



# City Council Report

**Date:** January 7, 2019  
**To:** City Council  
**Through:** Kari Kent, Assistant City Manager  
**From:** Beth Huning, City Engineer  
Rob Kidder, Assistant City Engineer  
**Subject:** Job Order Master Contracts  
Transportation Construction Services  
City Project No. JOC-T18  
Citywide

## Purpose and Recommendation

The purpose of this report is to provide information to the Council on the selection of two contractors to fulfill Job Order Master Contracts for Transportation Construction Services. These services will include construction improvements of City infrastructure related to streets, storm sewers and traffic signals.

Staff recommends that Council approve the selection of Talis Construction Corporation (a Mesa business), and Nesbitt Contracting Company, Inc., for Job Order Master Contracts for Transportation Construction Services for a period of one full year, with the option to extend the contracts for two additional one-year option periods, based on successful contractor performance and City concurrence. These two master contracts allow for the issuance of multiple individual job orders with a limit of \$1,000,000 per job order and a total contract value not to exceed \$10,000,000 for each year of the contract, per contractor.

The not-to-exceed amount of these Job Order Contracts (JOC) is consistent with past, current and anticipated future Capital Improvement Project funding levels for projects which have a scope and complexity suitable for this contracting method. Individual job orders executed with these master contracts 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 and with a higher quality of work than using the traditional design-bid-build method.

## **Discussion**

In September 2018, Staff received three (3) Statements of Qualifications (SOQ) from potential contractors that were interested in the JOC for Transportation Construction Services. Based on an evaluation of their Statements of Qualifications and interviews, Talis Construction Corporation and Nesbitt Contracting Company, Inc. were selected as the top ranked firms. The following is a synopsis of each firm's background and experience:

- a) Talis Construction Corporation, a Mesa-based business, was incorporated in Arizona in 1995. They are a horizontal construction company specializing in heavy civil construction projects. This firm has extensive experience with Job order Contracting supporting Municipalities such as City of Mesa, City of Phoenix, Town of Gilbert, and Maricopa County Department of Transportation. They have completed over 290 job orders in the last fifteen years.
- b) Nesbitt Contracting Company, Inc. was incorporated in Arizona in 1991. They are a horizontal construction company specializing in heavy civil construction projects. This firm has extensive experience with Job order Contracting supporting Municipalities such as City of Tempe, City of Chandler, City of Phoenix, and Maricopa County Department of Transportation. They have completed over 327 job orders in the last ten years.

Both firms 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 quarterly in conjunction with JOC project Council notifications. Staff has prepared master contracts for Transportation Construction Services to ensure both quality and price are being included in the work assigned to them under these Job Order Master Contracts.

## **Alternatives**

An alternative to the approval of the Job Order Contract (JOC) for Transportation 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 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 will be no need to prepare formal bid documents and drawings can often be simplified when using a JOC contractor. This allows for more of the available funding to be allocated towards the actual construction portion of the project. In addition, because of the upfront Contractor involvement in providing input and assistance with scoping, scheduling, budget, and constructability issues, change orders are significantly reduced and/or altogether eliminated.

## **Coordinated With**

Presentations and briefings of the JOC program were presented to the Directors (and their associated staff) of the following departments: Facilities Maintenance, Transportation, Energy Resources, Water Resources, Parks, Recreation & Community Facilities, Housing, Purchasing, and Development & Sustainability. City Staff is satisfied with the JOC program and supports this action.