



Legislation Text

File #: 2019-1500, **Version:** 1

To: Sonoma County Board of Supervisors
Department or Agency Name(s): General Services
Staff Name and Phone Number: Mark DeBacker: 707-565-3915
Vote Requirement: Majority
Supervisorial District(s): All

Title:

Award of Annual Job Order Contracts

Recommended Action:

- A) Authorize the Chair to execute Job Order Contracts with the following contractors for the minimum and maximum amounts indicated in order to expedite as-needed capital repair, remodeling, repetitive, and other types of construction work to County-owned properties:
- i) Holly & Associates: Minimum Contract Amount, \$25,000, Maximum Contract Amount \$2,000,000
 - ii) Martinez Construction: Minimum Contract Amount, \$25,000, Maximum Contract Amount, \$2,000,000
 - iii) T. McFarlin, Inc. dba Bay West Construction: Minimum Contract Amount, \$25,000, Maximum Contract Amount, \$2,000,000
 - iv) Outback Construction, Inc.: Minimum Contract Amount, \$25,000, Maximum Contract Amount, \$1,000,000
 - v) Danco Builders Northwest: Minimum Contract Amount, \$25,000, Maximum Contract Amount, \$1,000,000

The contract "term" for all of the above will be for one year from the effective date of Notice to Proceed or when Job Orders totaling the maximum contract amount have been completed, whichever occurs first.

- B) Adopt a resolution delegating the authority to issue and execute individual Job Orders under the above Job Order Contracts for qualified projects as follows:
- i) Deputy Director of Facilities Development and Management or Senior Capital Projects Manager, not to exceed \$143,750;
 - ii) General Services Director, not to exceed \$300,000; and
 - iii) County Administrator, up to the contractor's remaining Maximum Contract Amount.

Executive Summary:

The Job Order Contract program was established by the Board of Supervisors on July 13, 2010, pursuant to authority under Public Contract Code section 20128.5. The program enables the County to expedite the delivery of new capital remodeling, major repair, and other construction-type projects previously approved by your Board. Job Order Contracts are fixed unit price contracts and result in cost and time savings. The Board of Supervisors awards the annual contracts following a competitive process as part of the Job Order Contract

program.

Awarding the contracts allows General Services to use the Job Order Contract process as a means of performing qualifying work as previously approved by your Board in the Annual Capital budget process and as identified in the Five Year Capital Improvement Plan, or as necessary on an emergency basis. The Public Contracting Code requires that Job Order Contracts are bid and awarded annually.

Discussion:

Approximately twenty five years ago, the Department of Defense decided it needed a pool of on-call contractors to address repetitive construction projects without the expense and delay of going out to bid each time. The Job Order Contracting procurement process addressed this need by providing contractors who have agreed to a fixed pricing model, and to be mobilized to address needs on relatively short notice. Since then, this contracting model has been applied successfully by a variety of Federal, state and local jurisdictions as well as the US Postal Service, schools, universities, transportation agencies and others. This delivery model also allows for project scope definition in the field, with input from users, the design team, the contractor and a county project manager to further expedite the effort. The scope of work for each project is documented and then the contractor develops a proposal, based on pre-established costs.

A Job Order Contract is an annual, competitively bid, firm fixed unit price, non-specific scope contract used for the performance of repair and remodeling construction work, including renovation, alteration, painting, and repair to more expediently perform capital work. The Job Order Contracting process eliminates or reduces the level of front end work relative to plan development, bidding, and resource contracting resulting in a reduction in the time required to develop and deliver qualified work. Job Order contracting does not eliminate competitive bidding. It does however allow a public entity to solicit competitive bids for qualified work efforts in one annual solicitation and allows the entity to award contracts to multiple contractors for services to be provided as needed. The work to be performed under a Job Order Contract is authorized through individual job orders that reflect the specified work scope and the fixed unit cost prices that apply, adjusted by an adjustment factor. The adjustment factor is the competitive determinant in deciding which contractors are selected to receive annual contracts. The use of a Job Order Contract for qualified work is managed and monitored to balance the desire to expedite and streamline project delivery with safeguarding optimum project costing.

Having a Job Order Contract program in place does not preclude a public entity from bidding a specific project individually or from using in-house resources for capital work within the limitations allowed by the State Public Contract Code. In short, Job Order Contracting provides the means of having an “on-call” contractor(s) on hand.

Significant recent projects delivered through our Job Order Contracting program include the Petaluma Veteran’s Hall Kitchen Upgrade (Danco Builders NW, \$128,475); the Main Detention Facility Dental Clinic update (Bay West Construction, \$175,000); re-roofing at Permit Sonoma (North Star Construction, \$249,979) the Airport Administration Building (North Star Construction, \$346,831) and the Sonoma Veteran’s Hall Banquet Hall (Staples Construction, \$85,271) ; expansion of security camera coverage at the Juvenile Justice Center (Murray Building \$229,412); accessibility upgrades at four park-and-ride locations for Transportation

and Public Works (A.E. Nelson \$121,257 + Bay West Construction (\$256,861) and many others. Perhaps the best examples were the airport expansion projects associated with the arrival of additional airlines in 2018. These included the delivery of a modular ticketing addition in only 120 days from project request to occupancy (A.E. Nelson, \$520,428). This included design, permits, factory fabrication, delivery and field customization and would not have been possible via any other delivery method.

Local Impact of Job Order Contract

Upon implementation of the initial Job Order Contract, staff was directed to monitor and track the impact Job Order Contracting would have on the use of local resources and materials. The County of Sonoma established its initial Job Order Contract program in 2010. Subsequently the County has used Job Order Contracting for the past ten years engaging a total of 46 Job Order Contract prime contracts to deliver 713 projects with an aggregated value of over \$36 million dollars. In the ten years that Job Order Contracting has been utilized by the County, the ratio of “local” construction “spending” (for labor and materials) linked to the Job Order Contracts has increased from 15% in year one, to almost 65% in the latest year of full records. These results reflect a positive impact on the local economy and the engagement of local resources. This impact is primarily attributed to the flexibility the program affords prime contractors relative the selection and use of subcontractors. Successful Job Order Contract contractors need to be expedient and effective in mobilizing and resourcing themselves upon receipt of a Job Order and since these resources are only needed upon receipt of a Job Order, prime contractors normally seek available and expedient support resources which oftentimes are local. In addition, the County is allowed to provide feedback to the Job Order Contract prime contractor regarding the quality and expediency of a potential subcontractor’s previous work which may further encourage the use of qualified local resources. Notwithstanding General Services’ monitoring of local impacts related to prior Job Order Contracts, this Job Order Contract procurement process complied with applicable federal procurement requirements, including not utilizing the standard local bid preference. This is expected to qualify otherwise-eligible work under these Job Order Contracts for reimbursement available through federal agencies such as the Federal Emergency Management Agency (FEMA).

Bid Package

Five different Job Order Contracts were bid. These included three contracts for a maximum amount of \$2,000,000 and two for a maximum amount of \$1,000,000 each. These maximum amounts are not guaranteed or funded amounts.

The minimum of \$25,000 in Job Orders will be offered to each Job Order Contractor. Each individual job order is awarded subject to available funding and a contractor’s successful cost proposal, as described in more detail below. Use of the Job Order Contract beyond the minimum amount depends on available work, responsiveness and performance of the contractor, specific requirements of the project, and availability of approved funding.

Work executed under a Job Order Contract is based on a book of unit prices for thousands of construction

activities, which include the material and labor costs for each activity. These unit costs are periodically adjusted to reflect construction market conditions and/or the introduction of new technology and best practices. A contractor that is under a Job Order Contract and is requested to submit a cost proposal for a specific scope of work, will identify the quantity of the construction activities needed for a project, and utilize the unit price indicated in the price book to determine the cost of the work. The contractor then multiplies that cost by an Adjustment Factor, which represents a modification to the unit prices to cover their profit and overhead, to reach the total cost for that scope of work. Project Managers rigorously review the proposals, checking quantities, omissions, compliance with the contract terms and appropriateness of selected tasks versus the description listed in the annual Gordian price book prior to issuing individual Job Orders for approval. .

In submitting a bid for a Job Order Contract, bidders submit their Adjustment Factors that will be applied to each unit price. The Job Order Contract is awarded to the responsive and responsible bidder submitting the lowest Adjustment Factor. In order to account for differing work conditions, the bidders were requested to submit two different Adjustment Factors. These are:

- Adjustment Factor 1: for work done during normal working hours.
- Adjustment Factor 2: for work done during other than normal working hours, in detention facilities, at the Valley of The Moon Children’s Center, or in controlled areas at the airport. These factors are combined to determine an “Award Criteria Factor” which is the basis for the award. The lowest bid is the bid with lowest Award Criteria Factor for that contract. This method of selecting the low bid was fully described in the bid documents and complies with the Public Contract Code. In order to spread the work among the contractor community, facilitate participation by both large and small contractors and give the County more flexibility in using Job Order Contract, bids were solicited for five Job Order Contracts and each contractor was advised that they could hold only one Job Order Contract for any contract year.

Contractors awarded a contract must adhere to all County and State requirements that are mandated by laws, regulations, and locally-adopted policies such as the use of prevailing wage, insurance, worker compensation and workforce training.

Bid Results

Bids were received on September 17, 2019. A total of seven submitted bids on the five contracts, which were reviewed and evaluated by staff. Based on the evaluation of the bids utilizing the selection method described above, the first five (5) contractors listed below were identified as the lowest responsive and responsible bidders, for whom we seek to issue contracts:

Contract	Lowest Bidder	Award Criteria Factor
Contract 1 (JOC 2019-01, \$2,000,000)	Holly & Associates	1.2418
Contract 2 (JOC 2019-02, \$2,000,000)	Martinez Construction	1.2860

Contract 3 (JOC 2019-03, \$2,000,000)	T. McFarlin, Inc. dba Bay West Construction	1.3200
Contract 4 (JOC 2019-04, \$1,000,000)	Outback Construction, Inc.	1.3364
Contract 5 (JOC 2019-05, \$1,000,000)	Danco Builders Northwest	1.3750
Bid Withdrawn (error) No Contract Awarded	Staples Construction Company Inc.	.9126
No Contract Awarded	MIK Construction	1.4200

Schedule

The term of the existing Job Order Contracts expire November 6, 2019. The new contract will expire at the completion of assigned projects or one-year from the date of the Annual Contract's Notice to Proceed (whichever occurs last), providing an uninterrupted Job Order Contract program through November 6, 2020.

Job Order Contract Program Management

Capital projects delivered using the Job Order Contract program are approved by your Board before they can be initiated. This approval is either received through the annual capital project budget process or during the fiscal year by General Services submitting a Board Report which describes the proposed project scope, budget, schedule, and funding source for Board approval.

Prior Board Actions:

2018: Authorized Chair to execute consultant agreement with the Gordian Group (expires 2021 with two annual renewals permitted).

2013: Authorized Chair to execute consultant agreement with the Gordian Group (expired 2016 with two annual renewals permitted).

2010: Board approval authorizing Job Order Contract Program be made permanent.

2009: Board approval for extending Job Order Contract Pilot Program.

2008: Resolution authorizing Notice Inviting Bids for Job Order Contract.

2007: Board approval of Job Order Contract Pilot Program

FISCAL SUMMARY

Expenditures	FY 19-20 Adopted	FY20-21 Projected	FY 21-22 Projected
Budgeted Expenses			
Additional Appropriation Requested			
Total Expenditures			
Funding Sources			
General Fund/WA GF			
State/Federal			

Fees/Other			
Use of Fund Balance			
Contingencies			
Total Sources			

Narrative Explanation of Fiscal Impacts:

There is no separate funding required for the Job Order Contracting program. The program and the associated contract values, including the \$25,000 contract minimums, are funded by individual capital projects and budgets approved by the Board through the annual Capital Budget process. While specific projects are not yet identified, facility needs over the term of these Contracts are anticipated (based on historic trends and known conditions) to require Job Order work exceeding the minimum amounts guaranteed on each Contract.

Staffing Impacts:			
Position Title (Payroll Classification)	Monthly Salary Range (A-I Step)	Additions (Number)	Deletions (Number)
none			

Narrative Explanation of Staffing Impacts (If Required):

None

Attachments:

Attachment 1: Resolution

Related Items "On File" with the Clerk of the Board:

Notices of Intent to Award