridges 2019-03. However, the Bid Form provides as follows,

*\*\*Bids will be rejected as non-responsive if the “Other than Normal Working Hours” Adjustment Factors are not equal to or greater than the “Normal Working Hours” Adjustment Factors.*

The bid package for JOC Roads & Bridges 2019-03 received from Teichert Construction listed the following Adjustment Factors which do not comply with the Bid Form instructions:

**ROADS AND BRIDGES 2019-03**

North County Normal Working Hours:

1.1250

North County Other than Normal Working Hours: 1.1150

A subsequent review of the Bid Form submitted by Teichert Construction revealed that in accordance with Roads and Bridges Project specifications, the bid must be rejected as non-responsive because the “Other than Normal Working Hours” Adjustment Factors was not equal to or greater than the “Normal Working Hours” Adjustment Factors.

Each Contractor has represented that its workforce is 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 the Monterey Bay Area.

For the Roads & Bridges JOC 2019 and Facilities JOC 2019, Resource Management Agency-Public Works, Parks and Facilities (RMA-PWP&F) recommends awarding (3) three Roads & Bridges contracts and (3) three Facilities contracts to allow RMA-PWP&F the option to use the alternate contractors if a contractor is deemed nonresponsive or has poor performance as well as to enable parallel project work to be performed.

JOC 2019 contracts will be effective upon award and are for a term of (1) one year from the date signed by County. The County will not issue any new Job Orders after expiration of the contracts. Any Job Order authorized prior to the expiration of the Agreement must be completed within the time specified in the Job Order. In the event a scheduled completion for any Job Order extends beyond the term of the contract, the terms of the contract shall continue in effect and be applicable for such Job Orders.

The table below summarizes the number and costs of JOC projects per year since the inception of the Monterey County JOC program to date. A total of 343 JOC projects have been implemented since the inception of the program in 2013. All 2013, 2014, 2015, 2016, and 2017 JOC projects are now complete. Twenty-two (22) JOC 2018 Facilities projects and fifteen (15) JOC 2018 Roads and Bridge projects have been issued to date.

Cumulative Job Order	Value to Date	Number of Projects
JOC ROADS & BRIDGE 2013	\$1,191,859.04	12
JOC FACILITIES 2013	\$1,813,660.63	27
JOC ROADS & BRIDGE 2014	\$2,837,971.45	36
JOC FACILITIES 2014	\$6,421,707.22	20
JOC FACILITIES 2015	\$9,025,672.32	40
JOC ROADS & BRIDGE 2015	\$5,768,702.05	43

JOC FACILITIES 2016	\$5,781,901.22	50
JOC ROADS & BRIDGE 2016	\$8,773,006.80	66
JOC FACILITIES 2017	\$5,405,276.34	40
JOC ROADS & BRIDGE 2017	\$4,662,109.12	25
JOC FACILITIES 2018	\$2,222,652.67	22
JOC ROADS & BRIDGE 2018	\$1,707,806.97	15
Grand Total	\$55,612,325.83	396

The 2018 JOC contracts will expire or will have reached, or are anticipated to reach, their Maximum Contract Value (MCV) at the time of issuance of the 2019 JOC contracts. RMA-PWP&F plans to continue issuing Job Orders to enable the 2018 JOC contractors to attain their MCV to the extent practical. The JOC 2019 contracts awarded to each of the six (6) contractors pursuant to the JOC Policy Guidelines, offer a minimum contract value of \$25,000 and MCV of \$4,949,291. County JOC specifications require Contractors to provide a letter from a bonding company stating their ability to obtain Payment and Performance Bonds for the MCV of \$4,949,291 in order to provide for JOC efficiency, maintain control of contractor performance, as well as limit potential risk to the County. This year, for Facilities Bids, the successful bidder is required to furnish an initial payment bond and a performance bond for approximately 50% of the MCV, each in the amount of \$2,500,000. If the aggregate Job Orders issued under any of the awarded Facilities Contracts exceed \$2,500,000, an increase in the Payment and Performance bonds for the corresponding Facilities Contract will be required by the Board in an amount not less than 100% of the MCV of \$4,949,291. The lower initial bonding requirement for Facilities Contracts was approved by the Board on July 24, 2018 to attract Contractors who may otherwise not bid on the Facilities projects due to the high bonding requirement relative to the guaranteed work of \$25,000. The initial bonding requirement for Roads and Bridges Contracts remains set at 100% of the MCV because it is anticipated that Roads and Bridges Contractors may reach the MCV cap earlier than Facilities Contractors. For Roads and Bridges Bids, successful bidders are required to furnish payment bonds and performance bonds, each in the amount of the MCV of \$4,949,291 which bonds shall remain in force for the duration of the annual contract term and until completion of all outstanding Job Order(s).

Per the JOC Policy Guidelines, any Job Order that exceeds \$1 million will be brought to the Capital Improvement Committee (CIC) prior to issuance of a notice to proceed. RMA-PWF will provide quarterly 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.

Based on historical JOC Contract costs summarized above, staff anticipates that the three (3) JOC Facilities contracts and the three (3) JOC Roads and Bridges contracts will provide sufficient capacity to implement projects. If required, staff also has the option to use the Gordian Group's ezIQC Cooperative Purchasing program which was authorized by the Board on March 28, 2017. The ezIQC program is yet another tool in the JOC procurement toolbox for expediting straightforward construction projects. The Gordian Group's ezIQC program was launched in 2009 and rolled out nationwide in 2010, under the National Joint Powers Alliance (NJPA), to which the County is a participating agency. As a participating agency, the County can sign onto participation agreements that were previously created after a bidding process. This allows the County to remain compliant with bidding laws and regulations, while signing onto agreements that benefit the County.

**OTHER AGENCY INVOLVEMENT:**

RMA-PWP&F coordinated preparation of the JOC Project Specifications, including the standard agreement language with Contracts/Purchasing, the Office of the County Counsel-Risk Management and the Auditor-Controller's Office. The Office of the County Counsel and the County Administrative Office Contracts/Purchasing Division attended the bid opening and reviewed all bids for conformance with applicable regulations. RMA-PWP&F reviewed the bids for responsiveness. The Office of the County Counsel-Risk Management, and Auditor-Controller, have reviewed and approved the contract documents as to form and legality and insurance provisions, and fiscal terms, respectively.

**FINANCING:**

If approved, the 2019 JOC Program would provide for individual Job Order Contracts, with a cap of up to \$4,949,291 per contract, for a cumulative total of \$29,695,746 under the JOC program - three (3) for Roads & Bridges and three (3) for Facilities. Expenditures will be within and not exceed the FY 2019-20 Adopted Budgets. Funding for JOC projects, including applicable Gordian Group fees, is contained within the adopted FY 2019-20 budget allocations for various funds; Fund 402 - Capital Projects, Fund 404 - Facilities Master Plan Projects, Fund 002 - Road Fund, the respective County Service Area or County Sanitation District Fund, and the individual department authorizing the project. 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. Gordian fees are contained in the overall eligible project budgets.

**BOARD OF SUPERVISORS STRATEGIC INITIATIVES:**

The JOC Program helps with providing efficient and effective government operations by allowing improved processing for smaller and more urgent projects. Monterey 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 Five-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.

Related Board of Supervisors Strategic Initiatives include:

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

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Approved by: Carl P. Holm, AICP, RMA Director

**Attachments:**

- Attachment A - Bid Summaries R&B 2019-01 to 2019-03 & Facs 2019-01 to 2019-03
- Attachment B - JOC R& B 2019-01 Granite Rock Company Agreement Packet
- Attachment C - JOC R& B 2019-02 Granite Construction Co. Agrmt Packet
- Attachment D - JOC R& B 2019-03 Newton Const. & Mgmt, Inc. Const Agrmt Packet
- Attachment E - JOC FAC 2019-01 Newton Construction & Mgmt, Inc. Agrmt Packet

Attachment F - JOC FAC 2019-02    Quincon, Inc. Agreement Packet  
Attachment G - JOC FAC 2019-03    Jacobs Construction & Design, Inc. Packet  
Attachment H - JOC R& B 2019-01    Granite Rock Company Bonds  
Attachment I - JOC R& B 2019-02    Granite Construction Company Bonds  
Attachment J - JOC R& B 2019-03    Newton Construction & Management, Inc. Bonds  
Attachment K - JOC FAC 2019-01    Newton Construction & Management, Inc. Bonds  
Attachment L - JOC FAC 2019-02    Quincon, Inc. Bonds  
Attachment M - JOC FAC 2019-03    Jacob Construction & Design, Inc. Bonds  
(The following attachments are on file with the Clerk of Board)