

CITY OF LONG BEACH

R-28

DEPARTMENT OF PUBLIC WORKS

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

September 18, 2012

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

1. Adopt Specifications No. R-6913 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).
2. Authorize the City Manager to execute agreements for a one-year term in amounts not to exceed \$1,000,000 for each of the following JOC Contracts:
 - JOC Contract No. 15 for New Creations Builders DBE
 - JOC Contract No. 16 for Exbon Development DBE
 - JOC Contract No. 17 for Bitech Construction MBE/DBE
 - JOC Contract No. 18 for Allstate Engineering MBE
 - JOC Contract No. 19 for Thomasville Construction
3. Adopt the attached Resolution authorizing the City Manager to execute a contract with the Gordian Group 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 \$292,500 for a term of three years, with the option of renewing for two additional one-year periods.
4. Authorize the City Manager to execute amendments to each JOC contract to extend the term for two separate periods of one year each and up to \$1,000,000 per extended term.
5. 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

On June 17, 2003, January 4, 2005, October 10, 2006 and, most recently on February 9, 2010, the City Council authorized multiple contracts for as-needed construction of various City infrastructure repairs. Many of these repairs are performed on an emergency basis. 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 extended term. 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 and at a lower cost than the traditional system of the design / bid / build method of contracting.

The 2012 JOC Specifications provide a Construction Task Catalog (CTC) that contains unit prices for more than 80,000 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.

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, the City also intends to utilize the JOC program for construction of projects funded by energy-efficiency grants. 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 current fee for Gordian's services is 1.95 percent of each JOC work order and is paid only as work order projects are approved. This represents an increase over the previous 1.5 percent fee, dating back to 2002, and is the result of increased costs and overhead.

Because the most recent JOC contracts were approaching their contract limits, in March 2012, the City invited contractors to competitively bid for four general facility construction contracts and one specialized mechanical (HVAC) facility construction contract. The project was advertised for bids on March 29, 2012, and bids were opened June 21, 2012. In addition to placing an advertisement for bids in the Long Beach Press Telegram, bid documents were made available through the City's weblink at, <http://www.PlanetBids.com>, in a continuing effort to increase participation of local businesses, Minority Business Enterprises (MBEs), Women Owned Business Enterprises (WBEs), and Disadvantaged Business Enterprises (DBEs). Bid documents were also sent to several trade publications and plan rooms catering to these groups within the construction industry.

For this bid, 680 firms registered on the website were notified via automatic email notice, including 81 located in Long Beach. Thirty-one sets of bid documents were purchased by prospective bidders and sixty-one bids were received. Of the sixty-one bids received,

fifteen bids were submitted for each of the four general facility construction contracts, and one bid was submitted for the specialized mechanical (HVAC) facility construction contract. Of the bidding firms, none are a local businesses and eight are certified MBEs. There were five DBEs registered firms that submitted bids. JOC Contract No. 15 for New Creations Builders has an Adjustment Factor of .5600; JOC Contract No. 16 for Exbon Development has an Adjustment Factor of .5680; JOC Contract No. 17 for Bitech Construction has an Adjustment Factor of .5340; JOC Contract No. 18 for Allstate Engineering has an Adjustment Factor of .5699; and JOC No. 19 for Thomasville Construction has an Adjustment Factor of .7240.

This matter was reviewed by Deputy City Attorney Linda Trang on August 27, 2012 and Budget Management Officer Victoria Bell on August 28, 2012.

TIMING CONSIDERATIONS

City Council action on this matter is requested on September 18, 2012, in order to provide for the timely replacement of the existing contract.

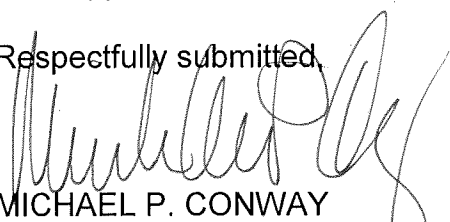
FISCAL IMPACT

The cost for work orders to be completed under each JOC contract and the associated Gordian fees will be paid by various departments and funds utilizing the JOC contracts. No appropriation increase is necessary. Approval of this action would potentially have a positive impact on the local job market.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



MICHAEL P. CONWAY
DIRECTOR OF PUBLIC WORKS

APPROVED:



PATRICK H. WEST
CITY MANAGER

OFFICE OF THE CITY ATTORNEY
ROBERT E. SHANNON, City Attorney
333 West Ocean Boulevard, 11th Floor
Long Beach, CA 90802-4664

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RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LONG BEACH AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT WITH THE GORDIAN GROUP, INC. DBA THE MELLON GROUP IN AN AMOUNT NOT TO EXCEED \$292,500 TO PURCHASE PRO-GEN SOFTWARE AND ADMINISTRATIVE SERVICES TO MANAGE THE JOC PROGRAM, THROUGH THE AGREEMENT BETWEEN THE CALIFORNIA STATE UNIVERSITY AND THE GORDIAN GROUP, INC. DBA THE MELLON GROUP

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

WHEREAS, the City desires to purchase software and the necessary support services that allow Job Order Contract ("JOC") contractors to produce the detailed construction proposals for City consideration; and

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

WHEREAS, the City's participation in the CSU Contract will facilitate expeditious completion of a Systemwide Job Order Contract System as well as provide considerable cost benefits to the City; and

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

OFFICE OF THE CITY ATTORNEY
ROBERT E. SHANNON, City Attorney
333 West Ocean Boulevard, 11th Floor
Long Beach, CA 90802-4664

1 NOW, THEREFORE, the City Council of the City of Long Beach resolves as
2 follows:

3 Section 1. The above recitals are true and correct and are incorporated
4 herein by this reference.

5 Section 2. The City Manager of the City of Long Beach is hereby
6 authorized to enter into an agreement with The Gordian Group, Inc. dba The Mellon
7 Group in an amount not to exceed \$292,500 for three years with the option of renewing
8 for two additional one-year periods for a Systemwide Job Order Contract System, on
9 substantially the same terms and conditions afforded to CSU.

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

12 I hereby certify that the foregoing resolution was adopted by the City
13 Council of the City of Long Beach at its meeting of _____, 2012 by the
14 following vote:

15
16 Ayes: Councilmembers: _____

17 _____

18 _____

19 _____

20 Noes: Councilmembers: _____

21 _____

22 Absent: Councilmembers: _____

23 _____

24 _____

25 _____

26 _____

City Clerk

27 _____

28 _____