



County of El Dorado

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Legislation Details (With Text)

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On agenda: 10/24/2023 **Final action:** 10/24/2023

Title: Chief Administrative Office, Facilities Division, recommending the Board:
1) Find in accordance with Procurement Policy C-17 Section 3.4.4 that Agreement for Services 7966 with The Gordian Group to provide Job Order contracting administration services is exempt from competitive bidding process in accordance with Procurement Policy C-17, Section 3.4.4, Sole Source / Single Source;
2) Approve and authorize the Purchasing Agent to sign Agreement for Services 7966 with The Gordian Group, Inc., pursuant to final County Counsel and Risk Management approval, doing business in California as The Mellon Group, to provide Job Order Contracting administration services for a five-year term (November 5, 2023 through November 4, 2028) and a not-to-exceed amount of \$650,000; and
3) Authorize the Purchasing Agent to execute any necessary amendments relating to Agreement for Services 7966, excluding term extensions and increases to the not-to-exceed amount, contingent upon approval by County Counsel and Risk Management.

FUNDING: Various within the Accumulative Capital Outlay Fund (ACO).

Sponsors:

Indexes:

Code sections:

Attachments: 1. A - Agmt 7966 County Counsel approval, 2. B - Agreement 7966 The Mellon Group Draft

Date	Ver.	Action By	Action	Result
10/24/2023	1	Board of Supervisors	Approved	Pass

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DISCUSSION / BACKGROUND

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.

The construction contracts have pre-established maximum values (for instance, \$1,000,000) to be used on multiple unspecified projects on an as-needed basis. Contractors competitively bid unit prices. 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 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 many 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 anticipated over the next few years the savings are likely to be significant.

The Division requests that the Board make findings pursuant to Procurement Policy C-17, Section 3.4.4, Sole Source / Single Source, that this Agreement is exempt from competitive bidding as the Job Order Contracting program is proprietary to The Gordian Group and there are no other entities that provide this service.

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 (#3138), the County has paid out approximately \$450,000 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, 2023, through November 4, 2028) with a not-to-exceed amount of \$650,000 so that County may continue with the JOC program. Due to a late request from the Consultant to make edits to the agreement, staff is requesting approval of the agreement in draft format to avoid a lapse in service. Upon final review and approval from Counsel and Risk Management, the Purchasing Agent will execute the agreement.

ALTERNATIVES

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

PRIOR BOARD ACTION

Legistar No. 13-0915: On November 5th, 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 and project delivery methodology for numerous successful projects.

Legistar No. 18-1586: On October 30, 2018, the Board authorized the Chair to sign Agreement for Services No. 3138 to provide JOC administration services for an additional five years (November 5, 2018 through November 4, 2023) with a not-to-exceed amount of \$500,000.

OTHER DEPARTMENT / AGENCY INVOLVEMENT

N/a

CAO RECOMMENDATION / COMMENTS

Approve as recommended.

FINANCIAL IMPACT

Funding is included in the Fiscal Year 2023-24 Accumulative Capital Outlay (ACO) budget and will be included in future years. The cost of the service is included in the overall project cost and paid for with various funding sources depending on the project.

CLERK OF THE BOARD FOLLOW UP ACTIONS

N/A

STRATEGIC PLAN COMPONENT

Infrastructure

CONTACT

Chuck Harrell
Facilities Division Manager