



## Legislation Details (With Text)

**File #:** 16-0635      **Version:** 2

**Type:** Agenda Item      **Status:** Approved

**File created:** 6/6/2016      **In control:** Board of Supervisors

**On agenda:** 8/30/2016      **Final action:** 8/30/2016

**Title:** Chief Administrative Office, Procurement and Contracts Division and Facilities Division, recommending the Board delegate authority to the Facilities Manager to issue individual job orders for each of the awarded JOC public works contracts: No. 187-C1799 with Danco Builders Northwest, Contract No. 188-C1799 with PRIDE Industries One, Inc., and Contract No. 188-C1799 with Flint Builders, Inc., each agreement having a not-to-exceed amount of \$1,500,000. (Refer: 06/28/16, Item 5)

FUNDING: Accumulated Capital Outlay Fund.

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. A - Approved Blue Route - Bid 16-968-065, 16-968-066, 16-968-067 6-28-16, 2. B - Bid 16-968-065, 16-968-066, 16-968-067 6-28-16, 3. B - Revised Bid 16-968-065, 16-968-066, 16-968-067 6-28-16, 4. Executed JOC Bid, 5. Executed Agreement 187-C1799, 6. Executed Agreement 188-C1799, 7. Executed Agreement 189-C1799

Date	Ver.	Action By	Action	Result
8/30/2016	2	Board of Supervisors	Approved	Pass
6/28/2016	1	Board of Supervisors	Approved	Pass

Chief Administrative Office, Procurement and Contracts Division, recommending the Board consider the following pertaining to Job Order Contracting, Bid Numbers: 16-968-065, 16-968-066 and 16-968-067:

- 1) Award the Construction Contracts to Danco Builders Northwest, PRIDE Industries One, Inc., and Flint Builders, Inc., the three lowest responsive, responsible bidders;
- 2) Approve and authorize the Chair to sign Public Works Contract 187-C1799 with Danco Builders Northwest, Contract 188-C1799 with PRIDE Industries One, Inc., and Contract 188-C1799 with Flint Builders, Inc, each agreement having a not-to-exceed amount of \$1,500,000 subject to review and approval of the final Contract Documents by County Counsel and Risk Management; and
- 3) Authorize the Purchasing Agent to sign an Escrow Agreement, if requested by any Contractor and in accordance with Pubic Contract Code Section 22300, for the purpose of holding Contract retention funds. (Refer: 6/28/16, Item 5)

**FUNDING:** Accumulated Capital Outlay Fund.

**DEPARTMENT RECOMMENDATION**

Chief Administrative Office, Procurement and Contracts Division, recommending the Board consider the following pertaining to Job Order Contracting, Bid Numbers: 16-968-065, 16-968-066 and 16-968-067:

- 1) Award the Construction Contracts to Danco Builders Northwest, PRIDE Industries One, Inc., and Flint Builders, Inc., the three lowest responsive, responsible bidders;
- 2) Approve and authorize the Chair to sign Public Works Contract No. 187-C1799 with Danco

Builders Northwest, Contract No. 188-C1799 with PRIDE Industries One, Inc., and Contract No. 188-C1799 with Flint Builders, Inc, each agreement having a not-to-exceed amount of \$1,500,000 subject to review and approval of the final Contract Documents by County Counsel and Risk Management; and

3) Authorize the Purchasing Agent to sign an Escrow Agreement, if requested by any Contractor and in accordance with Public Contract Code Section 22300, for the purpose of holding Contract retention funds. (Refer: 06/28/16, Item 5)

## **DISCUSSION / BACKGROUND**

Job Order Contracting (JOC) is a procurement process that helps government entities complete a large number of repairs, maintenance, renovation and new construction projects with a single competitively bid contract. Unlike traditional bidding, where each project is identified, designed and put out to bid, Job Order Contracting establishes competitively bid prices up front and eliminates the need to separately bid each project.

Contractors will competitively bid unit prices. The overall contract amount (the sum of the individual projects) is expressed in a wide dollar range, such as \$10,000 to \$1,000,000. The contract is then awarded to the bidder chosen as the lowest responsive and best value. Once the contract is in place, the Facilities Division may have the contractor perform a series of individual projects as separate job orders and the prices are never negotiated. The contractor is paid the pre-set unit prices multiplied by the competitively bid adjustment factor. This greatly reduces change orders and disputes.

On November 5, 2013 (#10), the Board approved an Agreement (144-S1411) with the Gordian Group for these services.

On June 28, 2016 (#5), the Board adopted and approved the Bid and Specifications and authorized advertisement for Public Works bids for Job Order Contracting (Bid Numbers 16-968-065, 16-968-066 and 16-968-067) with the intent to award contracts to three (3) bidders for a not-to-exceed amount of \$1,500,000 for each contract.

Award Bid and Sign Construction Contract with the Three Lowest Responsive, Responsible Bidders: Eight (8) bids were received for each bid; however, only one Contract may be awarded to any bidder. The lowest responsive and responsible bidder on a bid was excluded from consideration of each successive bid. It was determined Danco Builders Northwest, PRIDE Industries One, Inc., and Flint Builders, Inc. were the three lowest responsive, responsible bidders.

### Authorize Purchasing Agent to Sign Escrow Agreement:

Pursuant to the Conditions of the Contract, Section 6.4, "Withholding from Payments," of the Contract Documents, the County will retain five percent (5%) of the value of work done from each Contractor payment (excluding mobilization payments) as security for the fulfillment of the Contract.

Alternatively, Public Contract Code (PCC) Section 22300 provides that the Contractor may request that payment of retentions earned be made directly to an Escrow Agent. The Contractor will receive the interest earned on the investment.

In accordance with these provisions, the Contractor may request in writing that the County make payment of retention funds directly into an escrow account, which would necessitate an Escrow Agreement. To help expedite this process if requested by the Contractor, the Department requests that the Board authorize the Purchasing Agent to execute the Escrow Agreement. Upon satisfactory

completion of portions of the Contract and upon written notification from the Purchasing Agent, the Contractor will receive incremental releases from the Escrow Agent of retention paid into the account and any interest earned thereon. A portion of the retention and interest will be retained in the escrow account until thirty-five (35) days after the issuance of the Notice of Acceptance of the Contract at which time these funds will be released to the Contractor.

**ALTERNATIVES**

N/A

**OTHER DEPARTMENT / AGENCY INVOLVEMENT**

N/A

**CAO RECOMMENDATION**

Procurement and Contracts is a Division of the Chief Administrative Office, and the Office concurs with staff's recommendation.

**FINANCIAL IMPACT**

Funding is included in the FY 2016-17 CAO Facilities Maintenance and ACO Budget and will be included in future years. There is no change to Net County Cost.

**CLERK OF THE BOARD FOLLOW UP ACTIONS**

1. Upon approval by County Counsel and Risk Management, Procurement & Contracts will forward the three Construction Contracts, with the Contract Routing Sheet approved by County Counsel and Risk Management to the Clerk of the Board for the Chair's signature.
2. The Clerk of the Board will forward the fully executed Construction Contract to Procurement & Contracts for further processing.

**STRATEGIC PLAN COMPONENT**

Infrastructure - Key Concept 3.3.2

**CONTACT**

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