

County of Santa Clara
Roads and Airports Department



87827 B

DATE: August 29, 2017

TO: Board of Supervisors

FROM: Harry Freitas, Director, Roads and Airports

SUBJECT: Report on Bids and Contract Award for Job Order Contracts (JOC)

RECOMMENDED ACTION

Consider recommendations relating to Bids for construction under Job Order Contracts (JOC) RAD-2017-04 and RAD-2017-05.

Possible action:

- a. Award contract RAD-2017-04 to Granite Rock Company for the Award Criteria Figure of 1.0960 with a minimum contract amount of \$50,000, a maximum contract amount of \$4,500,000, and a maximum contract duration of one year.
- b. Award contract RAD-2017-05 to Granite Rock Company for the Award Criteria Figure of 1.0960 with a minimum contract amount of \$50,000, a maximum contract amount of \$4,500,000, and a maximum contract duration of one year.
- c. Authorize the County Executive, or designee, to issue individual job orders, and to approve change orders to job orders within the parameters specified in the contracts.
- d. Authorize the County Executive, or designee, to accept individual job orders as complete and execute Notices of Completion.
- e. Receive Memorandum of Understanding between the Finance Agency of the County of Santa Clara and the Roads and Airports Department of the County of Santa Clara for a temporary inter-fund loan in the amount of \$21,300,000 for repair of roads damaged by storms.
- f. Approve Request for Appropriation Modification No. 42 - \$21,300,000 increasing expenditures in the Roads and Airports Department, and transferring loan proceeds from the General Fund to the Road Fund. (4/5 Roll Call Vote)

FISCAL IMPLICATIONS

The Road Fund is not currently capable of absorbing the cost of repairing the storm damaged roads based on its current budget and available Road Fund balance. As indicated in the Staff report awarding the storm damage JOC contracts on August 15, 2017 the administration

proposes that all the all storm damage repair work be funded through a loan from the general fund. The loan will be paid back through new gas tax monies provided by Senate Bill 1 and any possible reimbursements from the Federal Emergency Management Agency (FEMA) and the California Office of Emergency Services (Cal OES).

The new gas tax funding provided by Senate Bill 1 will not be fully implemented for several years. The legislation phases the funding over several years so full funding is not immediately available this fiscal year. In addition, a portion of the cost of the repairs to be performed will likely be eligible for FEMA and Cal OES reimbursement. Unfortunately these funds are only available on a reimbursement basis. At the present time, an estimate of the amount which will be provided by FEMA and CalOES is not known. As a result of these fiscal constraints the Administration is recommending a loan be utilized to provide interim funding for the storm damage repair. Therefore, an appropriation modification (F-85) to fund all of the JOC contracts is being brought forward concurrently with this item. This will allow for the loan proceeds to be provided to the Department which will allow work to proceed in a timely manner. If the Department performs work for other County departments using the JOC, all contract costs would be paid by the requesting departments and Roads' staff costs would be recovered via intra-County transfers.

CONTRACT HISTORY

On June 20, 2017, the Board of Supervisors authorized the County Executive to advertise for bids to the existing pool of pre-qualified Job Order Contract (JOC) contractors for RAD-2017-01; and to determine a pool of pre-qualified contractors based on Pre-qualification Questionnaire Package (PQP) evaluations, and authorized staff to advertise the Contract Documents and set the bid opening dates for RAD-2017-04 and RAD-2017-05.

A mandatory Pre-Bid Conference was conducted on July 10, 2017, to discuss the JOC process and respond to bid questions with the contractors determined to be pre-qualified. Bids were received and opened by the Clerk of the Board on August 3, 2017 for RAD-2017-04, and on August 10, 2017 for RAD-2017-05.

Consistent with the Project Labor Agreement (PLA) policy adopted by the Board of Supervisors, individual Job Orders exceeding \$2 Million will be subject to the Santa Clara County Project Labor Agreement (PLA) between the County of Santa Clara and San Benito Counties Building and Construction Trades Council (SBCT) and the Signatory Unions approved by the Board of Supervisors on January 24, 2017. For such individual projects, the Contractor will be required to enter into an "Agreement to be Bound" by the Santa Clara County PLA, including future amendments.

REASONS FOR RECOMMENDATION

On June 20, 2017, the Department advised the Board that a General Fund loan would be needed to fund the storm damage repairs. The most expeditious way to complete many of the storm damaged sites is via Job Order Contracts. In order to fund Job Orders, a loan from the General Fund to the Road Fund is needed. A portion of the cost of repairs will be reimbursed

by FEMA and CalOES which will be a source of funds available to repay the General Fund loan. Additional funding from SB1 is also expected in future years a portion of which is allowable under the legislation to use for standard Road Fund purposes such as the repayment of this loan.

Per the California Public Contracting Code, the County may award individual annual contracts not to exceed an amount determined annually. The current not-to-exceed total for any one JOC contract in the State of California is \$4,766,377. These two contracts are sized at \$4,500,000 for compliance with statutory limits and convenience.

The JOC process is a flexible, expeditious contracting method used to accomplish Roads & Airports routine maintenance and repair projects. Individual projects that may be performed by the Job Order Contractor have been previously approved and budgeted as part of the Department's Master Capital Projects Plan and annual budget process. The JOC Contracts will be utilized to expeditiously address many of the storm damaged roads prior to the 2018 winter. The storm damage repair is anticipating FEMA reimbursement of 75% for approved permanent repairs. FEMA has reviewed the County's JOC contract process and deemed it an acceptable construction contract procurement process.

The Contract Documents are comprised of a Construction Task Catalog (CTC), Task Specifications and Special Provisions. The unit price for each task is established based on local prices for material, labor and equipment. Contractors bid one adjustment factor to the CTC prices for work performed during normal working hours and one adjustment factor for work outside of normal working hours. These two adjustment factors, which include the contractor's overhead and profit, are then weighted using an Award Criteria Formula to determine the Award Criteria Figure. An annual contract is then awarded to the responsible bidder submitting the lowest responsive Award Criteria Figure.

The pre-qualification process and evaluation of a total of four Pre-qualification Questionnaire Packages submitted resulted in the determination that four contractors were qualified. On August 3, 2017 three bids were received for RAD-2017-04 with the following Award Criteria Figures:

1. Granite Rock Company: 1.0960
2. Granite Construction: 1.1340
3. Wattis Construction Company, Inc.: 1.2155

The Department has reviewed the bids and determined three were responsive. The Department recommends awarding the JOC contract to the lowest responsive bidder, Granite Rock Company, for the minimum contract amount of \$50,000 and a maximum contract amount of \$4,500,000.

The pre-qualification process and evaluation of a total of four Pre-qualification Questionnaire Packages submitted resulted in the determination that four contractors were qualified. On August 10, 2017 four bids were received for RAD-2017-05 with the following Award Criteria Figures:

1. Granite Rock Company: 1.0960

2. Granite Construction: 1.1270
3. Gordon N. Ball: 1.1480
4. Wattis Construction Company, Inc: 1.2125

The Department has reviewed the bids and determined four were responsive. The Department recommends awarding the JOC contract to the lowest responsive bidder, Granite Rock Company, for the minimum contract amount of \$50,000 and a maximum contract amount of \$4,500,000.

CHILD IMPACT

The recommended action will have a positive impact on children or youth.

SENIOR IMPACT

The recommended action will have a positive impact on seniors.

SUSTAINABILITY IMPLICATIONS

The recommended action will have no/neutral sustainability implications.

CONSEQUENCES OF NEGATIVE ACTION

The contracts will not be awarded and projects to repair storm damaged roads and infrastructure will not be executed by the JOC process

STEPS FOLLOWING APPROVAL

1. Notify Jeri Arstingstall and David Parks – Roads & Airports Department, Infrastructure Development Division, that the Board President has signed the contract and arrange for pick-up of the document.
2. Send notification of completed processing to: Harry Freitas, Ron Jackson, David Parks, Khoa Vo, Albert Eydam and Jeri Arstingstall - Roads & Airports Department, Infrastructure Development Division, and Tony Arata, Pam Rebillot, Kelly Roberts - Roads and Airports Department – Administration Division.

LINKS:

- **Linked To:** 87086 : Consider recommendations relating to repair of storm damaged roads resulting from January 2017 Storm (FEMA #DR-4301) and February 2017 Storm (FEMA #DR-4308). (Roads and Airports Department)

ATTACHMENTS:

- F85 42 (PDF)
- MOU between Finance Agency & Roads & Airports Department for inter-fund loan of \$21,300,000 REVISED (PDF)