



# City Council Report

**Date:** April 6, 2020  
**To:** City Council  
**Through:** Kari Kent, Assistant City Manager  
**From:** Beth Huning, City Engineer  
Rob Kidder, Assistant City Engineer  
**Subject:** Job Order Master Contracts  
Mechanical & Plumbing Construction Services  
City Project No. JOC-MP20  
Citywide

## Purpose and Recommendation

The purpose of this report is to provide information to the Council on the selection of two Job Order Master Contracts (JOC) for Mechanical & Plumbing Construction Services. These services will include new construction, renovations and repairs, additions, demolition, and facility upgrades for City buildings and facilities.

Staff recommends that Council approve the selection of HACI Service LLC and Pueblo Mechanical and Controls LLC for Job Order Master Contracts for Mechanical and Plumbing 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 an approved upper limit of \$1,500,000 per job order and a total contract value not to exceed \$3,000,000 for each year of the contract per contractor.

These two companies were selected based on their qualifications, their track record of providing JOC services, and having adequate resources to complete projects for the City.

## 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 seek qualified contractors on a competitive basis to select the most qualified firms. Once selected, the contractor is available on an "on-call" basis which reduces procurement time for individual projects and supports a collaborative team approach in performing the work required to deliver the "best value" to the City, for each project.

The JOC program is an efficient way of completing small, less complex, and commonly encountered construction projects in less time with a higher quality of work than using the traditional design-bid-build method.

## **Discussion**

Traditionally, the City has contracted with a General Contractor to perform mechanical and plumbing services. The City will continue to use a General Contractor for projects that involve multiple trades. However, for projects that only involve HVAC or mechanical work, the City will save time and money by contracting directly with a company that can perform these services. In January 2020, Staff received three (3) Statements of Qualifications (SOQ) from potential contractors that were interested in the JOC for Mechanical and Plumbing Services. Based on an evaluation of their Statements of Qualifications, HACI LLC and Pueblo Mechanical & Controls, LLC were selected as firms meeting qualifications to provide building construction services.

Both firms will develop a local “Mesa Supplier and Subcontractor Participation Plan” to establish goals for utilizing local Mesa firms for job orders awarded to them under this contract. Percentages will be reported quarterly in conjunction with JOC project Council notifications. Staff has prepared master contracts for Mechanical and Plumbing 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 Mechanical and Plumbing Services would be to use the traditional design-bid-build method. The common occurrences of unbalanced bids, construction delays, cost over-runs, and quality disputes are significantly reduced using the JOC method. Often the design can be reduced or eliminated saving both time and money. Schedules for many of the projects can be reduced when compared to using the traditional design-bid-build method.

## **Fiscal Impact**

Job Order Contracting typically decreases up-front design, procurement and administrative costs since drawings can often be simplified when using a JOC contractor. This allows more funding to be allocated towards the construction portion of the project. Change orders are often reduced because of the Contractor involvement in providing input and assistance with scoping, scheduling, and constructability issues.

## **Coordinated With**

The Parks, Recreation and Community Facilities Department concurs with this recommendation.