



# COUNTY OF SAN DIEGO

## AGENDA ITEM

### BOARD OF SUPERVISORS

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**DATE:** April 9, 2024

**12**

**TO:** Board of Supervisors

### SUBJECT

**GENERAL SERVICES – ESTABLISH JOB ORDER CONTRACT CAPACITY AND AUTHORIZE THE DIRECTOR OF PURCHASING AND CONTRACTING TO ADVERTISE AND AWARD JOB ORDER CONTRACTS (DISTRICTS: ALL)**

### OVERVIEW

The Department of General Services requests authority to establish \$150 million in Job Order Contracts (JOC) capacity that may be utilized until exhausted to execute approved capital and major maintenance repair and remodeling work. The JOC authority would be utilized for work budgeted within departments for the Major Maintenance Implementation Plan (MMIP), minor capital remodels, along with other general maintenance and repairs. Contracts are advertised based on major maintenance and department forecasts of work with job orders issued under these contracts on an as-needed basis as projects are funded.

An emphasis on smaller, specialty job order contracts provide opportunities for smaller, local contractors to participate. Currently, all JOC contractors are small businesses, most are local to San Diego, and they also employ local sub-contractors. Additionally, as part of the Working Families Ordinance, the Board of Supervisors (Board) adopted amendments to Board Policy F-41, Public Works Construction Projects, on February 8, 2022 (17). These amendments require prospective bidders to be pre-qualified for construction bids, including JOCs, in order to be eligible for contract award. The amendments also ensure that contractors meet a set of requirements to be a JOC so they are allowed to bid. Prequalifying all contractors (not just JOC) was a Board directive that was ancillary to the working family ordinance. In addition, registering with the Department of Industrial Relations means they are going to pay prevailing wage and that labor compliance will be enforced.

The Board previously approved authority for \$150 million in JOC capacity on April 26, 2022 (22). This authority has been exhausted and additional capacity is needed to award new JOC contracts.

Typically, 12 to 16 JOCs are awarded annually with a value ranging from \$2.5 million to \$5.4 million each, depending on the expected workload as determined by the annual approved MMIP. Project-based job orders are issued against each of these contracts depending on project scope. The average job order is approximately \$150,000 and includes trades such as roofing,

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heating/ventilation and air conditioning, renovations, fire protection, paving, and electrical work for County facilities. There are typically 150 to 175 active job orders annually.

Today's action requests the Board to authorize \$150 million for JOC capacity and authorize the Director, Department of Purchasing and Contracting to advertise and award job order contracts to execute capital and major maintenance programs, including unanticipated urgent work identified by departments. The continued use of JOC will enable the County to provide greater efficiency and speed of delivery in scoping, contracting, and constructing projects.

**RECOMMENDATION(S)**

**CHIEF ADMINISTRATIVE OFFICER**

1. Find that the proposed action is not subject to the California Environmental Quality Act (CEQA) under Article 5, Section 15060(c)(3) of the State CEQA Guidelines because it is not a project as defined by Section 15378.
2. Authorize the Director, Department of Purchasing and Contracting to advertise and award job order contracts and to take any action in accordance with Section 401, et seq. of the Administrative Code and Public Contract Code section 20128.5, with respect to job order contracting, and to amend the contracts as needed to reflect changes to services and funding.
3. Designate the Director, Department of General Services as the County officer responsible for the administration of all contracts associated with job order contracting for the County of San Diego.

**EQUITY IMPACT STATEMENT**

The approval to advertise and award Job Order Construction (JOC) contracts will enable the County to provide greater efficiency and speed of delivery in scoping, contracting, and constructing projects. JOC contractors have utilized many sub-contractors and suppliers in the San Diego area. Some of these subcontractors may not have the insurance or bonding capabilities to participate as prime contractors, so this is an opportunity for many small businesses to gain experience working on a County project. Many of these projects occur on public-facing County buildings, which will have a positive impact on the culturally diverse population served.

**SUSTAINABILITY IMPACT STATEMENT**

Implementing effective sustainability objectives is crucial to ensuring safe and healthy communities and contributing to the overall success of the region. The authorization and award of Job Order Construction contracts will contribute to the County of San Diego's Sustainability Goals of engaging the community, providing equitable access to County services, transitioning to a green, carbon-free economy, and protecting the health and well-being of everyone in the region.

**FISCAL IMPACT**

There is no direct fiscal impact resulting from today's requested action. If approved, this request will result in the establishment of contracts totaling up to \$150 million in capacity. Funding for issuance of job orders under the awarded contracts is budgeted by departments for specific project

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requests and included in the current and future years Operational Plans. There will be no change in net General Fund cost and no additional staff years.

**BUSINESS IMPACT STATEMENT**

Expenditures resulting from this action will create private sector jobs and economic opportunities in San Diego County. Contractors in the Job Order Contract (JOC) program are largely small businesses and provide jobs for small business sub-contractors. In fact, JOC contractors have utilized more than 500 sub-contractors and suppliers in the San Diego area, many of whom may not have the insurance or bonding capabilities to participate as prime contractors on larger County projects. This is fully supported by small and local businesses and sub-contractors. The annual contract renewals offer ample opportunities across numerous trades. Additionally, annual JOC contract renewals offer ample opportunities across numerous trades for small businesses to participate in Job Order Contracting.

**ADVISORY BOARD STATEMENT**

N/A

**BACKGROUND**

The utilization of Job Order Contracts (JOC) encompasses competitively bid, indefinite-quantity contracts with a fixed-cost threshold for repair, remodeling, or other repetitive work. Contractors bid on a catalog of pre-priced work based on unit prices, and the individual contracts are awarded to the lowest responsible bidder. Work is accomplished by the issuance of individual job orders to the contractor. County staff ensure compliance with licensing, bonding, performance, quality, and warranty to County standards. Recently, the County added a pre-qualification list to improve the procurement process by adding criteria that the contractors must meet for them to be considered as a bidder.

JOC is a proven contracting method that is used by local, state, and federal agencies at more than 1,500 locations nationwide. JOC has greatly reduced procurement lead times, increased the ability to respond to varying workload and priorities, simplified contract administration, and reduced costs.

**County of San Diego (County) Use of JOC**

The Board of Supervisors (Board) first approved use of JOC on June 9, 1998 (34) as a means of completing small- and medium-sized projects. Most recently, the Board approved authority to advertise, award, and administer \$150 million in JOC capacity on April 26, 2022 (22). That capacity is now exhausted.

Public Contract Code (PCC) section 20128.5 authorizes counties to use JOC as a procurement method for repair, remodeling, and other repetitive work. Section 404 of the San Diego County Administrative Code provides that approval of department budgets, appropriation transfers, or appropriations of unanticipated or over-realized revenues which include repair or remodeling costs are deemed an order of the Board for the purposes of PCC 20128.5. As the capacity last established

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by the Board has been exhausted, in order to continue the use of JOC, the Board would need to authorize the continued advertisement, award, and administration of JOCs.

State law limits the value of each JOC, now at a maximum of approximately \$5.4 million, and restricts the contract term to one year. Accordingly, new job order contracts are advertised periodically based on the major maintenance program and forecasts by departments. These projects include roofing, heating/ventilation and air conditioning, general repairs/renovations, fire protection, paving, and electrical work. JOC is integral to the completion of the County's major maintenance program by providing greater efficiency and speed of delivery in scoping, contracting, and constructing projects.

**JOC Capacity**

Today's proposal would authorize the advertisement and award of JOCs with up to a maximum of \$150 million total combined capacity for job orders executed within all awarded contracts. It is expected that \$150 million in new capacity will last for two to three years.

The intent is that at least one JOC contract would be awarded and available for use for each of the following areas: paving, concrete/general engineering, flooring, painting, electrical, mechanical, roofing, plumbing, and general contracting. A special emphasis on several JOC contracts with values of \$2.5 million provides opportunity for smaller, local contractors to participate in this program. This proposal would allow JOCs to be advertised and awarded on an as-needed basis as project forecasts warrant until the \$150 million authority has been exhausted.

As the steward for County facilities, the Department of General Services (DGS) is charged with maintaining the County's infrastructure and meeting maintenance requirements. Each year DGS prepares, and the Facilities Planning Board approves the Major Maintenance Implementation Plan (MMIP) for inclusion in the annual Operational Plan. The MMIP is generated from department requests and facility condition assessment reports, which provide the documentation necessary to identify and prioritize critical repairs affecting life, safety, regulatory, and mission-critical assets. Repairs and improvements that are executed in the major maintenance program may also address regulatory requirements mandated by state and federal law, and energy conservation measures that lower the County's overall operation costs.

In addition to its usage in the major maintenance program, JOC is also used in the Minor Capital, Facility Operations, and Energy Conservation programs. The Department of Public Works and the Department of Parks and Recreation also have access to the JOC authority for approved projects.

The \$150 million maximum capacity would also be available to address approved new requirements consistent with approved funding for various County requirements. While the requested authorization is for JOC capacity of up to \$150 million, the County's total obligation is limited. There is no minimum guaranteed dollar value for any contract, and contract usage would be as needed by departments.

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Today's requested action would authorize \$150 million for JOCs and authorize the Director, Department of Purchasing and Contracting to advertise and award job order contracts to execute capital and major maintenance programs, including unanticipated urgent work identified by departments.

**ENVIRONMENTAL STATEMENT**

The proposed Board action is not subject to California Environmental Quality Act (CEQA) review under Section 15060(c)(3) of the CEQA Guidelines because it is not a project as defined by Section 15378. Authorizing the Director, Department of Purchasing and Contracting to advertise and award job order contracts has no potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. This proposed action does not authorize work at any particular site or facility. Therefore, there is no project to analyze under CEQA currently. At the time actual tasks under the job order contracts are identified, staff will perform the necessary environmental review before issuing a job order.

**LINKAGE TO THE COUNTY OF SAN DIEGO STRATEGIC PLAN**

Today's proposed action to authorize and award job order contracts supports the Sustainability Initiative in the County of San Diego's 2024-2029 Strategic Plan by ensuring economic solvency to achieve the basic facilities and physical resources necessary for superior service delivery.

Respectfully submitted,



SARAH E. AGHASSI  
Interim Chief Administrative Officer

**ATTACHMENT(S)**

N/A