



CITY OF LONG BEACH

DEPARTMENT OF PUBLIC WORKS

333 West Ocean Boulevard • Long Beach, CA 90802

R-34

October 10, 2006

HONORABLE MAYOR AND CITY COUNCIL

City of Long Beach

California

RECOMMENDATION

Adopt the 2006 Job Order Contract Document for Job Order Contracting (JOC).

Authorize the City Manager to execute agreements for a minimum amount of \$50,000 and a maximum amount of \$2,000,000 with New Creation Builders for JOC Contract No. 8 with a weighted average factor of 0.7520, and Athena Engineering, Inc., for JOC Contract No. 9 with a weighted average factor of 0.7310 for a term of one year.

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 \$2,000,000 per extended term. (Citywide)

DISCUSSION

On June 17, 2003 and January 4, 2005 (see attached), the City Council authorized multiple contracts for as-needed construction services (Job Order Contracting or "JOC"). 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 contract 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 2006 JOC Contract Document 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 contract. 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, the Martin Luther King, Jr. Park Pool Rehabilitation, Americans with Disabilities Act (ADA) projects such as the Westside Health Facility, the El Dorado, Bay Shore, and Ruth Bach Branch Libraries, MacArthur Park and the remaining ADA upgrades to the Convention Center. As a result of the continued high utilization rate of JOC contracts, existing capacity will soon be exhausted and the second and final options for each of the three current JOC contracts will expire November 11, 2006.

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Because the continued use of JOC is highly desirable, on August 18, 2006, the City advertised for bids in the Long Beach Press Telegram and on the City's website at www.Planetbids.com for bids for three new JOC contracts; JOC 7, 8, and 9. Four bidders, all Minority-owned Business Enterprises (MBEs), and one, also a Woman-owned Business Enterprise (WBE), submitted bids for the three new contracts. The contracts will have a one-year term for an amount not to exceed \$2,000,000 with two one-year renewal options of \$2,000,000 each. On September 20, 2006, a total of eleven bids were received for the three new contracts. However, after careful consideration, it was determined to be in the City's best interest to reject all bids for JOC 7. No decision has been made as to whether the contract for JOC 7 will be re-bid. The successful bidders for JOC Contract No. 8 and No. 9, respectively, are New Creation Builders and Athena Engineering, Inc. The combined capacity of these two JOC Contracts will still be \$12,000,000, 33% more than the expiring round of JOC contracts which totaled \$9,000,000.

This matter was reviewed by Senior Deputy City Attorney Donna F. Gwin on September 26, 2006 and Budget Management Officer David Wodynski on September 27, 2006.

TIMING CONSIDERATIONS

City Council action on this matter is requested on October 10, 2006 in order to avoid schedule delays.

FISCAL IMPACT

The work orders to be completed under each JOC contract will be funded by various sources, depending upon that specific project's funding. No appropriation is necessary.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



CHRISTINE F. ANDERSEN
DIRECTOR OF PUBLIC WORKS

APPROVED:



GERALD R. MILLER
CITY MANAGER

CFA:DD:SJG:RS:vp

Attachment