



# CITY OF LONG BEACH

## DEPARTMENT OF PUBLIC WORKS

# R-31

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January 4, 2005

HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach  
California

**SUBJECT:** Adopt Job Order Contract Document R-6669 and Award Contract No. 4 to MTM Construction, Inc., and Contract Nos. 5 and 6 to Athena Engineering, Inc., for As-Needed Construction Services (Citywide)

### DISCUSSION

On June 17, 2003 (see attached letter), the City Council authorized agreements for As-Needed Construction Services (Job Order Contracting or "JOC") with Athena Engineering, Inc., MacKone Development, and New Creation Builders. Each contract was awarded for a one-year term and up to \$1,000,000, with two renewal options of one year each and up to \$1,000,000 per year. JOC, 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 and at a lower cost than the traditional system of contracting. Each JOC master agreement includes a detailed collection of repair and construction tasks and specifications that have established unit prices. Work is accomplished by issuing individual work orders to a contractor for each job or project.

The JOC Contract Document R-6669 contains general provisions, technical specifications and the Construction Task Catalog (CTC) that contains unit prices for more than 60,000 construction tasks. Based on the general provisions, technical specifications and the CTC, the City invited contractors to competitively bid adjustment factors. The adjustment factor is a percentage applied to the CTC unit prices, and includes the work to be done and the contractor's profit and overhead costs. The contractor with the lowest weighted average adjustment factor is recommended for award of each JOC agreement. The guaranteed minimum quantity of work to be ordered under each agreement is \$50,000.

The use of JOC has proven successful on a variety of projects including the Houghton Skate Park, as well as for a number of projects requiring Americans with Disabilities Act (ADA) work such as the Westside Health Facility, the El Dorado, Bayshore and Ruth Bach Branch Libraries, MacArthur Park and the remaining ADA upgrades to the Convention Center. As a result, utilization of the JOC agreements has occurred at a rate that has depleted 67 percent of combined overall contract authority for the three JOC contractors.

Because the continued usage of JOC is highly desirable, on October 29, 2004, the City advertised for bids for three new JOC agreements. The terms for the new agreements are the same as the current agreements: A one-year term for an amount not to exceed \$1,000,000, with two one-year renewal options for \$1,000,000 each. On November 24, 2004, five bids for each of the three new agreements were received, with the lowest responsive and responsible contractor selected for each agreement. The lowest bidders were MTM Construction, Inc. for

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JOC Agreement No. 4 and Athena Engineering, Inc. for JOC Agreement Nos. 5 and 6. JOC agreements are bid with project specifications that have been approved as to form by the City Attorney's office and, as such, do not prohibit a contractor from holding more than one JOC Agreement at any given time.

This matter was reviewed by Senior Deputy City Attorney Donna F. Gwin on December 8, 2004, and Budget Management Officer David Wodynski on December 9, 2004.

TIMING CONSIDERATIONS

City Council action on this matter is requested on January 4, 2005 in order to avoid schedule delays.

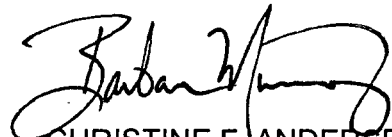
FISCAL IMPACT

The three contract awards are for a maximum amount of \$1,000,000 each with two renewal options. The work orders to be completed under each JOC agreement are fully funded by various sources, depending upon that specific project's funding. The project budgets are included in the annual Capital Improvement Program (CIP). There is no impact on the General Fund.

IT IS RECOMMENDED THAT THE CITY COUNCIL:

- 1) Adopt the Job Order Contract Document No. R-6669 for Job Order Contracting.
- 2) Authorize the City Manager to execute agreements for a minimum amount of \$50,000 and a maximum amount of \$1,000,000 with MTM Construction, Inc. for JOC Agreement No. 4, with a weighted average factor of 0.7000, Athena Engineering, Inc. for JOC Agreement No. 5, with a weighted average factor of 0.6890, and Athena Engineering, Inc. for JOC Agreement No. 6, with a weighted average factor of 0.6754.
- 3) Authorize the City Manager to execute amendments for each JOC agreement for two renewable options of one year and up to \$1,000,000 per year.

Respectfully submitted,



CHRISTINE F. ANDERSEN  
DIRECTOR OF PUBLIC WORKS

APPROVED:

Attachment

CFA:RS:ms  
P/CL/FY 04-05/Jan/As-Needed JOC Construction Services



GERALD R. MILLER  
CITY MANAGER