

County of Santa Clara
Santa Clara Valley Health & Hospital System
Agency Administration
Facilities




HHS08 012709

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DATE: January 27, 2009

TO: Board of Supervisors

FROM: 
Kim Roberts
SCVHHS - Chief Executive Officer

SUBJECT: Reports on Bids and Contract Awards for Job Order Contracting for Certain Public Improvement
Projects (JOC-SCVHHS-2008-03 and JOC-SCVHHS-2008-04)

RECOMMENDED ACTION

Accept Report on Bids for Job Order Contracts for certain public improvement projects.

Possible action:

- a. Ratify Addendum No. 1.
- b. Award contract for JOC-SCVHHS-2008-03 to Angotti and Reilly for the Award Criteria Adjustment Factor Figure of 1.464, for a minimum contract value of \$50,000 and a maximum contract value of \$500,000, with an option to increase the maximum contract value by the sum of \$3,500,000, for a total maximum contract value of \$4,000,000, upon approval of the Office of the County Executive. The maximum contract term is either one calendar year from the effective date of Notice to Proceed or when issued Job

Orders totaling the maximum contract amount have been completed, whichever occurs first.

- c. Authorize the Director of SCVHHS Facilities to approve and execute an amendment to JOC-SCVHHS-2008-03 increasing its maximum contract value by a sum of up to \$3,500,000, increasing the cumulative maximum contract value up to \$4,000,000, with the parameters specified in the Contract Documents, following approval of County Counsel as to form and legality, and approval by the Office of the County Executive.
- d. Award contract for JOC-SCVHHS-2008-04 to California Plus for the Award Criteria Adjustment Factor Figure of 1.33, for a minimum contract value of \$50,000 and a maximum contract value of \$1,500,000, with an option to increase the maximum contract value by the sum of \$2,500,000, for a total maximum contract value of \$4,000,000, upon approval of the Office of the County Executive. The maximum contract term is either one calendar year from the effective date of Notice to Proceed or when issued Job Order totaling the maximum contract amount have been completed, whichever occurs first.
- e. Authorize the Director of SCVHHS Facilities to approve and execute an amendment to JOC-SCVHHS-2008-04 increasing its maximum contract value by a sum of up to \$2,500,000, increasing the cumulative maximum contract value up to \$4,000,000, with the parameters specified in the Contract Documents, following approval of County Counsel as to form and legality, and approval by the Office of the County Executive.
- f. Authorize the Director of SCVHHS Facilities to issue individual Job Orders within the parameters specified in the Contract Documents for JOC-SCVHHS-2008-03 and JOC-SCVHHS-2008-04.
- g. Authorize the Director of SCVHHS Facilities to accept individual Job Orders as complete and execute Notices of Completion.

FISCAL IMPLICATIONS

There is no impact to the General Fund. Individual projects that may be authorized by SCVHHS and accomplished by the Job Order Contractor have been budgeted as part of the FY09 SCVMC Capital budget.

CONTRACT HISTORY

The Public Contract Code 20128.5 authorizes the County to enter into annual contracts up to a stated amount for repair, remodeling or other repetitive work to be done according to unit prices. The Job Order Contract (JOC) process is a flexible, expeditious, task based contracting method for accomplishing repair and remodel work that involves repetitive construction tasks.

On November 19, 2002, the Board of Supervisors approved an agreement with the Gordian Group for professional consulting services related to the implementation of Job Order Contracts in the Facilities and Fleet Department (for facilities-oriented work) and in the Roads & Airports Department (for road-related work). Given the success of job order contracting, SCVHHS was added as a new department to work with Gordian Group consultants in December 2005.

On May 23, 2006, the Board of Supervisors awarded the first SCVHHS Job Order Contract (JOC-SCVHHS-2006-01) to Staples Construction, for the maximum contract value of \$1,500,000, with an option to increase by up to the sum authorized by Public Contract Code Section 20128.5 (currently just under \$4,000,000, formerly \$3,900,000).

On April 10, 2007, the Board authorized bidding for JOC-SCVHHS-2007-01. An addendum added the possibility that the County would award two separate contracts, JOC-SCVHHS-2007-01 and JOC-SCVHHS-2007-02. Bids received for that bid solicitation were considered too high. On June 19, 2007, the Board was asked to reject all bids and authorize bidding of two new JOC contracts with two different maximum contract amounts in an effort to increase bidder participation and encourage competitive pricing. As a result, two new sets of bids were received and on August 28, 2007, the Board awarded contracts to Power Engineering (JOC-SCVHHS-2007-03) and Angotti and Reilly (JOC-SCVHHS-2007-04).

On June 24, 2008, the Board awarded JOC contracts to Torres Construction Corporation (JOC-SCVHHS-2008 -01) and Angotti and Reilly (JOC-SCVHHS-2008-02).

To date under all five released contracts, SCVHHS has awarded more than 30 job orders in excess of \$10,000,000, validating the success of the Job Order Contracting project delivery approach.

As it is anticipated that the existing JOC contracts will be encumbered to the maximum amount by early 2009, on November 18, 2008 the Board authorized the SCVHHS Facilities Department to advertise JOC-SCVHHS-2008-03 and JOC-SCVHHS-2008-04. SCVHHS Facilities reserved the right to award the contracts to two contractors, i.e., electing that no one bidder be awarded more than one of the SCVHHS JOC contracts.

The new agreements will be Type 1 service contracts subject to the Resolution of Contracting Principles adopted on October 28, 1997. The Contracting Principles provisions are included in the Special Provisions of the contract documents.

REASONS FOR RECOMMENDATION

On January 8, 2009, bids were received for the two bid packages. Ten bidders attended the mandatory Pre-bid Conference and nine firms picked up plans. Five bids were received for each of the two bid packages.

Plan Holders List	JOC-SCVHHS-2008-03	JOC-SCVHHS-2008-04
Angotti & Reilly	1.464	1.464
Applegate Johnston	No bid	No bid
Best Construction	1.61	1.6100
California Plus	1.46	1.33
DPR Builders	No bid	No bid
McGuire and Hester	No bid	No bid
Sanchez, Inc.	No bid	No bid
Staples Construction	1.5400	1.5400
Torres Construction	1.4956	1.4956

California Plus was the apparent low bidder on both bid packages. In keeping with the County's intent stated on the Bid Form under Basis of Award of Contract, paragraph 2, only one contract will be awarded per contractor. Therefore,

SCVHHS Facilities recommends awarding the JOCs to Angotti and Reilly (JOC-SCVHHS-2008-03) and California Plus (JOC-SCVHHS-2008-04). The difference in Award Criteria Adjustment Factors between the two firms on the JOC-2008-04 contract is .004. The difference in Award Criteria Adjustment Factors between the two firms on the JOC-2008-03 contract is .134.

Angotti and Reilly are currently performing work at SCVHHS under the JOC-SCVHHS-2008-02 contract and the firm has performed acceptably. California Plus has not worked for SCVHHS in the past. California Plus is, however, familiar with JOC processes and SCVHHS Facilities believes this firm is sufficiently experienced, staffed and interested in providing the services necessary to complete the type of projects likely to be awarded under the JOC contracts. Both firms have had previous healthcare experience with JOC.

Approval of the recommended actions includes ratification of Addendum No. 1, issued to clarify the time of the Pre-bid Conference. After award of the contracts and approval of all documents required to be submitted by the contractors, SCVHHS Facilities will issue Job Orders within the parameters specified in the contract documents.

BACKGROUND

SCVHHS Facilities continues to recommend the JOC process as a flexible, expeditious, and task based contracting method for accomplishing repair, remodel, and repetitive construction public works projects.

The Contract Documents are comprised of a Construction Task Catalog (CTC), accompanied by the Technical Specifications and the Project Manual. The unit price for each task in the CTC is established based on local prices for material, labor and equipment. Bidders bid four adjustment factors to the CTC prices: (1) OSHPD work performed during Normal Working Hours; (2) OSHPD work performed during Other than Normal Working Hours; (3) Non-OSHPD work performed during Normal Working Hours; and (4) Non-OSHPD work performed during Other than Normal Working Hours. These four adjustment factors, which include the Bidder's overhead and profit, are then weighted using an Award Criteria Formula to determine one Award Criteria Figure for each contract. An annual contract may then be awarded to the responsible bidder submitting the responsive bid with the lowest Award Criteria Figure.

CONSEQUENCES OF NEGATIVE ACTION

The contracts will not be awarded and the SCVHHS maintenance and capital improvement program will not be executed in a timely manner by Job Order Contracting.

STEPS FOLLOWING APPROVAL

The Clerk of the Board will:

1. Send notification of award of the Agreement for JOC-SCVHHS-2008-03 to Angotti and Reilly, 1000 Mariposa Street, San Francisco, CA 94107-2520, and after receipt of all required documents from the Contractor, send the firm one fully executed copy of the Contract Agreement.

2. Send notification of award of the Agreement for JOC-SCVHHS-2008-04 to California Plus, 1560 W. Hacienda Avenue, Campbell, CA 95008, and after receipt of all required documents from the Contractor, send the firm one fully executed copy of the Contract Agreement.
3. Send Keyboard notification to Director of Facilities, SCVHHS, Duane Oberquell.

ATTACHMENTS

- Addendum #1
- Bid Results