



# 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 Contract  
Natural Gas Line Construction Services  
City Project No. JOC-NG18  
Citywide, Queen Creek and Pinal County

## Purpose and Recommendation

The purpose of this report is to provide information to the Council on the selection of a Contractor to fulfill a Job Order Master Contract for natural gas line construction services.

Staff recommends that Council award the contract to RP Companies, Inc. for a Job Order Master Contract for gas line construction services for a period of one full year, with the option to extend the contract up to two additional one-year terms, based on successful Contractor performance and City concurrence. This master contract will allow for the issuance of multiple individual job orders with a not-to-exceed limit of \$1,000,000 per job order and a total contract value not-to-exceed \$3,000,000 for each year of the contract.

The not-to-exceed amount of this Job Order Contract (JOC) is consistent with past, current and future anticipated 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 Energy Resources Department.

## 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 higher quality of work than using the traditional design-bid-build method.

## **Discussion**

In August 2018, Staff received three “Statements of Qualifications” (SOQ) from contractors proposing to act as the JOC for these services. Based on an evaluation of the SOQ’s and subsequent interviews, RP Companies, Inc. was recommended as the most qualified JOC to be awarded this Construction Services contract. It is estimated that RP Companies, Inc. may install approximately 100 services per month for the first year for the City utilizing this contract. They could potentially perform more work for the City utilizing this contract if necessary.

## **Alternatives**

An alternative to the approval of the Job Order Contract (JOC) for Gas Line Construction Services would be to use the traditional design-bid-build method to complete the gas line construction. Using the design-bid-build method for every project, in particular for 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. The majority of projects will also be completed 4-6 months quicker compared to using the traditional design-bid-build method. Saving time is critical to new development projects which are constructed under a tight schedule. Not meeting developer’s schedules reflects poorly on the City and could affect the decision of the developers to utilize natural gas on their projects in the future.

## **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.