



Legislation Details (With Text)

File #: 17-0211 **Version:** 1 **Name:** PW/FM - Job Order Contracting (JOC)
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On agenda: 3/21/2017 **Final action:** 3/21/2017

Title: Recommendation to adopt Specifications No. R-7074 and award contracts to Bitech Construction, Inc., of Buena Park, CA; Exbon Development, Inc., of Garden Grove, CA; Good-Men Roofing Construction, Inc., of San Diego, CA; Harry Joh Construction, Inc., of Paramount, CA; MTM Construction, Inc., of Industry, CA; Thomasville Construction, Inc., of Fullerton, CA; Vincor Construction, Inc., of Brea, CA; and World Wide Construction, Inc., of San Pedro, CA, for both anticipated and unanticipated construction of various City infrastructure repairs and improvements, to be performed under the method of Job Order Contracting, each in an annual amount not to exceed \$2,000,000, for a period of one year, with the option to renew for two additional one-year periods, at the discretion of the City Manager; and, authorize City Manager, or designee, to execute all documents necessary to enter into contracts, including any necessary amendments. (Citywide)

Sponsors: Public Works, Financial Management

Indexes: Contracts

Code sections:

Attachments: 1. 032117-R-27sr.pdf

Date	Ver.	Action By	Action	Result
3/21/2017	1	City Council	approve recommendation	Pass

Recommendation to adopt Specifications No. R-7074 and award contracts to Bitech Construction, Inc., of Buena Park, CA; Exbon Development, Inc., of Garden Grove, CA; Good-Men Roofing Construction, Inc., of San Diego, CA; Harry Joh Construction, Inc., of Paramount, CA; MTM Construction, Inc., of Industry, CA; Thomasville Construction, Inc., of Fullerton, CA; Vincor Construction, Inc., of Brea, CA; and World Wide Construction, Inc., of San Pedro, CA, for both anticipated and unanticipated construction of various City infrastructure repairs and improvements, to be performed under the method of Job Order Contracting, each in an annual amount not to exceed \$2,000,000, for a period of one year, with the option to renew for two additional one-year periods, at the discretion of the City Manager; and, authorize City Manager, or designee, to execute all documents necessary to enter into contracts, including any necessary amendments. (Citywide)

City Council approval is requested to enter into contracts with eight firms selected for performing various infrastructure repairs and improvements, in accordance with Ordinance No. 16-008 adopted by City Council on May 24, 2016. This policy was subsequently adopted as Administrative Regulation 8-31 and added to the Long Beach Municipal Code as Section 2.84.070. The Director of Public Works has approved an accompanying Job Order Contracting (JOC) Procedures Manual to guide staff in the implementation of the revamped JOC Program.

The JOC system, which utilizes a competitively bid, firm fixed-price master contract, is a

comprehensive procurement system designed to help public agencies provide routine construction services in a more expeditious manner than the traditional system of the design/bid/build method of contracting.

On October 8, 2016, the City Council authorized the City Manager to execute an agreement with The Gordian Group to implement the City's JOC program in the amount of \$800,000 for a term of two years commencing on November 30, 2016. The Gordian Group provides the necessary support services for the JOC program, including the documentation and software that allows the JOC contractors to produce 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.

The JOC specifications provide a Construction Task Catalog (CTC) that contains unit prices for more than 100,000 construction tasks. 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.

In response to a recent audit of the JOC program, a pre-qualification process was conducted as required by the JOC Policy and in accordance with the California Department of Industrial Relations model. Nine pre-qualification packages were submitted and subsequently reviewed by an outside consultant, not otherwise involved in the JOC program, but familiar and experienced with the project delivery model. Eight contractors were pre-qualified in this process.

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 by 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 and cost-effective manner.

While the Public Works Department will be responsible for the administrative control and monitoring of these contracts, they may be used by other departments on a variety of infrastructure projects.

The bid was advertised in the Long Beach Press-Telegram on December 23, 2016, and 4,268 potential bidders specializing in construction services were notified of the bid opportunity. Of those bidders, 62 downloaded the bid via the City's 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 22 local, minority and women-owned business groups. Eight bids were received on February 17, 2017. Of those bidders, eight were Minority-owned Business Enterprises (MBEs), none were Woman-owned Business Enterprises (WBEs), six were Small Business Enterprises (SBEs), two were Disadvantaged Business Enterprises (DBEs), and none were Long Beach businesses (Local). The selection committee determined that the following firms were the most qualified and responsive based upon the criteria specified in the bid:

1. Bitech Construction, Inc., of Buena Park, CA (MBE and DBE)
2. Exbon Development, Inc., of Garden Grove, CA (MBE and SBE)
3. Good-Men Roofing Construction, Inc., of San Diego, CA (MBE and SBE)
4. Harry Joh Construction, Inc., of Paramount, CA (MBE and DBE)
5. MTM Construction, Inc., of Industry, CA (MBE and SBE)
6. Thomasville Construction, Inc., of Fullerton, CA (MBE and SBE)
7. Vincor Construction, Inc., of Brea, CA (MBE and SBE)
8. World Wide Construction, Inc., of San Pedro, CA (MBE and SBE)

Local Business Outreach

In an effort to align with the City's outreach goal, Long Beach businesses are encouraged to submit bids for City contracts. The Purchasing Division also assists businesses with registering on the PlanetBids database to download the bid specifications. Through outreach, 379 Long Beach vendors were notified to submit bids, of which six 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 T. Vu on February 22, 2017 and by Budget Analysis Officer Julissa Jose-Murray on March 1, 2017.

City Council action to adopt Specifications No. R-7074 and award contracts concurrently is requested on March 21, 2017, to ensure the contracts are in place expeditiously.

The aggregate contract authority requested is in an annual amount not to exceed \$16,000,000. The contract authority is estimated based on current and anticipated projects within various City departments, primarily in the Public Works Department (PW). Any work not currently budgeted will only proceed at such time that appropriations have been approved by the City Council. Each work order will be funded by the requesting department, per project, on an as-needed basis. Approval of this action would potentially have a positive impact on the local job market.

Approve recommendation.

CRAIG A. BECK
DIRECTOR OF PUBLIC WORKS

JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT

APPROVED:

PATRICK H. WEST
CITY MANAGER