

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS  
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT General Services Agency	(2) MEETING DATE 5/14/2013	(3) CONTACT/PHONE Janette Pell, General Services Agency Director 805-781-5200	
(4) SUBJECT Request to adopt contract documents (Clerk's File) and authorize public bidding for construction services for Job Order Contracting for FY 2013-14. Set bid opening date for Thursday June 13, 2013. All Districts.			
(5) RECOMMENDED ACTION It is recommended that the Board: 1. Adopt the Contract Documents (Clerk's File) for Job Order Contracting for FY 2013-14; and 2. Instruct the County Clerk to give Notice to Bidders, calling for sealed bids no later than 3:00 PM on June 13, 2013.			
(6) FUNDING SOURCE(S) Budgeted Maintenance and Capital Projects	(7) CURRENT YEAR FINANCIAL IMPACT Based on number of contracts awarded	(8) ANNUAL FINANCIAL IMPACT Minimum award of \$50,000 to a potential award of \$4,464,000.	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ____ ) <input type="checkbox"/> Board Business (Time Est. ____ )			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input checked="" type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) NA		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: NA <input type="checkbox"/> 4/5th's Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP No	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A    Date: 11/9/2004 (See Attachment "A") (Resolution No. 2004-352)	
(17) ADMINISTRATIVE OFFICE REVIEW Vincent Morici			
(18) SUPERVISOR DISTRICT(S) All Districts -			

# County of San Luis Obispo



TO: Board of Supervisors

FROM: General Services Agency / Janette Pell, General Services Agency Director  
805-781-5200

DATE: 5/14/2013

SUBJECT: Request to adopt contract documents (Clerk's File) and authorize public bidding for construction services for Job Order Contracting for FY 2013-14. Set bid opening date for Thursday June 13, 2013. All Districts.

## **RECOMMENDATION**

It is recommended that the Board:

1. Adopt the Contract Documents (Clerk's File) for Job Order Contract, JOC13; and
2. Instruct the County Clerk to give Notice to Bidders, calling for sealed bids no later than 3:00 PM on June 13, 2013.

## **DISCUSSION**

A Job Order Contract (JOC) is a project delivery tool that GSA General Services has used since 2000 for the delivery of countywide maintenance and repair projects. JOC is a way for the County to get numerous, commonly encountered construction projects done quickly and easily through an annual contract. JOC reduces unnecessary levels of engineering, design, and contract procurement time along with construction project procurement costs by awarding a contract for a wide variety of renovation, repair and construction projects.

A major element of the JOC contracting process is the use of a Construction Task Catalog (CTC), which provides preset costs for specific construction tasks. The CTC unit price book can cover nearly every construction, repair or maintenance task, whether it's replacing air filters, installing carpeting, replacing windows or doors, or even painting or it can be limited to specific areas of work or a particular trade.

The contractor will be selected based on low bid. As part of its bid, the contractor submits a coefficient (a multiplier) to be applied to the preset unit prices appearing in the CTC. The coefficient must include not only the contractor's overhead and profit, but also any adjustment that may be needed to the CTC prices based on the contractor's costs in the local area of the contract (which are functions of labor costs, subcontractor base, market conditions and client-specific conditions).

After contract award, and during the course of the contract, the coefficient will be used to calculate the price for each project which will be the preset unit prices multiplied by the quantity multiplied by the coefficient.

For each project, the County and the contractor follow the same five steps: (1) Conduct a joint scope meeting at the site to review and discuss the work and the construction schedule; (2) prepare a detailed scope of work; (3) contractor prepares a price proposal using unit prices from the CTC, quantities, and coefficient, and submits a proposed construction schedule, list of subcontractors and other documents required by County; (4) County reviews price proposal to make sure the right tasks and quantities were used; (5) if County is 100% satisfied with price, schedule, subcontractors, etc. County will issue work order for the project.

A JOC contract follows certain procedures leading to an agreement focusing on achieving good work performance and reasonable costs. Among the procedures leading to the formalization of a JOC contract are the following items and provisions:

- Standard specifications established in a master contract with a summary of work, also including any specific or client-driven conditions.
- A CTC containing preset unit prices for construction tasks.
- County issues an invitation to bid awarding to the lowest responsive and responsible bidder.
- A guarantee of minimum amount of work for the contractor. This is usually a small amount for consideration.
- Issuance of contractor's work orders based on County's requirements.
- Costs for individual work orders are calculated by multiplying the preset unit prices by the quantities multiplied by the contractor's coefficient.
- Open communication between the County and JOC contracting team, including a kick-off partnering session between everyone utilizing the contract.

Public Contract Code section 20128.5 allows the annual award of a JOC for the purposes of repair, alteration, modernization, remodel, and rehabilitation of buildings, structures, infrastructure, or other real property. The JOC project delivery process has provided GSA General Services the ability to deliver construction projects in a cost effective and timely manner for nearly 13 years. The current contract for FY 2012-13 will expire on August 5, 2013. The request before the Board will provide the County the opportunity to offer this cost effective and timely project delivery method without interruption through June 2014. See Attachment "A" for chronological history of prior Job Order Contracts awarded by the Board of Supervisors.

**OTHER AGENCY INVOLVEMENT/IMPACT**

The Environmental Division of the Planning and Building Department reviews all projects within the Capital and Maintenance Project Programs for conformance with the California Environmental Quality Act (CEQA) and other environmental requirements. The Office of the Auditor Controller coordinates with GSA General Services to determine which projects qualify for the JOC program and County Counsel reviews the Agreement for form and legal effect.

**FINANCIAL CONSIDERATIONS**

JOC contracts don't define actual, individual jobs but sets a minimum contract award value of \$50,000 of construction job orders to the successful bidder. As a result, the JOC contractor is not guaranteed any level of revenue, driving it to generate the best performance possible. The California Public Contract Code allows a maximum award of \$3,000,000 adjusted by the California Consumer Price Index from February 1998. During the period February 1998 through February 2013, the California Consumer Price Index has increased 48.8 percent. The proposed JOC limit for FY 2013-14 will be \$4,464,000.

From the FY 2000-01 through FY 2011-12, the County awarded 504 job orders for a total construction cost of \$20,287,354. Through May 1, 2013, there have been 27 job orders approved under JOC for FY 2012-13, for a total construction cost of \$780,823. It is anticipated the JOC currently in effect for FY 2012-13 may exceed \$1,500,000.

All construction funding for JOC will be made from budgeted Capital and Maintenance projects. There are no budget adjustments necessary for the action requested. The following table outlines previous JOC expenditures based on minimum and maximum contract awards allowed by the Public Contract Code.

Job Order Contract	Min. Award (Required)	Actual Award (To Date)	Est. Total Award	Max. Award (Allowed)
FY 2000-01 thru FY 2011-12	\$550,000	\$20,287,354	-----	-----
FY 2012-13	\$50,000	\$780,823	\$1,500,000	\$4,152,000
FY 2013-14	\$50,000	-----	-----	\$4,464,000
TOTAL	-----	\$21,068,177	-----	-----

## **RESULTS**

The JOC program eliminates the time and expense of the common design/bid/build process utilized for many construction projects. It is a procurement program that enables the County to accomplish a large number of small and medium-sized, maintenance and renovation projects with a single, competitively bid construction services contract. The major advantages of JOC include: (1) fast and timely delivery of projects; (2) low overhead cost of construction procurement and delivery; (3) development of a partner relationship based on work performance; (4) reduced legal fees; (5) elimination of change orders; and (6) standard pricing and specification utilizing a published CTC resulting in efficient and effective estimating, design, and fixed price construction.

Since inception and through the end of FY 2011-12, GSA General Services has managed 504 individual job orders. It is conservatively estimated that at least 2 months of processing time is saved per project when using the JOC program.

Approval by the Board to continue with the JOC project delivery program provides an invaluable construction services procurement tool for GSA General Services. It allows GSA General Services to deliver construction projects in a timely and cost effective manner, necessary to accommodate the facility needs of County departments and the public.

## **ATTACHMENTS**

1. JOC13 Attachment A – Chronology of Board Actions
2. JOC13 Contract Documents (Clerk's File)