



# City Council Report

**Date:** October 20, 2014  
**To:** City Council  
**Through:** Kari Kent, Deputy City Manager  
**From:** Beth Huning, City Engineer  
Rob Kidder, Assistant City Engineer  
**Subject:** Master Job Order Contract  
General Construction Services  
City Project No. JOC-G14  
Citywide

## Strategic Initiatives



## Purpose and Recommendation

The purpose of this report is to provide information to the Council on the selection of a Master Job Order Contract (JOC) for General Construction Services. These services will include minor construction projects, renovations and repairs, additions, demolition, re-construction and alterations to City facilities.

Staff recommends that Council approve the selection of Caliente Construction, Inc. (a Mesa firm) for the Master Job Order Contract for General Construction Services and to execute a Master Job Order Contract for one full year, with the option to extend the contract for four additional one-year option periods, based on successful contractor performance and City concurrence. This master contract allows for the issuance of multiple individual job orders that may be written up to a maximum of \$1,000,000 per project, with a total value not to exceed \$8,000,000 for the first year of the contract.

The not to exceed amount of this Job Order Contract is consistent with past, current and anticipated future Capital Improvement Project funding levels for projects which have a scope and complexity suitable for this contract method. Individual job orders executed with this master contract will be funded from the Capital Improvement Program and approved by the appropriate City Departments.

## **Background**

The JOC method of procuring construction services is authorized by Title 34 of the Arizona Revised Statutes as an alternative to the traditional design-bid-build procurement method. Job order contracting allows the City to select a contractor on an “on-call” basis for construction projects utilizing a “best value” approach based on the company’s demonstrated qualifications to perform the type of work required.

The JOC program utilizes a collaborative team approach and is an extremely efficient way of getting small, less complex, and commonly encountered construction projects completed quicker, with higher quality of work than that of projects using the traditional design-bid-build method. The total overall project costs are also typically less than the traditional design-bid-build methods.

## **Discussion**

In July 2014, Staff received fourteen (14) Statements of Qualifications (SOQ’s) from potential contractors that were interested in the JOC for General Construction Services. Based on an evaluation of their SOQ’s and interviews; Caliente Construction, Inc. was selected as the top ranked firm.

The following is a synopsis of the firm’s background and experience:

Caliente Construction, Inc. was incorporated in Arizona in 1991. This firm has been providing JOC construction projects and services in Arizona for over 20 years and has extensive experience with Job Order Contracting, supporting municipalities such as the City of Phoenix, Maricopa County, City of Tempe, State of Arizona and Arizona State University. They have completed over 2000 job orders in the last 20 years.

Caliente construction is a Mesa-based general contractor and will develop a local “Mesa Supplier and Subcontractor Participation Plan” to establish a goal of utilizing local Mesa firms to execute 20% or more of all job orders awarded to them under this contract. Actual percentages will be reported at each JOC project Council notification. Staff has prepared master contracts and negotiated the contractor’s price coefficients for General Contracting Construction Services to ensure both quality and price are being included in the work assigned to them under this Master Job Order Contract.

## **Alternatives**

An alternative to the approval of the Job Order Contract (JOC) for General Construction Services would be to use the traditional design-bid-build method. Using design-bid-build for every project, in particular, the smaller projects can, at times, become impractical and costly. The common occurrences of unbalanced bids, construction delays, cost over-runs, and quality disputes are significantly reduced using the JOC method. In most cases, the design cost can be reduced or eliminated saving both time and money. The majority of projects will also be completed 4-6 months quicker when compared to using the traditional design-bid-build method.

## **Fiscal Impact**

Job Order Contracting typically decreases up front design, procurement and administrative costs as there is no need to plan or prepare bid documents and drawings for each job order. This allows for more of the available funding to be allocated towards the actual construction portion of the project work. In addition, because of the early Contractor involvement in providing input and assistance with scoping, scheduling, budget, and constructability issues, change orders are significantly.

## **Coordinated With**

Presentations and briefings of the JOC program were previously given to the Directors (and their associated staff) of the following departments: Facilities Maintenance, Transportation, Energy Resources, Water Resources, Parks Recreation & Commercial Facilities, Housing, Purchasing, and Development & Sustainability. All were in support of the JOC program.