



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
Small Tenant Improvements
City Project No. JOC-STI20
Citywide

Purpose and Recommendation

The purpose of this report is to provide information to the Council on the selection of three Job Order Master Contracts (JOC) for Small Tenant Improvement Services. These services will include renovations and repairs, additions, demolition, and facility upgrades for City buildings and facilities.

Staff recommends that Council approve the selection of Builders Guild Inc. (a Mesa business), Integrity Building Corp. and SD Crane Builders, Inc. (a Mesa business), for Job Order Master Contracts for Small Tenant Improvement 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 three master contracts allow for the issuance of multiple individual job orders with an approved upper limit of \$250,000 per job order and a total contract value not to exceed \$1,000,000 for each year of the contract per contractor.

These three 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

The City currently uses selected JOC General Contractors to perform construction services for vertical construction projects and will continue to use them for projects that have higher dollar amounts, or as appropriate. However, for small tenant improvements the City may use one of these newly selected contractors to hopefully receive more competitive pricing. The effectiveness of using additional contractors for these smaller projects will be evaluated for the first year. If proven to be beneficial to the City, the contracts will be renewed for the following year(s).

In January 2020, Staff received eight (8) Statements of Qualifications (SOQ) from potential contractors that were interested in the JOC for Small Tenant Improvement Services. Based on an evaluation of their Statements of Qualifications, Builders Guild Inc., Integrity Building Corp., and SD Crane Builders, Inc. were selected as firms meeting qualifications to provide building construction services.

All 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 Small Tenant Improvement 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 Small Tenant Improvement Construction Services would be to use the traditional design-bid-build method, or to continue to use the current JOC General Contractors. 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. Our current JOC General Contractors perform well on large and small projects. However, having JOC General Contractors geared for small projects may prove beneficial in providing more competitive pricing and in providing more options for the City.

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.