



City Council Report

Date: November 6, 2023
To: City Council
Through: Marc Heirshberg, Deputy City Manager
From: Beth Huning, City Engineer
Marc Ahlstrom, Assistant City Engineer
Subject: Job Order Master Contracts
Mechanical and Plumbing Construction Services
City Project No. JOC-MP23
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 Mechanical and 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 Comfort Systems USA, RKS Plumbing, and Tempe Mechanical for Job Order Master Contracts for Mechanical and Plumbing Construction Services for a period of three full years, with two optional one-year extensions of the contracts 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 \$4,000,000 per job order, or as otherwise approved by council.

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 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 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 may save time and money by contracting directly with a company that can perform these services. In July 2023, 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, Comfort Systems USA, RKS Plumbing, and Tempe Mechanical were selected as firms meeting qualifications to provide mechanical and plumbing construction services.

In addition to establishing acceptable fees, rates, and expectations for construction services, the JOC may be required to competitively bid portions of the work to multiple subcontractors. Staff will ensure that Mesa-based businesses are given an opportunity to bid on the work. Master contracts for Mechanical and Plumbing Services have been created to ensure both quality and price are included in the work assigned 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 or use a General Contractor. 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. Additionally, using a specialized contractor for these types of projects may reduce costs typically associated with a general contractor.

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 reduced and/or altogether eliminated.

Coordinated With

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