



CITY OF LONG BEACH

DEPARTMENT OF PUBLIC WORKS

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

R-27

Revised

UB-25

February 9, 2010

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

- 1) Adopt Specifications No. R-6832 for both anticipated and unanticipated (emergency) construction of various City infrastructure repairs and improvements to be done under the method of Job Order Contracting (JOC).
- 2) Authorize the City Manager to execute agreements for one year terms in amounts not to exceed \$1,000,000 for the following JOC Contracts: JOC Contract No. 10 for Angeles Contractor with an Adjustment Factor of .5940, JOC Contract No. 11 for New Creation Builders with an Adjustment factor of .6000, JOC Contract No. 12 for MacKone Development, Inc. with an adjustment factor of .5980, JOC Contract No. 13 for Worldwide Construction with an Adjustment Factor of .6900, and JOC No. 14 for MTM Thomasville with an Adjustment Factor of .8000.
- 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 for administrative services to manage the JOC program in an amount not to exceed \$225,000 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 for each JOC contract to extend the term for two separate periods of one year each and up to \$1,000,000 per extended term. Also 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 and most recently on October 10, 2006, the City Council authorized multiple contracts for as-needed construction. 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. 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.

The 2009 JOC Specifications provide a Construction Task Catalog (CTC) that contains unit prices for more than 60,000 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. The use of JOC in the City since 2002 has proven successful on many projects including the Houghton Skate Park construction, the Martin Luther King, Jr. Park Pool Rehabilitation, various Americans with Disabilities Act (ADA) projects, as well as, most recently, the Billy Jean King Tennis Court Remodel, K-9 Dog Park construction on Pacific Ave., the installation of a low flow diversion pump system at the Belmont Pump Station and several roof installations for City facilities, including the Main Health Facility and the Ruth Bach Library. In addition to the continued use of the JOC program for critical facility repair work, the City also intends to utilize its JOC program for construction of projects funded by the American Reinvestment and Recovery Act (ARRA) for the purpose of implementing energy efficient measures on City facilities. The efficient nature of the JOC process will enable the City to expend these funds timely as required by the granting agencies.

Because the most recent JOC contracts were expiring in November 2009, the City invited contractors, in September 2009, to competitively bid adjustment factors for four general facility construction contracts and one specialized mechanical (HVAC) facility construction contract. Bids were opened on September 24, 2009, but ultimately rejected to allow staff to revise the specifications to correct unforeseen problems. The JOC contracts were re-bid with bids opened on December 9, 2009 following receipt of 105 bid submissions for the five JOC contracts. Project outreach for the solicitation of these bids included direct e-mail notification to 895 businesses which included 124 local businesses and 202 registered small businesses, as well as publications that provide contracting opportunity information to local, small and disadvantaged companies. Information regarding the bids received, as well as each of the selected JOC contractors, is contained in the attached award documents.

On November 26, 2002, the City Council authorized the City Manager to execute an agreement with the Gordian Group to implement the City's new JOC service in the amount of \$350,000 for a term of three years. Following City Council approval on April 4, 2006, the agreement was extended, with the most current extension terminating on

January 31, 2010 and the contract amount increased to \$700,000. 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 1.5 percent of each JOC work order and is paid only as work order projects are approved by City staff.

The California State University (CSU) recently issued a Request for Proposal (RFP) to select a firm to provide the software and administration for their JOC program. The services that were being sought under this RFP by CSU are substantially the same as to what the City of Long Beach needs for our JOC program. After extensive review, CSU awarded a contract to the Gordian Group. Rather than duplicating the time, cost, and effort required to issue a similar RFP, staff is recommending the City accept their selection process and award a contract to the Gordian Group for substantially the same services and under substantially the same terms as was negotiated with CSU. Contract terms will be modified to address the City's specific insurance and indemnification requirements, contract duration needs, and to establish a fixed compensation rate of 1.5 percent in lieu of the CSU's sliding rate of 1.5-4.0 percent.

This matter was reviewed by Deputy City Attorney Linda Trang on February 3, 2010 and Budget and Performance Management Bureau Manager David Wodynski on January 14, 2010.

SUSTAINABILITY

Projects constructed under the JOC program will include the full recycling of waste materials and the use of green certified products. In addition, many of the projects to be constructed under the JOC program are sustainability focused projects such as the anticipated construction of projects funded by the American Reinvestment and Recovery Act (ARRA) for the purpose of implementing energy efficient measures on City facilities.

TIMING CONSIDERATIONS

City Council action is requested on February 9, 2010 in order to finalize the contracts as quickly as possible thereafter in order to meet time deadlines for ARRA-funded projects, as well as critical facility repair projects.

City Council action is also requested on February 9, 2010 for the new agreement with Gordian in order to ensure that the software is in place permitting a smooth transition for new JOC contractors.

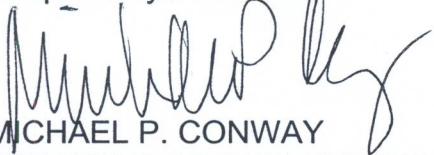
FISCAL IMPACT

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.

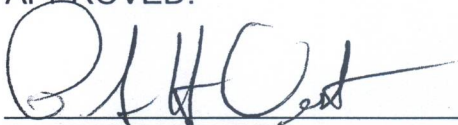
SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,


MICHAEL P. CONWAY
DIRECTOR OF PUBLIC WORKS

APPROVED:



PATRICK H. WEST
CITY MANAGER

MPC:MAC:RS
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Attachments

- Award Sheet -JOC10 Angeles Contractor, Inc.
- Award Sheet -JOC11 New Creation Builders
- Award Sheet -JOC12 Mackone Development, Inc.
- Award Sheet -JOC13 Worldwide Construction
- Award Sheet -JOC14 MTM & Thomasville Co.

Recommended Contract Awards For February 9, 2010

PROJECT NUMBER	DESCRIPTION	FUNDING SOURCE	LOWEST RESPONSIBLE BIDDER/ LOCATION	AWARD AMOUNT
JOC 10	JOB ORDER CONTRACT FOR THE CITY OF LONG BEACH	JOC WORK ORDERS WILL BE PAID FOR BY INDIVIDUAL PROJECT BUDGETS.	ANGELES CONTRACTOR, INC. 8461 COMMONWEALTH AVE. BUENA PARK, CA 90621	\$ 1,000,000
			BIDDER IS A MBE	

There were thirty-eight (38) Plans and Specifications sold. Twenty-four (24) bids were received, one from a Local-owned Business, 10 from MBEs and none from DBE's or WBEs.

Linda Trang, Deputy City Attorney, approved the Plans and Specifications on November 5, 2009.

The above is a construction project, which can be increased up to 15% above the award amount with no further City Council Actions, per the standard Specifications for Public Works Construction ("Green Book") which has been adopted by the City Council.

PROCUREMENT OUTREACH: Advertisements are placed in the Press – Telegram. In a continuing effort to increase participation of Long Beach businesses, MBEs and WBEs, bids for construction projects exceeding \$100,000 are sent, by the Public Works Department, to approximately 20 trade publications and plan rooms catering to the construction industry. Bids and Request for Proposals are available for viewing at the Purchasing Division Public Center; current bids are announced on the Public Works' bid page: <http://www.PlanetBids.com/LongBeach/Bidframe.cfm>.

Recommended Contract Awards For February 9, 2010

<u>PROJECT NUMBER</u>	<u>DESCRIPTION</u>	<u>FUNDING SOURCE</u>	<u>LOWEST RESPONSIBLE BIDDER/LOCATION</u>	<u>AWARD AMOUNT</u>
JOC 11	JOB ORDER CONTRACT FOR THE CITY OF LONG BEACH	JOC WORK ORDERS WILL BE PAID FOR BY INDIVIDUAL PROJECT BUDGETS.	NEW CREATION BUILDERS 17809 CLARK AVE. BELLFLOWER, CA 90706	\$ 1,000,000
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JOC 12	JOB ORDER CONTRACT FOR THE CITY OF LONG BEACH	JOC WORK ORDERS WILL BE PAID FOR BY INDIVIDUAL PROJECT BUDGETS.	MACKONE DEVELOPMENT, INC. 2244 BEVERLY BLVD. LOS ANGELES, CA 90057	\$ 1,000,000
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JOC 13	JOB ORDER CONTRACT FOR THE CITY OF LONG BEACH	JOC WORK ORDERS WILL BE PAID FOR BY INDIVIDUAL PROJECT BUDGETS.	WORLDWIDE CONSTRUCTION 1621 W. 25 TH ST., #266 SAN PEDRO, CA 90732	\$ 1,000,000
			BIDDER IS A MBE	

There were thirty-eight (38) Plans and Specifications sold. Twenty-four (24) bids were received, one from a Local-owned Business, 10 from MBEs and none from DBE's or WBEs.

Linda Trang, Deputy City Attorney, approved the Plans and Specifications on November 5, 2009.

The above is a construction project, which can be increased up to 15% above the award amount with no further City Council Actions, per the standard Specifications for Public Works Construction ("Green Book") which has been adopted by the City Council.

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JOC 14	JOB ORDER CONTRACT FOR THE CITY OF LONG BEACH	JOC WORK ORDERS WILL BE PAID FOR BY INDIVIDUAL PROJECT BUDGETS.	MTM & THOMASVILLE CO. 16035 PHOENIX DRIVE CITY OF INDUSTRY, CA 91745	\$ 1,000,000
			BIDDER IS A MBE	

There were thirty-eight (38) Plans and Specifications sold. Eight (8) bids were received, none from Local-owned Businesses, 3 from MBEs and one from a WBE.

Linda Trang, Deputy City Attorney, approved the Plans and Specifications on November 5, 2009.

The above is a construction project, which can be increased up to 15% above the award amount with no further City Council Actions, per the standard Specifications for Public Works Construction ("Green Book") which has been adopted by the City Council.

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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 \$225,000 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, the California State University ("CSU") conducted a Request for Proposals (RFP) for a Systemwide Job Order Contract System, and selected The Gordian Group, Inc. dba The Mellon Group as the highest-ranking proposer, and has entered into a contract with The Gordian Group, Inc. dba The Mellon Group for a Systemwide Job Order Contract System pursuant to CSU Contract Number 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

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

1 considerable cost benefits to the City; and

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

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

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

8 Section 2. The City Manager of the City of Long Beach is hereby
9 authorized to enter into an agreement with The Gordian Group, Inc. dba The Mellon
10 Group in an amount not to exceed \$225,000 for three years with the option of renewing
11 for two additional one-year periods for the preparation of a Systemwide Job Order
12 Contract System, on substantially the same terms and conditions afforded to CSU.

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

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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 _____, 2010 by the following vote:

Ayes: Councilmembers: _____

Noes: Councilmembers: _____

Absent: Councilmembers: _____

City Clerk

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