



# CITY OF LONG BEACH

# R-33

DEPARTMENT OF PUBLIC WORKS

333 West Ocean Boulevard 9<sup>th</sup> Floor • Long Beach, CA 90802 • (562) 570-6383 • Fax (562) 570-6012

January 6, 2015

HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach  
California

## RECOMMENDATION:

Adopt Specifications No. R-7004 and award contracts to New Creation Builders, of Bellflower, CA, KLD Construction, of Los Angeles, CA, BiTech Construction, of Buena Park, CA, Exxon Development, of Garden Grove, CA, and Thomasville Construction, of Fullerton, CA for both anticipated and unanticipated (emergency) construction of various City infrastructure repairs and improvements to be performed under the method of Job Order Contracting (JOC), each in an amount not to exceed \$3,500,000 for a period of three years, with the option to renew for two additional one-year periods in an amount not to exceed \$1,000,000 per renewal, at the discretion of the City Manager;

Adopt the attached Resolution authorizing the City Manager to execute a contract with the Gordian Group, of Greenville, South Carolina, for access rights to their proprietary Pro-Gen software and to provide professional services to manage the JOC program in an amount not to exceed \$341,250 for a period of three years, with the option of renewing for two additional one-year terms; and,

Authorize the City Manager to execute amendments to the Gordian Group agreement relative to the extension of the term, to authorize additional services, if required, within the provisions of the agreement, and to adjust the Gordian fee for inflation. (Citywide).

## DISCUSSION

City Council approval is requested to enter into contracts with New Creation Builders, KLD Construction, BiTech Construction, Exxon Development, Thomasville Construction and Gordian Group for performing infrastructure repairs and improvements, whereby no individual work order project will exceed \$500,000.

On June 17, 2003, January 4, 2005, October 10, 2006, February 9, 2010, and, most recently on September 18, 2012, the City Council authorized multiple contracts for as-needed construction of various City infrastructure repairs including repairs at Police, Fire, Health, Park and Harbor Department facilities. Many of these repairs are performed on an emergency basis. The JOC system, which utilizes a competitively bid, firm-price master contract, is a comprehensive procurement system designed to help public agencies provide routine construction services more rapidly than the traditional system of the design/bid/build method of contracting.

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The 2014 JOC Specifications provide a Construction Task Catalog (CTC) that contains unit prices for more than 100,000 construction tasks. In order to produce complete pricing for the JOC work orders, the contractor applies an adjustment factor containing provisions for profit and overhead to the CTC unit prices, which contain provisions for labor and materials only. Award of each JOC master contract is recommended for the contractor with the lowest adjustment factor for that particular JOC contract.

JOC Contract No. 20 for New Creation Builders has an Adjustment Factor of .5000; JOC Contract No. 21 for KLD Construction has an Adjustment Factor of .5488; JOC Contract No. 22 for Bitech Construction has an Adjustment Factor of .5700; JOC Contract No. 23 for Exbon Development has an Adjustment Factor of .5980; and JOC No. 24 for Thomasville Construction has an Adjustment Factor of .7100.

The JOC program is widely used by other public agencies, including eighteen campuses in the California State University System, nine campuses in the University of California System, San Diego, Los Angeles, and Riverside Counties, and the Los Angeles Unified School District. This method of project delivery has been used in the City since 2002 and has proven successful on many projects in the past. In addition to the continued use of the JOC program for critical facility repair work, staff also intends to utilize the JOC program for construction of projects funded by one-time and discretionary funds. The efficient nature of the JOC process will enable the City to expend these funds in a timely manner.

On February 9, 2010, the City Council authorized the City Manager to execute an agreement with the Gordian Group to implement the City's JOC service in the amount of \$225,000 for a term of three years commencing on April 10, 2010. Gordian provides the necessary support services for the JOC program, including the documentation and software that allows the JOC contractors to produce the detailed construction proposals for City consideration. The fee for Gordian's services remains unchanged from the previous agreement at 1.95 percent of each JOC work order and is paid only as work order projects are approved.

Because the most recent JOC contracts were approaching their contract limits, in October 2014, the City invited contractors to competitively bid for four general facility construction contracts and one specialized mechanical (Heating, Ventilation, Air-Conditioning) facility construction contract.

The bid was advertised in the Press-Telegram on October 20, 2014, and 3,178 potential bidders specializing in construction were notified of the bid opportunity. Of those bidders, 89 downloaded the bid via our electronic bid system. The bid document was made available from the Purchasing Division, located on the seventh floor of City Hall, and the Division's website at [www.longbeach.gov/purchasing](http://www.longbeach.gov/purchasing). A bid announcement was also included in the Purchasing Division's weekly update of Open Bid Opportunities, which is sent to 30 local, minority and women-owned business groups. Eighteen bids were received on December 3, 2014; 17 for JOCs 20 to 23 and one for JOC 24. Of those bidders, nine were Minority Business Enterprises (MBEs), two were Woman-owned Business Enterprises (WBEs), eight were Small Business Enterprises (SBEs), three were Disadvantaged Business Enterprises

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(WBEs), eight were Small Business Enterprises (SBEs), three were Disadvantaged Business Enterprises (DBEs), and none were Long Beach businesses (Local). New Creation Builders of Bellflower, CA (DBE), KLD Construction of Los Angeles, CA (MBE/SBE), BiTech Construction of Buena Park, CA (MBE/DBE), Exbon Development of Garden Grove, CA (MBE/SBE/WBE), and Thomasville Construction of Fullerton, CA (MBE), were the lowest responsible bidders for JOCs 20 through 24, respectively.

**Local Business Outreach**

In an effort to align with our outreach goal, Long Beach businesses are encouraged to submit bids for City contracts. The Purchasing Division also assists businesses with registering on the Bids Online database to download the bid specifications. Through outreach, 291 Long Beach vendors were notified to submit bids, of which eight downloaded and none submitted a bid. The Purchasing Division is committed to continuing to perform outreach to local vendors to expand the bidder pool.

This matter was reviewed by Deputy City Attorney Linda Vu and by Budget Management Officer Victoria Bell on December 19, 2014.

TIMING CONSIDERATIONS

City Council action to adopt Specifications No. R-7004 and award contracts concurrently is requested on January 6, 2015, to ensure the contracts are in place expeditiously.

FISCAL IMPACT

The aggregate contract authority requested is not to exceed \$17,841,250, for the first three years, and is estimated based on current and anticipated projects budgeted within the City Manager and Public Works Departments. In coordination with the City Manager Department, the total estimated contract needs for the five JOC contracts and the Gordian Group are as follows:

<b>Department</b>	<b>JOC Contract</b>	<b>Gordian Group</b>	<b>Total JOC Contract and Gordian Group</b>
Public Works	\$15,000,000	\$292,500	\$15,292,500
City Manager	\$2,500,000	\$48,750	\$2,548,750
<b>Total</b>	<b>\$17,500,000</b>	<b>\$341,250</b>	<b>\$17,841,250</b>

No individual work order project will exceed \$500,000. Any work not currently budgeted will only proceed at such time that appropriations have been approved by the City Council. Approval of this action would potentially have a positive impact on the local job market.

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SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



ARA MALOYAN, PE  
DIRECTOR OF PUBLIC WORKS



JOHN GROSS  
DIRECTOR OF FINANCIAL MANAGEMENT

AM:MS:db  
P/CL/R-7004 JOC Contract CL Rev3.doc

Attachment -Resolution

APPROVED:

  
\_\_\_\_\_  
PATRICK H. WEST  
CITY MANAGER

OFFICE OF THE CITY ATTORNEY  
CHARLES PARKIN, City Attorney  
333 West Ocean Boulevard, 11th Floor  
Long Beach, CA 90802-4664

1 RESOLUTION NO.  
2

3 A RESOLUTION OF THE CITY COUNCIL OF THE  
4 CITY OF LONG BEACH AUTHORIZING THE CITY  
5 MANAGER TO EXECUTE A CONTRACT WITH THE  
6 GORDIAN GROUP, INC. DBA THE MELLON GROUP IN  
7 AN AMOUNT NOT TO EXCEED \$341,250 FOR ACCESS  
8 RIGHTS TO THEIR PROPRIETARY PRO-GEN  
9 SOFTWARE AND TO PROVIDE PROFESSIONAL  
10 SERVICES TO MANAGE THE JOC PROGRAM, THROUGH  
11 THE AGREEMENT BETWEEN THE CALIFORNIA STATE  
12 UNIVERSITY AND THE GORDIAN GROUP, INC. DBA THE  
13 MELLON GROUP  
14

15 WHEREAS, the Charter of the City of Long Beach (the "City"), Section  
16 1802, permits the City to purchase services, supplies, materials, equipment and labor  
17 with other government agencies by purchasing under their contracts on a voluntary and  
18 selective basis when authorized by resolution; and

19 WHEREAS, the Gordian Group provides the necessary support services,  
20 including the documentation and software, that allow Job Order Contract ("JOC")  
21 contractors to produce the detailed construction proposals for City consideration; and

22 WHEREAS, the City desires to enter into a contract with the Gordian Group  
23 for access rights to their proprietary Pro-Gen software and to provide professional  
24 services to manage the JOC program; and

25 WHEREAS, California State University ("CSU") has an Agreement with The  
26 Gordian Group, Inc. dba The Mellon Group for a Systemwide JOC System, Agreement  
27 No. 80246 ("CSU Contract"); and

28 WHEREAS, the City's participation in the CSU Contract will facilitate

1 expeditious completion of a Systemwide Job Order Contract System as well as provide  
2 considerable cost benefits to the City; and

3 WHEREAS, if the City had to go to formal bid rather than participate in the  
4 CSU Contract considerably more funds would be required;

5 NOW, THEREFORE, the City Council of the City of Long Beach resolves as  
6 follows:

7 Section 1. The above recitals are true and correct and are incorporated  
8 herein by this reference.

9 Section 2. The City Manager of the City of Long Beach is hereby  
10 authorized to enter into an agreement with The Gordian Group, Inc. dba The Mellon  
11 Group in an amount not to exceed \$341,250 for access rights to their proprietary Pro-Gen  
12 software and to provide professional services, on substantially the same terms and  
13 conditions afforded to CSU, for three (3) years with the option to renew for two (2)  
14 additional one-year periods.

15 Section 3. This resolution shall take effect immediately upon its adoption  
16 by the City Council, and the City Clerk shall certify the vote adopting this resolution.

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OFFICE OF THE CITY ATTORNEY  
CHARLES PARKIN, City Attorney  
333 West Ocean Boulevard, 11th Floor  
Long Beach, CA 90802-4664

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I hereby certify that the foregoing resolution was adopted by the City Council of the City of Long Beach at its meeting of \_\_\_\_\_, 20\_\_ by the following vote:

Ayes: Councilmembers: \_\_\_\_\_

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\_\_\_\_\_

\_\_\_\_\_

Noes: Councilmembers: \_\_\_\_\_

\_\_\_\_\_

Absent: Councilmembers: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

City Clerk