



## Board Report

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**File #:** A 22-005, **Version:** 1

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- a. Award a contract to DMC Commercial Inc. lowest responsible and responsive bidder, for the 331 North Sanborn Road-Alisal Integrated Health Center, Project No. 1701, Bid Package No.10817, in the total amount of \$15,015,000;
- b. Approve the Performance and Payment Bonds executed and provided by DMC Commercial Inc.,
- c. Authorize a contingency, not to exceed ten percent (10%) of the contract amount, or \$1,501,500, to provide funding for approved contract change orders for 331 North Sanborn Road-Alisal Integrated Health Center, Project No. 1701, Bid Package No.10817;
- d. Authorize the Public Works Facilities & Parks (PWFP) Director to execute the contract and, subject to the terms of the Public Contract Code, approve change orders to the contract that do not exceed ten percent (10%) of the original contract amount and do not significantly change the scope of work;
- e. Authorize the Public Works Facilities & Parks (PWFP) Director to execute a Certificate of Completion and record a Notice of Completion with the County Recorder when the Director determines that the contract is complete in all respects in accordance with the Plans and Special Provisions for the construction of 331 Sanborn Road-Alisal Integrated Health Center, Project No. 1701, Bid Package No.10817;
- f. Authorize and direct the Auditor-Controller to amend the fiscal year 2021-22 Adopted Budget for Capital Projects, Facility Master Plan Implementation Fund (404-3200-8564-PFP057) to increase appropriations and operating transfers in by \$20,750,000, where the financing source is \$16,250,000 from the Building Improvement and Replacement Fund (478-BIR-1050-8539-CAO047) and \$4,500,000 is from MHSA, Behavioral Health Fund (023-4000-8410-HEA012-MHSACAP) (4/5<sup>th</sup> vote required);
- g. Authorize and direct the Auditor-Controller to amend the fiscal year 2021-22 Adopted Budget for the Building Improvement and Replacement Fund (478-BIR-1050-8539-CAO047) to increase appropriations by \$16,250,000, where the financing sources is Unrestricted Net Position (478-3202) (4/5<sup>th</sup> vote required); and
- h. Authorize and direct the Auditor-Controller to transfer \$20,750,000 for fiscal year 2021-22 from Building Improvement and Replacement Fund (478-BIR-1050-8539-CAO047) (\$16,250,000) and MHSA, Behavioral Health Fund (023-4000-8410-HEA012-MHSACAP) (\$4,500,000), to Capital Projects, Facility Master Plan Implementation Fund (404-3200-8564-PFP057) (4/5ths vote required).

### RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Award a contract to DMC Commercial Inc. lowest responsible and responsive bidder, for the 331 North Sanborn Road-Alisal Integrated Health Center, Project No. 1701, Bid Package No.10817, in the total amount of \$15,015,000;
- b. Approve the Performance and Payment Bonds executed and provided by DMC Commercial Inc.,
- c. Authorize a contingency, not to exceed ten percent (10%) of the contract amount, or \$1,501,500, to provide funding for approved contract change orders for 331 North Sanborn Road-Alisal Integrated Health Center, Project No. 1701, Bid Package No.10817;
- d. Authorize the Public Works Facilities & Parks (PWFP) Director to execute the contract and, subject to

- the terms of the Public Contract Code, approve change orders to the contract that do not exceed ten percent (10%) of the original contract amount and do not significantly change the scope of work;
- e. Authorize the Public Works Facilities & Parks (PWFP) Director to execute a Certificate of Completion and record a Notice of Completion with the County Recorder when the Director determines that the contract is complete in all respects in accordance with the Plans and Special Provisions for the construction of 331 Sanborn Road-Alisal Integrated Health Center, Project No. 1701, Bid Package No.10817;
  - f. Authorize and direct the Auditor-Controller to amend the fiscal year 2021-22 Adopted Budget for Capital Projects, Facility Master Plan Implementation Fund (404-3200-8564-PFP057) to increase appropriations and operating transfers in by \$20,750,000 where the financing source is \$16,250,000 from the Building Improvement and Replacement Fund (478-BIR-1050-8539-CAO047) and \$4,500,000 is from MHSA, Behavioral Health Fund (023-4000-8410-HEA012-MHSACAP) (4/5<sup>th</sup> vote required);
  - g. Authorize and direct the Auditor-Controller to amend the fiscal year 2021-22 Adopted Budget for the Building Improvement and Replacement Fund (478-BIR-1050-8539-CAO047) to increase appropriations by \$16,250,000, where the financing source is Unrestricted Net Position (478-3202) (4/5<sup>th</sup> vote required); and
  - h. Authorize and direct the Auditor-Controller to transfer \$20,750,000 for fiscal year 2021-22 from Building Improvement and Replacement Fund (478-BIR-1050-8539-CAO047) (\$16,250,000) and MHSA, Behavioral Health Fund (023-4000-8410-HEA012-MHSACAP) (\$4,500,000), to Capital Projects, Facility Master Plan Implementation Fund (404-3200-8564-PFP057) (4/5ths vote required).

#### SUMMARY:

Staff recommends awarding a construction contract to DMC Commercial Inc. as the lowest responsible, responsive bidder for the 331 North Sanborn Road-Alisal Integrated Health Center, Project No. 1701, Bid Package No.10817 (Project) and Authorize and direct the Auditor-Controller to amend the fiscal year 2021-22 Adopted Budget for Capital Projects and Building Improvement and Replacement Funds to cover appropriations for the project.

#### DISCUSSION:

On September 21, 2021 the Board of Supervisors approved the Plans and Specifications for the Project. A “Notice to Bidders” was duly advertised in a newspaper of general circulation per Public Contract Code Section 20150.8. On October 29, 2021, bids were received and opened for the Project. Bid packages were received from three (3) local contractors including from Ausonio Incorporated, DMC Commercial Inc. and Avila Construction (Attachment A-Bid Summary).

The bid package received from Ausonio Incorporated was received by the County Clerk of the Board at 2:03PM. Unfortunately, County staff did not notice the time stamp prior to opening the Bid Packet, and the envelope was opened. The County of Monterey subsequently rejected the bid received from Ausonio Incorporated as non-responsive per the County’s Instructions to Bidders, Division 002000-Instructions to Bidders, Section 6- Preparation of Bid Form which states the following:

All bids must be submitted on the prescribed form. All blanks in the bid form must be appropriately filled in, and all prices must be stated in both words and figures, with the lump sum for which the bid is made. All bids must be submitted in sealed envelopes bearing on the outside the bidder's name and address, the name of the project, the bid date and time, and the bid package number for which the bid is submitted. It is the sole responsibility of the bidder to see that the bid is received at the proper place and in proper time. Any bid received after the scheduled closing time for receipt of bids will be returned to the bidder unopened. Bidder’s failure to submit all required documents strictly as required entitles County to reject the Bid as nonresponsive. All Bidders must submit Bids containing each of the fully

executed documents supplied in this Project Manual.

DMC Commercial Inc was determined to be the next apparent lowest responsible and responsive bidder for the Base Bid and Alternate Bid No. 01, No. 02, No.03, No. 04, and No.05 (Attachment A-Bid Summary). DMC Construction Inc. is a locally owned and operated company based in Monterey, California.

The Project is located at 331 Sanborn Road in Salinas, California. The Project consists of the construction of a new 19,300 square foot two-story clinic and related site work, infrastructure, and furnishings. The Base Bid consists of all work as noted in drawings and specifications including site work, demolition as required, construction of new two-story commercial behavioral/office building for Monterey County Health Department, except for owner provided furniture fixtures and equipment named in specifications. Additive Alternate bids include:

Alternate Bid 1 includes cost for adding an automatic transfer switch and infrastructure to hook up a mobile generator as described in the drawings and specifications.

Alternate Bid 2 includes cost for additional acoustical scope as described in the drawings and specifications.

Alternate Bid 3 includes cost for the design/build PV solar system on the roof as described in the drawings and specifications.

Alternate Bid 4 includes cost to install electric vehicle charging stations as described in the drawings and specifications.

Alternate Bid 5 includes cost savings to change the specification for the building windows (not including curtain wall) as described in drawings and specifications.

Paul Davis Partnership led the team of professionals in the preparation of the Project Plans and Technical Specifications and will continue to provide construction support services.

The County may waive non-material, administrative variances in bid documents that otherwise substantially conform to the call for bids. The Bid Form submitted by DMC Commercial, Inc. was missing initials next to updates to the List of Subcontractors and included revisions to correctly enter bid amounts that were originally written on the wrong lines. Staff reviewed the submitted Bid Form with the Office of the County Counsel-Risk Management and recommends the variances be waived as non-material and administrative in nature.

Work is scheduled to begin in January 2022 with completion anticipated in October 2023.

#### OTHER AGENCY INVOLVEMENT:

PWFP coordinated with the Health Department to develop the Project Plans and Specifications. The Office of the County Counsel-Risk Management and the Auditor-Controller's Office have reviewed and approved the Project Manual Specifications as to form, insurance and indemnification provisions and fiscal provisions respectively. This Project received support for implementation from the Capital Improvement Committee on March 8, 2021, the Budget Committee on March 31, 2021, and the Board of Supervisors on May 11, 2021.

#### FINANCING:

The estimated Project cost is \$23.7 million, of which \$916,869 has been incurred as of June 30, 2021, for pre-construction including design, environmental and bidding activities. The Health Department has secured \$7.45

million for construction of the new clinic as follows: \$2.5 million in capital grant funds awarded by the Central California Alliance for Health (CCAH), \$4.5 million of Behavioral Health Bureau one-time Mental Health Service Act (MHSA) funds reserved for capital needs, \$150,000 from a development grant awarded by CCAH, and \$300,000 BHB funds. The Board approved funding the estimated remaining balance of \$16.25 million with funds from the Building Improvement and Replacement sub-fund (478-BIR-1050-8539-CAO047). Staff is requesting authorization to transfer the BIR funds and appropriate the project in the Facility Master Plan Implementation Fund (404-3200-8564-PFP057). The funds from the BIR will be repaid through the building depreciation expense allocated to the BHB in the annual Countywide Cost Allocation Plan (COWCAP). The BIR Fund Balance as of 7/1/2021 was \$20,342,144. There will be an estimated Fund Balance of \$4,091,144 remaining. MHSA funds of \$4,500,000 will be transferred from the Behavioral Health Fund (023-4000-8410-HEA012-MHSACAP) to the Facility Master Plan Implementation Fund (404-3200-8564-PFP057) upon implementation of the Project in Fiscal Year (FY) 2021-22. The Health Department's funding sources will be depleted prior to the use of the BIR funds.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

This Project supports the Monterey County Health Department 2018-2022 Strategic Plan Initiatives: 1. Empower the community to improve health through programs, policies, and activities; and 3. Ensure access to culturally and linguistically appropriate, customer-friendly, quality health services. It also supports one of the ten essential public health services, specifically: 1. Monitor health status to identify and solve community health problems; 2. Diagnose and investigate health problems and health hazards in the community; 3. Inform, educate, and empower people about health issues.

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

Prepared by: Florence Kabwasa-Green, Project Manager III  
Reviewed by: Lindsay Lerable, Chief of Facilities  
Approved by: Randell Ishii, MS, PE, TE, PTOE  
Director of Public Works, Facilities and Parks

Dated: December 16, 2021

Attachments:

Attachment A - Bid Summary  
Attachment B - DMC Construction Agreement, Payment and Performance Bonds, Insurance  
Attachment C - Project Budget  
Attachment D - Location Map  
(Attachments on file with the Clerk of the Board)