



City Council Report

Date: June 6, 2022

To: City Council

Through: Marc Heirshberg, Deputy City Manager

From: Beth Huning, City Engineer
Marc Ahlstrom, Assistant City Engineer

Subject: 120 North Center Street Building Remodel

Resolution to Increase an Individual Job Order (JOC) from \$1,500,000 to \$2,000,000

City Project No. CP1109
Council District 4

Purpose and Recommendation

The purpose of this report is to approve an increase in the JOC contract limit from \$1,500,000 to \$2,000,000 for an individual Job Order for the 120 North Center Street Building Remodel.

Background

The facility was constructed in 1986, and is comprised of one building, as well as landscape and hardscape improvements. It was originally designed for use by the Mesa Chamber of Commerce but is now largely vacant with the exception of a small area occupied by the East Valley Hispanic Chamber of Commerce. This project proposes to utilize the vacant space for relocation of the City's Economic Development department.

The change of occupants, in conjunction with the facility's age, have created functionality and maintenance issues. The Visit Mesa Building Remodel project will address these issues, as well as provide improvements that transform the facility (interior & exterior) into a modern and prominent space that Economic Development can use to host prospective businesses interested in investing in the City of Mesa. Additionally, it will install energy efficient lighting and Heating, Ventilation, and Air Conditioning (HVAC) systems in accordance with the City's Climate Action Plan.

The significant rise in construction costs have caused a number of projects to exceed the current JOC work order limit of \$1,500,000 established by council over 3 years ago. This project is no exception; however, it could be completed if the individual job order was increased to \$2,000,000.

On January 25, 2021, Council acted on a resolution that established a process to allow the maximum JOC work order limit to be increased from \$1,500,000 to \$2,000,000. This process requires any work order exceeding \$1,500,000 be presented to Council for approval by resolution. Staff is requesting this approval so construction can proceed.

Discussion

For many City projects, Job Order Contracting (JOC) is the most efficient and cost-effective method of project delivery. This resolution, which authorizes an increase in the maximum dollar amount for this specific job order, will allow construction to proceed using the JOC method of project delivery.

Community Impact – Minimal impact to the community is anticipated. Construction is limited to the building and adjacent landscape areas within the property.

Once underway, construction of this project is anticipated to last no more than 4 months.

Alternatives

An alternative to increasing the maximum amount of this individual job order is to construct the project using a CMAR or the traditional Design/Bid/Build method. This is not recommended as the project is on an expedited schedule and either of these alternate methods would add upwards of 4 months to the duration.

Fiscal Impact

The total fiscal impact of the 120 North Center Street Building Remodel project is \$2,000,000.

This project is funded by the Capital General Fund.

Coordinated With

The City Manager's office concurs with this recommendation.