



City Council Report

Date: July 1, 2024
To: City Council
Through: Marc Heirshberg, Deputy City Manager
From: Beth Huning, City Engineer
Lance Webb, Assistant City Engineer
Subject: Job Order Master Contracts
Small Tenant Improvements Construction Services
City Project No. JOC-STI24
Citywide

Purpose and Recommendation

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

Staff recommends that Council approve the selection of Builders Guild Inc., Integrity Building Corp., Concord General Contracting, and Woodruff Construction for Job Order Master Contracts for Small Tenant Improvement Construction Services for a period of three full years, 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 \$3,000,000 per job order, or as otherwise approved by council.

These four 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 selected contractors who will provide additional resources in completing projects for the city.

In May 2024, staff received ten (10) 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., Concord General Contracting, and Woodruff Construction were selected as firms meeting qualifications to provide general 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 Small Tenant Improvements will be 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 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 will provide additional resources for the City to deliver projects in a timely manner and may result in added competitive pricing and procurement 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.