



OFFICE OF THE CITY ATTORNEY  
Long Beach, California

**ORD-20**

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May 17, 2016

HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach  
California

RECOMMENDATION:

Recommendation to adopt an ordinance of the City Council of the City of Long Beach amending the Long Beach Municipal Code by adding Division V to Chapter 2.84 establishing criteria for the procurement and management of Job Order Contracts, read the first time and laid over to the next regular meeting of the City Council for final reading. (Citywide)

DISCUSSION

Pursuant to your request on April 5, 2016, this ordinance has been prepared and is submitted for your consideration.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,

CHARLES PARKIN, City Attorney

By

LAUREN E. MISAJON  
Deputy City Attorney

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ORDINANCE NO.

AN ORDINANCE OF THE CITY COUNCIL OF THE  
CITY OF LONG BEACH AMENDING THE LONG BEACH  
MUNICIPAL CODE BY ADDING DIVISION V TO CHAPTER  
2.84 ESTABLISHING CRITERIA FOR THE PROCUREMENT  
AND MANAGEMENT OF JOB ORDER CONTRACTS

WHEREAS, Job order contracting (“JOC”) is utilized by many public agencies including the City of Long Beach as a cost-effective method to procure “on-call” contractors for easily-defined construction, repair, renovation and maintenance services for public buildings and infrastructure; and

WHEREAS, JOC is an alternative, competitively bid procurement method that utilizes a pre-priced unit catalog with published regionally-adjusted unit and building system fixed prices. When used appropriately, JOC contracts are a proven beneficial contracting tool allowing for faster completion of projects, cost savings, and reduced contracting complexity than conventional design/bid/build procurement practices; and

WHEREAS, the purpose of this ordinance is to set parameters for the City’s use of JOC contracts and criteria for establishing a policy and procedures for the best management practices for the City’s JOC program (“JOC Policy”) to ensure the appropriate and efficient use of JOC contracts and to create consistency and transparency in the City’s JOC program;

NOW THEREFORE, the City Council of the City of Long Beach ordains as follows:

Section 1. Division V of Chapter 2.84 is added to the Long Beach Municipal Code to read as follows:

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DIVISION V

PROCUREMENT AND MANAGEMENT OF JOB ORDER CONTRACTS

2.84.070 Intent.

The City Manager shall prepare and adopt a JOC Policy that, at a minimum, establishes the following: the program's intent, providing specific criteria describing the type of projects that may be authorized; and a process whereby each individual job order is reviewed and approved by the appropriate level of management prior to issuance and in advance of payment. The JOC program shall be used for simple construction projects, remodeling, maintenance, and repair work. The JOC program shall not be used for large, complex new construction projects that require extensive design.

2.84.080 Review.

Each individual job order shall not be approved by the City until a responsible, knowledgeable person other than the project manager has independently completed an estimate and review of the JOC contractor's cost proposal to ensure that the contractor's proposal aligns appropriately with the City's scope of work, that the listed tasks are appropriate and the quantities are accurate, and that unit and system costs are not redundant. If the City determines that the traditional methods of project delivery result in the best value to the City, the availability and ease of use of JOC shall not preclude the use of traditional methods of project delivery.

2.84.090 Prequalification.

The JOC Policy shall establish a process for prequalifying job order contractors in accordance with the requirements of Public Contract Code Section 20101. All contractors must be prequalified prior to submitting a bid for a JOC master contract to provide a reasonable level of assurance that

1 JOC contracts are awarded to contractors who have demonstrated  
2 competency, capacity, financial strength and relevant experience to  
3 satisfactorily perform the JOC contracts.

4 2.84.100 Term.

5 Initial contract terms for JOC master contracts shall not exceed  
6 twelve (12) months, with an option of extending the contract for two (2)  
7 additional 12-month periods, for a maximum term of three (3) years. No  
8 single job order project may exceed five hundred thousand dollars  
9 (\$500,000) during the term of the JOC master contract. No job order project  
10 shall be split or separated into small job orders for the purposes of evading  
11 the five hundred thousand dollar (\$500,000) cost limit.

12 2.84.110 Contract performance.

13 The JOC contractor must perform a minimum of twenty percent  
14 (20%) of the contract work for a project, with no more than eighty percent  
15 (80%) of the work done by subcontractors. All subcontractors used by the  
16 primary contractor must be pre-approved by the City, and at a minimum be  
17 required to be licensed, hold liability insurance, and have sufficient relevant  
18 experience.

19 2.84.120 Non-Prepriced items.

20 The City shall not approve a job order if the cost of items not listed in  
21 the pre-priced unit catalog exceeds ten percent (10%) of the total cost  
22 proposal, without written approval of the City Manager or his/her designee.  
23 If items not listed in the job catalog are included in the contractor's proposal,  
24 the contractor shall be required to obtain three (3) written quotes and use  
25 the lowest qualifying quote. For non-prepriced items that are sole source  
26 products, the contractor must justify in writing the reasons that three (3)  
27 quotes were not obtained. The City shall approve the use of all non-  
28 prepriced items and retain all documentation related to the selection of the

1 non-prepriced items, including the three (3) written quotes obtained by the  
2 contractor or the documented reason for the lack of three (3) quotes.

3 2.84.130 Non-Exclusive.

4 The City may award multiple JOC master contracts to prequalified  
5 contractors through a competitive bid process whereby contractors bid a  
6 percentage, plus or minus, of the unit prices published in the pre-priced unit  
7 catalog. Pursuant to Section 1804 of the City Charter, the City Manager in  
8 his/her discretion may reject any or all bids presented and may rebid if in the  
9 best interest of the City.

10 2.84.140 Conflicts.

11 The JOC Policy shall establish an effective management oversight  
12 structure to ensure that project managers receive adequate training to  
13 properly administer the JOC contracts and that project managers are  
14 sufficiently involved in administering the job orders. Consultants hired by  
15 the City as managers of JOC projects should not be affiliated with any entity  
16 that provides services related to the JOC project, such as design or  
17 engineering services.

18 2.84.150 Evaluation.

19 The JOC Policy shall establish a consistent and formal job proposal,  
20 project management, and project close out and acceptance process. The  
21 close out process shall include the documented performance evaluation of  
22 contractors and subcontractors to ensure work is done to the City's  
23 satisfaction and to ensure that poorly performing contractors and  
24 subcontractors are not used on future JOC projects. All City Manager  
25 departments using JOC shall follow the same processes and procedures  
26 outlined in the JOC Policy, including use of a common JOC project  
27 management software for project documentation and post project review.

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OFFICE OF THE CITY ATTORNEY  
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2.84.160 Document availability.

Once the City has issued a job order, all documents pertaining to the job order shall be available for public review.

The City Clerk shall certify to the passage of this ordinance by the City Council and cause it to be posted in three (3) conspicuous places in the City of Long Beach, and it shall take effect on the thirty-first (31st) day after it is approved by the Mayor.

I hereby certify that the foregoing Ordinance was adopted by the City Council of the City of Long Beach at its meeting of \_\_\_\_\_, 2016, by the following vote:

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

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

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

\_\_\_\_\_  
City Clerk

Approved: \_\_\_\_\_  
(Date)

\_\_\_\_\_  
Mayor