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BOARD FINANCE COMMITTEE
Wednesday, April 24, 2019 - 12:30 p.m., Board Room
EBRPD – Administrative Headquarters
2950 Peralta Oaks Court, Oakland, CA 94605

The following agenda items are listed for Committee consideration. In accordance with the Board Operating Guidelines, no official action of the Board will be taken at this meeting; rather, the Committee’s purpose shall be to review the listed items and to consider developing recommendations to the Board of Directors.

A copy of the background materials concerning these agenda items, including any material that may have been submitted less than 72 hours before the meeting, is available for inspection on the District’s website (www. ebparks.org), the Headquarters reception desk, and at the meeting.

Public Comment on Agenda Items

If you wish to testify on an item on the agenda, please complete a speaker’s form and submit it to the recording secretary. Your name will be called when the item is announced for discussion.

Accommodations and Access

District facilities and meetings comply with the Americans with Disabilities Act. If special accommodations are needed for you to participate, please contact the Clerk of the Board at 510-544-2020 as soon as possible, but preferably at least three working days prior to the meeting.

AGENDA

<u>Time</u>	<u>Item</u>	<u>Page #</u>	<u>Status</u>	<u>Staff</u>
12:30 p.m.	1. Fourth Quarter 2018 General Fund and Other Governmental Funds Financial Reports		(I)	Strawson O’Hara
12:50 p.m.	2. Job Order Contracting Policy Update		(R)	Goorjian
1:10 p.m.	3. Job Order Contracting Program: 1. Quarterly Report and 2. New Round of Contracts		(R)	Bates
1:40 p.m.	4. Open Forum for Public Comment <i>Individuals wishing to address the Committee on a topic not on the agenda may do so by completing a speaker’s form and submitting it to the recording secretary.</i>		(I)	
1:50 p.m.	5. Committee Comments		(I)	

Status

(R) Recommendation
(I) Information

Board Finance Committee Members

Dee Rosario (Chair), Whitney Dotson
Ayn Wieskamp, Corbett (Alternate)

Future Meetings

May 22, 2019
June 26, 2019
July 24, 2019

Distribution/Agenda Only

Board of Directors
Anthony Ciaburro
Sharon Clay
Norman LaForce
Cameron Wilson
Citizens for East Shore St. Parks

Distribution/Full Packet

Finance Committee
Robert E. Doyle
Ana Alvarez
Debra Auker
Carol Victor
Jim O’Connor
Kristina Kelchner
Matt Graul
Yolande Barial-Knight
Katy Hornbeck
Ruby Tumber
Sabrina Pinell

Kip Walsh
M. Alvarez-Selles
David Sumner
Chris Newey
Ted Radosevich
Bus. Rep - AFSCME
Rick Rickard – PAC

Kim Balingit
Pam Burnor
Jeff Rasmussen
Deborah Spaulding
M. Strawson O’Hara
Caitlin Stone

Board of Directors

Ayn Wieskamp President Ward 5	Ellen Corbett Vice-President Ward 4	Dee Rosario Treasurer Ward 2	Colin Coffey Secretary Ward 7	Whitney Dotson Ward 1	Dennis Waespi Ward 3	Beverly Lane Ward 6	Robert E. Doyle General Manager
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EAST BAY REGIONAL PARK DISTRICT
BOARD FINANCE COMMITTEE
AGENDA STATEMENT
MEETING DATE – Wednesday, April 24, 2019

SUBJECT: Fourth Quarter 2018 General Fund and Other Governmental Funds Financial Reports

Prepared by: Michelle Strawson O'Hara, Assistant Finance Officer

ATTACHMENTS:

- A. General Fund Charts of Revenue, Expenditures and Fund Balance
- B. General Fund Quarterly Financial Report as of 12/31/18
- C. Other Governmental Funds Quarterly Financial Report as of 12/31/18

RECOMMENDATION: This item is informational only.

EXECUTIVE SUMMARY:

As of December 31, 2018, the District's financial activities are as expected when compared against the prior year results, and against the current year budget.

Unaudited General Fund revenue as of the end of the fourth quarter totaled \$159.1 million – which was 7.3% above the \$148.2 million budgeted amount. In comparison, 2017 revenues were \$147.5 million. The \$11.6 million increase was mainly due to Property Taxes, which were \$12.6 million above 2017. However, when the unpredictable redevelopment dissolution funds of \$5.3 million are subtracted out, the property tax revenue exceeds budget by 2.5%. Transfers In were \$3 million less than prior year due to a \$3.5 million accounting adjustment in 2017 to record the Pension Trust as a General Fund Restricted Asset and reclassify from Internal Service funds. Investment Earnings exceeded budget by \$1.8 million; rising interest rates caused an increase in Investment Interest.

Unaudited General Fund expenditures totaled \$149.4 million or 93.9% of the \$159.1 million budget. This was \$9.7 million below budget, and \$11.4 million above spending in the prior year primarily due to negotiated salary adjustments, investments in Major Infrastructure Renovation and Replacement and increased funding of capital projects. Expenditure and revenue numbers will continue to be refined as year-end accruals are completed. The District's Comprehensive Annual Financial Report (CAFR), with final audited revenue and expenditure amounts, will be issued in June.

General Fund	Budget 2018	Actual thru 12/31/18	variance	% of Budget Complete
Revenue*	\$ 148,228,546	\$ 159,063,755	\$ (10,835,210)	107.3%
Expenditures*	159,084,048	149,360,926	9,723,122	93.9%
net change in Fund Balance	\$ (10,855,502)	\$ 9,702,829	\$ 20,558,331	

* includes transfers

DESCRIPTION:

The budget cycle of the District includes adoption of the annual budget in December of each year, budget amendments during the year as approved by the Board of Directors, and a mid-year budget review process in June/July. Mid-year budget review is an important component of the budget process and allows the District to utilize one-time savings and excess revenues identified at the end of each year for replenishing reserves, paying down unfunded liabilities, setting aside funding for important initiatives to carry out the mission of the District, such as environmental restoration, funding for infrastructure and aging structures, management of hazardous vegetation in the wildland urban interface.

This report and attachments summarize unaudited 2018 revenues and expenditures for the entire District through year-end. This information is provided to the Board as required by the Board Operating Guidelines.

The charts in Attachment A provide an overview of General Fund revenues and expenditures for the past five years.

The table at the bottom of Attachment A provides a summary of unassigned fund balance in the General Fund.

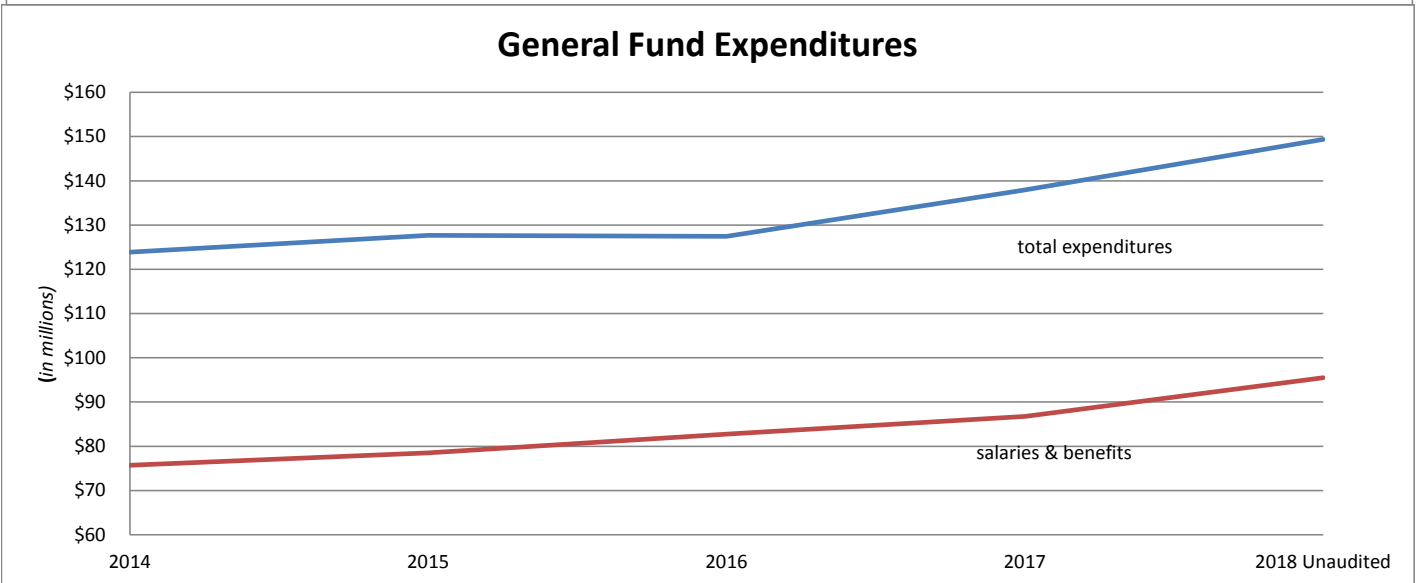
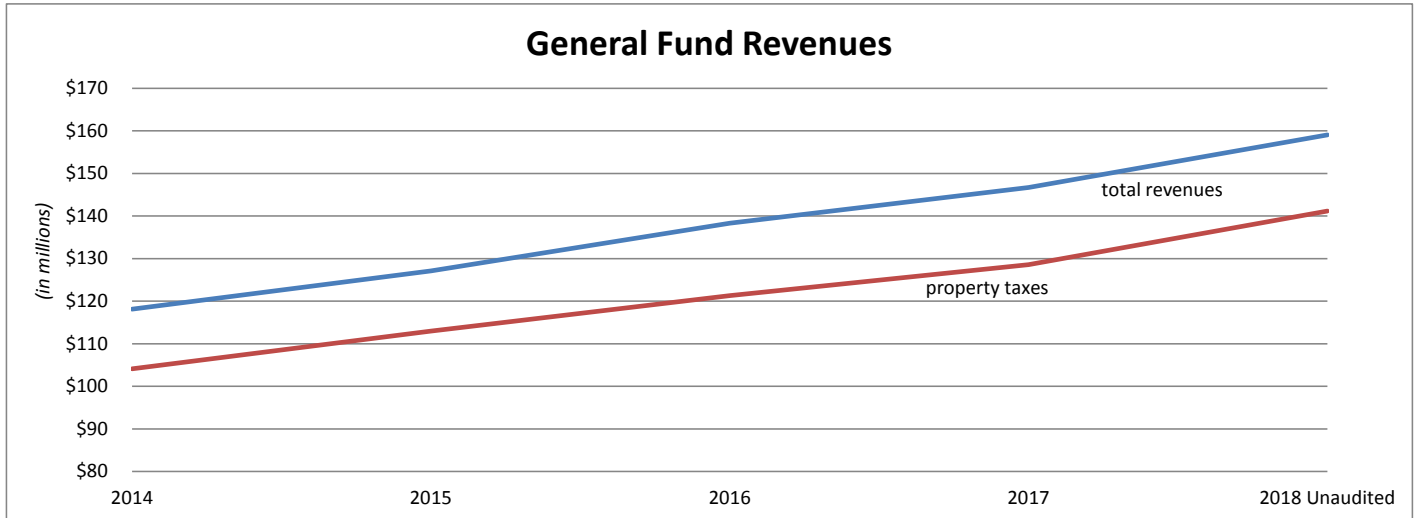
Attachment B provides additional detailed information on the General Fund. Areas in which revenues or expenditures were 10 percent higher or lower than expected are explained in footnotes.

Attachment C provides summarized financial information for all other governmental funds.

RECOMMENDATION:

This item is provided for information purposes only. No action by the Finance Committee is required.

East Bay Regional Park District
GENERAL FUND QUARTERLY FINANCIAL REPORT
 For the Period Ending December 31, 2018



Budgetary General Fund Unassigned Fund Balance

Beginning Unassigned Fund Balance as of 1/1/18	\$	55,790,746						
2018 Unaudited Revenue		159,063,755						
2018 Unaudited Expenditures		(149,360,926)						
2018 adjustments to reserves	\$	(2,525,799)						
Estimated Ending Fund Balance as of 12/31/18	\$	62,967,776						
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%; text-align: center;">Reserve Target per Policy *</td> <td style="width: 10%; text-align: right;">\$</td> <td style="width: 30%; text-align: right;">51,331,299</td> </tr> <tr> <td colspan="3" style="text-align: center;">(32% of annual revenue)</td> </tr> </table>			Reserve Target per Policy *	\$	51,331,299	(32% of annual revenue)		
Reserve Target per Policy *	\$	51,331,299						
(32% of annual revenue)								
Estimated Excess (deficit) over 32% Reserve	\$	11,636,477						

* The Fund Balance Reserve Policy states that 32% of annual revenue is the minimum reserve to be maintained by the District to provide emergency funding in the event of a disaster, temporary revenue shortfall, or other qualified circumstance. Use of the funds requires Board of Director approval.

East Bay Regional Park District
GENERAL FUND QUARTERLY FINANCIAL REPORT
 For the Period Ending December 31, 2018

	Amended Budget 2018	Current YTD [^] Actuals 2018	Actual vs. Budget	% of Budget Complete	Prior YTD [^] Actuals 2017	% Budget 12/31/2017
REVENUE						
Property Taxes	132,500,000	141,176,269	-8,676,269	106.5%	128,608,260	104.2%
Charges for Services	10,325,350	10,694,529	-369,179	103.6%	9,811,864	102.5%
Property Usage	1,784,700	1,811,432	-26,732	101.5%	2,090,478	129.1%
Investment Earnings and Other	2,512,589	4,275,619	-1,763,030	170.2%	2,856,552	151.2%
Transfers In	1,105,906	1,105,906	0	100.0%	4,108,855	100.0%
Total Revenue and Transfers In	148,228,546	159,063,755	(10,835,210)	107.3%	147,476,010	104.9%
EXPENDITURES						
Salary & Benefits	98,930,750	95,493,585	3,437,165	96.5%	86,763,900	96.3%
Supplies	8,889,680	7,664,563	1,225,117	86.2%	7,628,180	82.1%
Services	21,814,509	18,279,522	3,534,987	83.8%	15,804,284	81.9%
Capital Outlay	2,573,607	1,051,961	1,521,646	40.9%	1,791,524	75.9%
Other Expense	232,000	227,793	4,207	98.2%	238,178	98.4%
Interfund Charges	5,928,410	5,928,410	0	100.0%	6,458,480	100.0%
Transfers Out	20,715,092	20,715,092	0	100.0%	19,237,246	100.0%
Total Expenditures and Transfers Out	159,084,048	149,360,926	9,723,122	93.9%	137,921,791	93.8%
NET REVENUE OVER / (UNDER)	(10,855,502)	9,702,829	\$ (20,558,331)		\$ 9,554,219	
EXPENDITURES BY DIVISION						
Board of Directors	2,932,490	2,799,048	133,442	95.4%	275,108	46.9%
General Manager	3,177,623	2,986,177	191,446	94.0%	2,602,013	87.1%
Clerk of the Board	320,070	319,709	361	99.9%	301,238	106.6%
Human Resources	3,230,590	2,971,767	258,823	92.0%	2,623,187	90.9%
Total Executive & Legislative	9,660,773	9,076,701	584,072	94.0%	5,801,547	86.0%
Legal Division	2,809,377	2,079,522	729,855	74.0%	2,829,438	93.2%
Finance and Management Services	10,082,108	9,839,431	242,677	97.6%	8,786,289	94.1%
Public Affairs	5,455,169	4,847,518	607,651	88.9%	4,577,355	90.4%
Total District-Wide Support	18,346,654	16,766,471	1,580,183	91.4%	16,193,082	92.9%
Operations Admin & Business Services	6,409,292	6,020,585	388,707	93.9%	6,060,114	97.4%
Park Operations	36,013,174	34,882,415	1,130,759	96.9%	31,402,726	96.4%
Interpretive and Recreation Services	11,650,065	11,238,484	411,581	96.5%	9,999,798	96.0%
Maintenance and Skilled Trades	15,825,641	13,797,701	2,027,940	87.2%	13,548,076	88.6%
Total Operations	69,898,172	65,939,185	3,958,987	94.3%	61,010,714	94.6%
Administration, Design & Construction	1,404,330	1,308,049	96,281	93.1%	1,235,355	95.7%
Planning & Land Acquisition	4,355,782	3,969,245	386,537	91.1%	3,611,468	91.3%
Stewardship Department	5,472,493	5,263,823	208,670	96.2%	4,359,900	90.4%
Total Acquisition, Stewardship & Development	11,232,605	10,541,117	691,488	93.8%	9,206,723	91.4%
Public Safety Administration	7,618,079	6,981,577	636,502	91.6%	7,913,140	94.3%
Police Department	14,589,048	12,695,618	1,893,430	87.0%	12,208,070	83.4%
Fire Department	7,023,626	6,645,165	378,461	94.6%	6,351,270	105.4%
Total Public Safety	29,230,753	26,322,360	2,908,393	90.1%	26,472,480	91.1%
Transfers Out	20,715,092	20,715,092	-	100.0%	19,237,246	100.0%
Total Expenditures and Transfers Out	159,084,048	149,360,926	\$ 9,723,122	93.9%	\$ 137,921,791	93.8%

[^] Current Year to Date (YTD) Actuals excluding Encumbrances.

Notes: The percent of year completed equals **100% at December 31**. Variances over or under 10% were reviewed and are explained below. Prior year data is presented for comparison purposes.

- Investment earnings and other revenues are above budget primarily due to an increase in interest income of \$1.7M.
- Supply expenses are \$1.2M under budget of which \$444k has been encumbered, and \$501k was in unexpended Fuel and Repairs and Maintenance Supplies
- Services are \$3.5M below budget of which \$829k has been encumbered, \$479k was in unexpended Legal expenses, and \$2.2M in unexpended Other Services and Repairs and Maintenance Services.
- Capital outlay is under budget, however there are encumbrances of \$1.5M for new vehicles ordered in 2018 that will be delivered in 2019.
- Legal division expenditures are \$730K below budget due to lower than expected Legal Services in 2018.
- Public Affairs expenditures are \$608K below budget, however there are encumbrances of \$165k and \$296k in unexpended Services.
- MAST expenditures are under budget by \$2M, however there are encumbrances of over \$1M and budget savings in Repairs & Maintenance Supplies/Services of \$387k and Salaries & Benefits of \$524k due to vacant positions.
- Police Department has \$1.9M remaining in their budget due to unexpended salary & benefits of over \$1.6M due to vacant positions throughout the year.

East Bay Regional Park District
OTHER GOVERNMENTAL FUNDS QUARTERLY FINANCIAL REPORT
 For the Period Ending December 31, 2018

Special Revenue Funds

	Amended Budget 2018	Current YTD [^] Actuals 2018	Budget Variance	% of Budget Complete	Prior YTD [^] Actual 2017	% Budget at 12/31/17
Total Revenues*	35,165,055	19,194,000	15,971,055	54.6%	22,595,137	97.0%
Total Expenditures**	38,225,722	20,556,872	17,668,850	53.8%	21,018,066	91.2%

Special Revenue funds include Measure CC, LLD funds, Zones of Benefit, and Measure WW Local Grants. Revenues and expenditures are low because Measure WW local grants have drawn \$8.7 million of the \$25 million budgeted.

Project Funds

	Amended Budget 2018	Current YTD [^] Actuals 2018	Actual vs. Budget	% of Budget Complete	Prior YTD [^] Actual 2017	% Budget at 12/31/17
Total Revenues*	58,341,388	58,153,880	187,508	99.7%	130,599,582	252.5%
Total Expenditures**	101,645,924	64,862,456	36,783,468	63.8%	65,037,583	68.2%

Project Funds are used primarily for land acquisition and construction. Some notable land acquisition expenditures were for the Roddy Tour Way/Deer Valley property, Doolan Canyon Regional Preserve, Redwood Canyon property at Redwood Park, and Round Valley Regional Preserve.

Project Fund expenditures include the SF Bay Trail construction, campground at Dumbarton Quarry site/Coyote Hills Regional Park, and Albany Beach restoration at McLaughlin Eastshore State Park

Debt Service Funds

	Amended Budget 2018	Current YTD [^] Actuals 2018	Actual vs. Budget	% of Budget Complete	Prior YTD [^] Actual 2017	% Budget at 12/31/17
Total Revenues*	9,599,580	16,685,851	-7,086,271	173.8%	21,301,164	142.1%
Total Expenditures**	15,635,560	15,626,508	9,052	99.9%	15,121,912	100.9%

Debt Service revenues and expenditures are related to scheduled debt service payments for Measure AA and WW General Obligation Bonds. All major installments of General Obligation Bond tax revenue were received in December and all debt service payments were made during the year. The \$7.1M revenue variance is due to the debt premium which was not budgeted.

Internal Service Funds

	Amended Budget 2018	Current YTD [^] Actuals 2018	Actual vs. Budget	% of Budget Complete	Prior YTD [^] Actual 2017	% Budget at 12/31/17
Total Revenues*	20,692,811	22,327,448	-1,634,637	107.9%	21,837,942	110.1%
Total Expenditures**	27,320,413	22,960,258	4,360,155	84.0%	18,904,239	92.1%

Internal Service funds pay for services that are allocated District-wide, including costs of Workers Compensation, General Liability, Major Infrastructure, Equipment and Employee Benefits.

Internal Service expenditures are low in Capital Outlay but when accounting for encumbrances they are within 10% of budget.

Notes:

[^] Current Year to Date (YTD) Actuals do not include Encumbrances (known obligations/contracts through December 31).

* including transfers in

** including transfers out

The percent of year completed equals 100% at December 31. Prior year data is presented for comparison purposes.

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EAST BAY REGIONAL PARK DISTRICT
BOARD FINANCE COMMITTEE
AGENDA STATEMENT
MEETING DATE – Wednesday, April 24, 2019

SUBJECT: Job Order Contracting Policy Update

Report Prepared by Lisa Goorjian, Chief of Design & Construction

ATTACHMENTS: 1. Draft Job Order Contracting (JOC) Policy
2. Management Response to the Internal Audit Report on Examination of Job Order Contracting Program

RECOMMENDATION: Staff recommends the Finance Committee recommend the Draft Job Order Contracting Policy to the Board of Directors for approval

DESCRIPTION:

In 2018, the District's Finance Department-Internal Audit Unit completed an examination and issued an Internal Audit Report on the District's Job Order Contracting Program. The findings and recommendations of that Internal Audit Report were presented at the October 16, 2018 Board Finance Committee meeting.

Design & Construction Department staff have incorporated the recommendations of the Internal Audit Report into the attached Draft Job Order Contracting (JOC) Policy. Park District policies require the approval of the Park District Board of Directors. Staff also created separate JOC Process and Procedures document, as recommended by the Internal Audit Report. Park District Procedures are approved by the General Manager.

RECOMMENDATION

Staff recommends that the Board Finance Committee recommend the Draft Job Order Contracting Policy to the Board of Directors for approval.

East Bay Regional Park District

DRAFT Job Order Contracting (JOC) Policy

1. POLICY OVERVIEW

The East Bay Regional Park District (Park District) will conduct all Job Order Contracting (JOC) in accordance with this Policy and the guiding principles and regulatory requirements of applicable Federal, State, and County codes and regulations. The District's JOC program may be further guided by duly approved Board of Directors actions, Park District Policies, as well as Finance Department Procedures.

2. PURPOSE AND SCOPE

This Policy provides an overview of the principles and regulatory requirements that form the foundation of the District's Job Order Contracting process. JOC is an alternative competitive procurement method intended to supplement other current procurement processes. It is to be used by the departments currently authorized to contract for works of improvement, including repair, renovation, refurbishment and remodeling for the District. The District shall operate its program consistent with Public Contract Code (PCC) section 20128.5 as it may be amended from time to time.

3. DEFINITIONS

- a. District Representative: District employee responsible for the scoping and execution of Job Orders; employee must have received training regarding the policy and procedures of the JOC Program.
- b. JOC Consultant: Consulting firm that assists the District in administering the Job Order Contracts. Consultant provides proprietary software for tracking Job Orders as well as the Construction Task Catalog for unit pricing.
- c. Job Order Contract: A Job Order Contract (JOC) is a contract for a fixed term or maximum dollar value, whichever occurs first, in which a contractor is selected based on a competitive bid to perform various separate job orders in the future, during the term of the contract. Contract award is based on the lowest bid adjustment factor.
- d. Job Order: A Job Order is a document signed by the District that describes the work to be accomplished for any given project that is authorized under an awarded JOC. Each Job Order will include a detailed

scope of work, a firm fixed price, a time duration for the completion of the work and any special conditions that might apply to that specific Job Order, such as liquidated damages.

- e. Construction Task Catalog: The JOC includes a Construction Task Catalog (CTC). The CTC is a comprehensive listing of the various components of labor, material, and equipment used to develop the cost of construction related repair or refurbishment projects. The standard tasks are based on the use of experienced labor with high quality materials. All the pre-priced unit costs incorporate prevailing State wage and local materials cost data.
- f. Adjustment Factor: The adjustment factor is a rate chosen by the JOC contractor for recovering its overhead costs, which are not included the pre-priced items per Construction Task Catalog (CTC), and earning a profit. The contractor multiplies the adjustment factor by total direct costs of the proposed Job Order final scope, and adds that amount to it, to arrive at total cost for the Job Order.

4. DETERMINATION OF USE

- a. The Department Chief reviews a proposed project and initially determines an appropriate method to execute the project. Examples of method include design-bid-build (competitive bidding pursuant to the Public Contract Code), Job Order Contracting, or some other procurement method. JOC is an appropriate delivery method for any type of repetitive work, especially renovation and refurbishment jobs.
- b. Criteria for utilization of Job Order Contracting. The proposed work shall satisfy the following criteria:
 - i. Construction cost estimated over \$50,000
 - 1. This cost can be the cumulative cost of the initial job order and any additional supplemental orders.
 - 2. Exception can be made by Assistant General Manager for emergency projects or projects requiring a specific skill set or limiting time constraints.
 - ii. The scope of work involves only repair, remodeling or other repetitive work (i.e., fencing, paving, etc.).
 - iii. The project is not new construction. JOC contractor is not performing design or contract drawings.
 - iv. Compliance with California Environmental Quality Act (CEQA) has been verified (i.e., the work is either not a “project” under CEQA; the project has been determined to be categorically exempt; or other appropriate environmental review has been performed, such as a Negative Declaration or Mitigated Negative Declaration).

- v. The project is consistent with an approved District capital improvement plan or is scheduled maintenance. Unscheduled maintenance projects may be completed using JOC provided they meet all other criteria in this list.
- vi. All permits, including but not limited to building and storm water permits, have been obtained, or a determination that a permit is not needed has been made by the appropriate authority. The designated District Representative will provide appropriate justification for this determination on the Project Initiation form.
- vii. The Job Order will be done with already approved plans and specifications prepared by a licensed architect, engineer, landscape architect or other design professional. If determined by the designated District Representative, plans may not be required, and Representative will provide appropriate justification for this determination on the Project Initiation form.
- viii. Appropriations and the availability of funds for the project have been confirmed and are available in the project budget.

5. DEPARTMENTS AUTHORIZED TO USE JOC PROGRAM

- I. The following Departments may utilize JOC after receiving training regarding the policy and procedures of the JOC Program:
 - a. Acquisition, Stewardship and Development Division
 - i. Design and Construction Department
 - ii. Trails Development Department
 - iii. Environmental Programs Department
 - b. Operations Division
 - i. Maintenance and Skilled Trades Department
 - ii. Operations Department
 - c. Finance and Management Services Division
 - d. Fire Department

6. VERIFICATION OF THE TASK CATALOG

Annually the Design and Construction Department will verify the accuracy of a sample of the labor, material, and equipment unit prices reported in the Construction Task Catalog and verify unit prices of a sample of items in the Task Catalog on a selective basis.

7. JOC OVERVIEW

- I. Project Prioritization:
 - a. Projects advanced to utilize JOC will be prioritized by the following criteria:

- i. Health, safety, welfare urgency
 - ii. Identified on the Districts' annual list of projects appropriate to utilize the JOC program
 - iii. If approved by the CFO if need is different from the above criteria.
- II. Selection of Contractor:
 - a. The award of multiple JOC contracts will be used to maintain control over contractor performance, quality of work, and timely completion at controlled prices. Maintaining flexibility in the contractor selection process will optimize the District's control.
 - i. District is under no obligation to award work beyond the guaranteed minimum value to be established in the bid documents. District is under no obligation to award any specific number of Job Orders. However, as work and funds become available, job order will be submitted to each JOC Contractor as early in the JOC Contract period as feasible to satisfy the minimum value.
 - ii. To the extent feasible, Job Orders will be distributed on an even basis among selected contractors, having in mind the goal of meeting the needs of the District and rewarding good performance. In their determination of good performance, staff may apply criteria such as, but not limited to, timely and accurate performance of JOC processes, quality construction, timely completion of Job Orders and close-out, safety record, meeting project order goals, project specific requirements, and local employment participation.
- II. Contract Value

The Board of Directors will annually approve a bid value for the Park District's Job Order Contracts, not to exceed the maximum dollar value and term as set forth in PCC Section 20128.5. The bid document may set a minimum order quantity.
- III. Contract Term

The term of each Job Order Contract with selected contractors will be generally for one year. Accordingly, all Job Orders must be issued within the year, but individual Job Orders that were assigned need not necessarily be completed within one calendar year of the commencement date of the Job Order Contract, which is the date the first Notice to Proceed is issued. If a need arises due to special circumstances for a contract term to be extended, the CFO has the authorization to make a decision and grant approval.
- IV. Insurance and Bonds
 - a. Insurance: Coverage shall be provided and maintained as outlined in the District's General Conditions.
 - b. Bonding: Performance Bonds and Labor and Materials Payment Bonds in the amount of the Maximum Contract value shall be required as outlined in the General Conditions.

V. Contractor Obligation / Qualifications

Under the JOC, the Contractor furnishes management, labor, materials, equipment, and engineering support as required to perform the work covered by the applicable Job Order that is issued under the awarded JOC contract. Proper licenses are required at the time of bid for the JOC contract for the Contractor to be considered a responsive bidder.

VI. Contractor Mobilization

The District will expect full contract performance from the start date of the Job Order Contract. The contractor must be fully operational and capable of starting work upon the initial award of the JOC. The contractor is expected to commence mobilization activities as soon as practical after a "Notice to Proceed" has been issued.



2950 PERALTA OAKS COURT • OAKLAND • CALIFORNIA • 94605-0381 • T: 1-888-EBPARKS • F: 510-569-4319 • TRS RELAY: 711 • EBPARKS.ORG

DATE: April 15, 2019

TO: Debra Auker, AGM Finance and Management Services/CFO
Attn: David Sumner, Audit Manager

FROM: Lisa Goorjian, Chief of Design and Construction
Ren Bates, Capital Program Manager, Design and Construction

SUBJECT: Management Response to the Internal Audit Report on Examination of Job Order Contracting (JOC) Program

Below are management responses and actions taken pursuant to the Internal Audit Report on Examination of Job Order Contracting (JOC) Program. We appreciate the audit's comments, recommendations and guidance so that the District may improve in its administration and transparency of the JOC program.

A. Variances in projects Price Proposal as approved and as completed were noted

Recommendations

It is recommended that the EBRPD staff strive for more detailed determination of the JOC construction projects' scope, before they finalize an agreement with the JOC contractors.

It is also recommended that District management define an acceptable range for the variances between Price Proposal and actual unit take-offs as reported by JOC contractors and formalize that in the JOC Policy. In this context, the JOC Policy should describe how to proceed if actual discrepancies noted exceed the accepted range.

Management Response:

The District's current JOC Process and Procedures I. JOB ORDER PROCESS VI. have been revised to incorporate the audit's recommendations:

1. Language has been added to strengthen the District's means to determine that the proposed project scope is acceptable prior to finalizing an agreement with the JOC contractors and the process if the proposal is unacceptable.
2. Language has been added to describe how the District will proceed if actual discrepancies exceed the accepted range.

B. Refinement of the District's JOC Policy Guidelines is recommended

The current JOC Policy Guidelines PURPOSE AND SCOPE section is wordy. It can be simplified without loss of its real meaning and intent, as shown.

Board of Directors

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Ward 1

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Ward 3

Beverly Lane
Ward 6

Robert E. Doyle
General Manager

Recommendations

It is recommended that staff be directed to revise the District's current JOC Policy Guidelines. Separating JOC Policy from JOC Procedures and incorporating suggested modifications that are aimed at enhancing management's oversight of the JOC Program and facilitating users' successful use of the JOC Program.

Management Response:

The District's current JOC Policy Guidelines have been revised to incorporate the audit's recommendations:

1. In the Job Order Contracting (JOC) Policy; 2. PURPOSE AND SCOPE the proposed changes have been accepted and replaced the original description.
2. JOC Policies have been separated from JOC Procedures.
3. In the Policy Portion:
 - a. Section 4 DETERMINATION OF USE b. Now incorporates a financial criterion to qualify for the JOC process.
 - b. Section 5. I. DEPARTMENTS AUTHORIZED TO USE JOC PROGRAM I. The Authorized Departments names are specifically mentioned.
 - c. Section 3. II. Definitions: f. The definition of Adjustment Factor has been updated to clearly convey the meaning of *Adjustment Factor*.
 - d. Section 7. I. JOC OVERVIEW A new section has been added to describe the process for prioritizing of JOC projects.
4. In the Process and Procedures Portion:
 - a. JOB ORDER PROCESS III. now requires an initial engineer's estimate be prepared prior to initiating a Job Order.

C. Accuracy of the Construction Task Catalog unit prices need to be verified

Recommendations

It is recommended that EBRPD staff verify accuracy of a sample of the labor, material, and equipment unit prices reported in the Construction Task Catalog by comparing them to the prevailing local wages and local prices annually. It is also recommended that staff verify unit prices a sample of items that were used in the completed projects by tracing them to the corresponding unit prices per Construction Task Catalog, on a selective basis.

Management Response:

The District's Job Order Contracting (JOC) Policy has been revised to incorporate the audit's recommendations to annually verify the accuracy of a sample of the labor, material, and equipment unit prices reported in the Construction Task Catalog annually and verify unit prices of a sample of items in the Task Catalog on a selective basis.

CC: Kristina Kelchner, AGM Acquisition, Stewardship and Development
Jim O'Conner, AGM of Operations
Jeff Rasmussen, Deputy Chief Finance Officer
Kelly Barrington, Chief of MAST



EAST BAY REGIONAL PARK DISTRICT
BOARD FINANCE COMMITTEE
AGENDA STATEMENT
MEETING DATE – April 24, 2019

SUBJECT: Job Order Contracting Program: 1. Quarterly Report and 2. New Round of Contracts

Report Prepared by: Ren Bates, Capital Program Manager

ATTACHMENT: 2018/2019 Job Order Contracts Project List

RECOMMENDATIONS: 1. The quarterly report is for information only. No action required.

2. Staff recommends the Finance Committee approve forwarding a recommendation to the Board of Directors for authorization to execute a total of 8 Job Order Contracting contracts and for authorization to award a contract to Gordian Group for consulting services to assist District staff administer the Job Order Contracting Program.

DESCRIPTION:

I. Quarterly Report

On November 7, 2017 the Board of Directors awarded six \$1 million job order contracts. Currently, eight job orders are currently in construction. Fourteen projects have been completed. Please see lists below and the attached 2018/2019 Job Order Contracts Project List:

1) Projects in Construction

1. Crown Beach – Crab Cove Visitor Center Renovation
2. Del Valle – Service Yard Improv. Phase II Buildings 2,3, & 4 replacement
3. Black Diamond (Arata) – 3 Ponds Repair, FEMA 2017
4. Las Trampas – Water Tank Replacement – Pipe replacement
5. Shadow Cliffs – Boat Concession Building Replacement
6. Kennedy Grove – Playground and ADA Improvements
7. Del Valle – Kayak Concession Site Work
8. Lafayette Moraga Regional Trail – Glenside Olivera Bridge

2) Completed projects

1. Miller/Knox – Shop ADA Remodel
2. Del Valle – Service Yard Improv. Phase II
3. Del Valle – Buildings 19 & 21 – Asphalt work
4. Wildcat Canyon – WC003 Alvarado Fuels Management Prescription

5. Hayward Shoreline – Winton Ave Staging Area Tiger Teeth
6. Hayward Shoreline – Cogswell Marsh Bridge Structural Repairs
7. Hayward Shoreline – Urgent Levee Repairs
8. Borel Property – Remove Single Wide Trailer
9. Martinez Shoreline – Trail Repair
10. Iron Horse Trail Repave – Walden to Jones and Alcosta to County Line
11. Las Trampas – Water Tank Replacement – Tank Purchase & Demo and Install
12. Point Isabel – Hoffman Channel Bridge Repairs
13. Camp Arroyo – Repair Storm Damage – Dumpster Enclosure
14. Las Trampas – Holly Court Building Abatement and Demolition

RECOMMENDATION

The quarterly report is for information only. No action is required.

2. New Round of Contracts

The current round of JOC contracts are coming to their term and value limits. District Staff has bid the next round of JOC contracts including 3 “A” contracts for General Engineering, 3 “B” contracts for General Building, and 2 “A” contracts for General Paving. The contract terms and limits are consistent with the last two rounds of contracts, specifically a minimum offer of \$50,000 in work with a maximum limit of \$1,000,000 per contract.

The bidding process includes the following: a) working with the Gordian Group to create and update the construction task catalog and bid documents, b) publicly advertise the 8 JOC contracts on the District website, online Plan Room, and in one industry publication. The Gordian Group also assists with distributing the Bid information. Bids are schedule to be opened on April 23, 2019 and staff will recommend approval of the lowest responsive, responsible bids to the Board of Directors on May 21, 2019 for authorization to execute these contracts.

Additionally, the Gordian Group contract will expire on November 3, 2019, at the end of the one-year extension. Staff recommends authorizing a new contract with the Gordian Group in the amount not to exceed \$400,000 for consulting services to assist District staff with administering the Job Order Contracting Program.

RECOMMENDATION

Staff recommends the Board Finance Committee approve forwarding a recommendation to the Board of Directors for authorization to execute a total of 8 \$1.0 million Job Order Contracting contracts and for authorization to execute a contract with the Gordian Group for consulting services to assist District staff administering the Job Order Contracting Program.

East Bay Regional Park District - 2018/2019 Job Order Contracts Project List

April 24, 2019

Projects In Construction				
<u>Park</u>	<u>Project Name</u>	<u>Approved Project Cost</u>	<u>Gordian Group 5% Cost</u>	
1	Crown Beach	Crab Cove Visitor Center Renovation	395,106.89	19,755.34
2	Del Valle	Service Yard Improvements - Phase II Buildings 2,3, & 4 replacement	143,688.00	7,184.40
3	Black Diamond (Arata)	3 Ponds Repair - FEMA 2017	146,388.16	7,319.40
4	Las Trampas	Water Tank Replacement - Pipe Replacement	253,565.60	12,678.28
5	Shadow Cliffs	Boat Concession Building Replacement	510,518.43	25,525.92
6	Kennedy Grove	Playground Replacement and ADA Improvements	212,174.07	10,608.70
7	Del Valle	Kayak Concession Site Work	66,654.95	3,332.74
8	Lafayette Moraga Regional Trail	Glenside Olivera Bridge Replacement	109,896.00	5,494.80
		Subtotal	1,837,992.10	91,899.58
Projects Complete				
<u>Park</u>	<u>Project Name</u>	<u>Approved Project Cost</u>	<u>Gordian Group 5% Cost</u>	
1	Miller/Knox	Shop ADA Remodel	68,242.91	3,412.14
2	Del Valle	Service Yard Improvements - Phase II	42,643.72	2,132.18
3	Del Valle	Buildings 19 & 21 Asphalt work	45,654.32	2,282.71
4	Wildcat Canyon	WC003 Alvarado Fuels Management Prescription	46,838.84	2,341.91
5	Hayward Shoreline	Winton Avenue Staging Area Tiger Teeth	17,069.79	853.48
6	Hayward Shoreline	Cogswell Marsh Bridge Structural Repairs	123,226.02	6,161.30
7	Hayward Shoreline	Urgent Levee Repairs	234,545.87	11,727.29
8	Borel Property	Remove Single Wide Trailer	27,563.57	1,378.18
9	Martinez Shoreline	Trail Repair	196,317.90	9,815.89
10	Iron Horse Trail	Repave Walden to Jones and Alcosta to County Line	465,902.71	23,295.13
11	Las Trampas	Water Tank Replacement - Tank Purchase & Demo and Install	753,730.14	37,686.50
12	Point Isabel	Hoffman Channel Bridge Repairs	122,527.20	6,126.36
13	Camp Arroyo	Repair Storm Damage - Dumpster Enclosure	14,264.26	713.21
14	Las Trampas	Holly Court Building Abatement and Demolition	409,324.82	20,466.24
		Subtotal	2,567,852.07	128,392.52
		Total	\$ 4,405,844.17	\$ 220,292.10