



## Legislation Details (With Text)

**File #:** 18-1586      **Version:** 1

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

**File created:** 10/4/2018      **In control:** Board of Supervisors

**On agenda:** 10/30/2018      **Final action:** 10/30/2018

**Title:** Chief Administrative Office, Facilities Division, recommending the Board authorize the Chair to sign Agreement for Services 3138 with The Gordian Group, Inc., doing business in California as The Mellon Group, to provide Job Order Contracting administration services for a five year term (November 5, 2018 through November 4, 2023) and a not-to-exceed amount of \$500,000.

**FUNDING:** Accumulated Capital Outlay Fund.

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. A- Blue Route Approval & Agmnt No. 3138, 2. Executed Agreement for Services 3138

Date	Ver.	Action By	Action	Result
10/30/2018	1	Board of Supervisors	Approved	Pass

Chief Administrative Office, Facilities Division, recommending the Board authorize the Chair to sign Agreement for Services 3138 with The Gordian Group, Inc., doing business in California as The Mellon Group, to provide Job Order Contracting administration services for a five year term (November 5, 2018 through November 4, 2023) and a not-to-exceed amount of \$500,000.

**FUNDING:** Accumulated Capital Outlay Fund.

### DISCUSSION / BACKGROUND

On November 5<sup>th</sup>, 2013, the Board authorized the Chair to sign Agreement for Services No. 144-S1411 with The Gordian Group, Inc., doing business in California as The Mellon Group, to provide Job Order Contracting (JOC) administration services for a five year term and a not-to-exceed amount of \$500,000. This action initiated the JOC program for the County and the Division has relied upon these services for a number of successful projects. Over the term of this contract, the County has paid out approximately \$420,000 to Gordian.

Job Order Contracting (JOC) is a procurement process that helps government entities complete a large number of repairs, maintenance and renovation 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 million. The contract is then awarded to the bidder chosen as the lowest responsive. 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.

The Gordian/Mellon Group is the only firm nationally that provides a turn-key JOC program that was able to be implemented almost immediately.

The products and services provided include JOC management software, the Construction Task Catalog and related technical specifications, development of the execution procedures, preparation of JOC contract documents (i.e., Contracts, General Conditions and Bid Documents), assistance in procuring JOC contractors through local outreach, and on-going technical support. Additionally, The Gordian/Mellon Group provides significant assistance in issuing the Job Orders. Job Order assistance shall include joint scope meetings, facilitating requests for price proposals based upon details from the Construction Task Catalog and compliance adherence, including issuance of the Job Order itself. This is a popular method used by several other Counties (Sacramento, Placer, San Mateo, to name just a few) as well as the State of California, and the UC and CSU college systems.

On average, a construction savings of 3%-6% and a time savings of 60-180 days, as well as savings related to staff time in the bid process, are realized versus contracting through the traditional bid method. With the volume of Facility related projects upcoming over the next few years the savings are likely to be significant.

Compensation to The Gordian/Mellon Group is structured into "license fees" comprised of 5% ("JOC Complete Solution") and 10.95% ("JOC Complete Solution Plus") of the value of work ordered. The Division utilizes the JOC Complete Solution (5%) predominantly. Over the term of the previous five year contract, the County has paid out approximately \$420,000 to Gordian for these JOC services. This translates to approximately \$8.4M worth of work, with 3-6% in construction savings, as well as significant time savings and reduced staff costs related to efficiencies in the bid process.

The Division seeks another five year contract (November 5, 2018 through November 4, 2023) with a not-to-exceed amount of \$500,000 so that County may continue with the JOC program.

## **ALTERNATIVES**

Should the Board decline to execute another contract with The Gordian/Mellon Group the County would cease to have a JOC program.

## **OTHER DEPARTMENT / AGENCY INVOLVEMENT**

NA

## **CAO RECOMMENDATION / COMMENTS**

It is recommended that the Board approve this item.

## **FINANCIAL IMPACT**

Funding is included in the Fiscal Year 2018-19 ACO budget and will be included in future years. There is no change to Net County Cost.

## **CLERK OF THE BOARD FOLLOW UP ACTIONS**

Return one copy of the fully executed agreement to the Division for processing.

## **STRATEGIC PLAN COMPONENT**

Infrastructure

**CONTACT**

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