City Council Report

Date: November 7, 2022

To: City Council

Through: Marc Heirshberg, Deputy City Manager

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

Subject: Job Order Master Contracts
General Utility Construction Services
City Project No. JOC-U23
Citywide

Purpose and Recommendation

The purpose of this report is to provide information to the Council on the selection of three contractors to fulfill Job Order Master Contracts for Utility Construction Services. These services will include construction improvements of city infrastructure related to underground utilities such as water, sewer, gas, storm sewer, and other City-owned facilities.

Staff recommends that Council approve the selection of Garney Construction, Hunter Contracting Company, and WaCo Contracting for Job Order Master Contracts for General Utility 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 a 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 utilizes a collaborative team approach and is an efficient way of completing small, less complex, and commonly encountered construction projects quicker and with a higher quality of work than the traditional design-bid-build method.

Discussion

In August 2022, Staff received five (5) Statements of Qualifications (SOQ) from potential contractors that were interested in the JOC for General Utility Construction Services. Based on an evaluation of their Statements of Qualifications Garney Construction, Hunter Contracting Company, and WaCo Contracting were recommended as the most qualified contractors.

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 General Utility Construction Services have been created to ensure both quality and price are 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 General Utility Construction Services would be to use the traditional design-bid-build method. Using design-bid-build for every project, in particular the smaller projects can, at times, become impractical and costly. The common occurrences of unbalanced bids, construction delays, cost over-runs, and quality disputes are significantly reduced using the JOC method. In many cases, the design can be reduced or eliminated saving both time and money.

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 significantly reduced and/or altogether eliminated.

Coordinated With

The Water Resources Department and Energy Resources Department concurs with this recommendation.