



**CITY OF SALINAS  
COUNCIL STAFF REPORT**

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**DATE:** NOVEMBER 7, 2017  
**DEPARTMENT:** PUBLIC WORKS  
**FROM:** DON REYNOLDS, ACTING PUBLIC WORKS DIRECTOR  
**BY:** PHAVANA ARAMKUL, JUNIOR ENGINEER  
**TITLE:** JOB ORDER CONTRACT (“JOC”) FIRST REVISED AND RESTATED AGREEMENT FOR CONTRACT NO. 2016-J0B03-TYPE B

RECOMMENDED MOTION:

A motion to approve three (3) revised and restated JOC Type B contracts between the City of Salinas and Staples Construction Company Inc., Newton Construction & Management Inc., and Ausonio Inc.

RECOMMENDATION:

Staff recommends that City Council approve a resolution that amends and restates the three contracts for the JOC for Misc. Type B Building/Building Maintenance Work Contract No. 2016-J0B03-Type B as follows: 1) revise the annual contract value to an “Estimated Annual Value of One Million Dollars (\$1 Million) and to include any unused allocations to be carried-over to the following year(s); and 2) increase the contract term to of each of the three JOC contracts to one Five-Year term and limit the maximum aggregate contract value of each of the three JOC contracts to a not guaranteed aggregate of Five Million Dollars (\$5 million) for the life of the contract, whichever comes first, for miscellaneous building and building maintenance related work to Staples Construction Company Inc., Newton Construction & Management Inc., and Ausonio Inc.

Staff further recommends that City Council Authorize the Public Works Director, in consultation with the City Attorney, to execute any amendments to these Contracts, and to execute individual Job Order contracts, as necessary through the term of the agreements.

BACKGROUND:

On October 26, 2016, the City initiated the solicitation of bids for the JOC Type “B” work for miscellaneous building construction and other related building maintenance work, within the City’s right-of-way and on City properties. This project is a continuation of the City’s effort to maintain/improve/rehabilitate/upgrade city buildings to current building codes, demolition work, and for addressing building related priorities identified in the City’s ADA transition plan. On February 7, 2017, the City Council pursuant to Resolution No. 21118 (N.C.S.) approved Misc. Type B Building/Building Maintenance Work Contract No. 2016-J0B03-Type B and awarded

three contracts to Staples Construction Company Inc., Newton Construction & Management Inc., and Ausonio Inc. for a base term of one (1) year, with four (4) one-year renewal options for a total of five (5) years. These terms allow the City to continue to issue individual work orders to the three (3) contractors to address the needs of the City's building/building maintenance needs, in an expeditious manner. This project is a continuation of the City's effort to demolish buildings in preparation for new construction and repair and/or rehabilitate miscellaneous city owned facilities that are deteriorated, damaged, or in need of repair, and/or make facility upgrades to meet current state *or* federal requirements.

Initial JOC construction started in May 2017, and the City has encumbered over \$790,000 on miscellaneous building related work since program inception, and is in the negotiation phase for the renovation of the Women's Club re-model, and the demolition of buildings in preparation for the future Police Service Headquarters. Due to the high workload demand on our current CIP projects the \$1,000,000 cap threshold will be exceeded and requires that the contract threshold be increased for these and other projects to move forward.

#### DISCUSSION:

The demand for building improvement and related maintenance services using the JOC system has increased and the deadlines have become more aggressive. The department has realized a need to modify the terms of the three (3) existing JOC for Misc. Type B Building/Building Maintenance Work Contract No. 2016-JOB03-Type B Agreements to keep up with demands. The City desires to revise the three (3) existing JOC Type-B agreements to: 1) revise the annual the not guaranteed maximum contract value to "an "Estimated Annual of One Million Dollars (\$1 Million), and to include any unused allocations to be carried-over to the following year(s); 2) to combine the one year base contract and the four (4) one-year renewals into one Five-Year contract with a not guaranteed aggregate maximum value of five Million Dollars (\$5 Million), whichever comes first.

The three (3) contractors, Staples Construction Company Inc., Newton Construction & Management Inc., and Ausonio Inc., have confirmed their desire to continue providing construction services to the City under the terms of the updated Agreement set forth in the attachments, compensation will be provided on a project-by-project basis, with each project subject to review and approval by the Public Works Director. Contractor will be awarded projects based on a rotational-based, and performance-based selection process.

#### CEQA CONSIDERATION:

**Not a Project.** The City of Salinas has determined that the proposed action is not a project as defined by the California Environmental Quality Act (CEQA) (CEQA Guidelines Section 15378). In addition, CEQA Guidelines Section 15061 includes the general rule that CEQA applies only to activities which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. Because the proposed action and this matter have no potential to cause any effect on the environment, or because it falls within a category of activities excluded as projects pursuant to CEQA Guidelines section 15378, this matter is not a project. Because the matter does not cause a direct or foreseeable indirect

physical change on or in the environment, this matter is not a project. Any subsequent discretionary projects resulting from this action will be assessed for CEQA applicability.

STRATEGIC PLAN INITIATIVE:

This item relates to the Strategic plan of Quality of Life. The first revision and restatement of three (3) agreements for JOC for Misc. Type B Building/Building Maintenance Work Contract No. 2016-JOB03-Type B will allow several CIP projects to be completed in a timely manner to maintain and improve our community. This promotes the City of Salinas goal to establish a “place where people want to live, where diversity is valued, and all citizens enjoy a high quality of life.”

FISCAL AND SUSTAINABILITY IMPACT:

There is no immediate fiscal impact associated with the approval of the amendments to the JOC Type-B Agreements. Costs associated with the contract will be realized on a project-by-project basis, provided sufficient funding is available, and compensated using a variety of funding sources that include among others, Measure G, Measure X, or General Funds, for already approved CIP projects.

ATTACHMENTS:

Resolution

First Revised and Restated Agreement - Staples Constr.

First Revised and Restated Agreement - Newton Constr. & Mgmt. Inc.

First Revised and Restated Agreement - Ausonio Inc.