



City Council Report

Date: May 22, 2017
To: City Council
Through: Kari Kent, Assistant City Manager
From: Beth Huning, City Engineer
Rob Kidder, Assistant City Engineer
Subject: Job Order Master Contract
Water and Wastewater Construction Services
City Project No. JOC-W17
Citywide

Purpose and Recommendation

The purpose of this report is to provide information to the Council on the selection of two contractors to fulfill Job Order Master Contracts for Water and Wastewater Construction Services. These services will include minor construction improvements related to Water and Wastewater plants, systems and related infrastructure improvements throughout the City.

Staff recommends that Council approve the selection of Garney Construction, Inc., and PCL Construction, Inc., for Job Order Master Contracts for Water and Wastewater Construction Services for a period of one full year, with the option to extend the contract for two additional one-year option periods based on successful contractor performance and City concurrence. These two master contracts allow for the issuance of multiple individual job orders that may be issued with a limit of \$1,000,000 per job order and a total contract value not to exceed \$10,000,000 per year for each contract.

The not-to-exceed amount of these Job Order Contracts (JOC) is consistent with past, current and anticipated future Capital Improvement Project funding levels for projects which have a scope and complexity suitable for this contract method. Individual job orders executed with this master contract will be funded from the Capital Improvement Program and approved by the appropriate Departments.

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. JOC 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 extremely efficient way of getting small, less complex, and commonly encountered construction projects completed quicker, with higher quality of work than that of projects using the traditional

design-bid-build method. The total overall project costs are also typically less than the traditional design-bid-build methods.

Discussion

In March 2017, Staff received six (6) Statements of Qualifications (SOQ) from potential contractors that were interested in the JOC for Water and Wastewater Construction Services. Based on an evaluation of their Statements of Qualifications; Garney Construction, Inc., and PCL Construction, Inc., were selected as the top ranked firms. The following is a synopsis of each firm's background and experience:

- a) Garney Construction, Inc., was incorporated in Missouri in 1961 and has been operating in Arizona for 19 years with their principal office located in Mesa. They are a General Engineering construction firm with more than 55 years of experience in the construction of water and wastewater treatment facilities and related infrastructure, supporting Municipalities such as City of Phoenix, City of Mesa and City of Chandler.
- b) PCL Construction Inc., started operations in 1906 as a General Contracting company and expanded into Arizona in 1979. This firm has gained extensive JOC experience over the last thirteen years. They have provided JOC support to Municipalities such as City of Phoenix, City of Mesa, City of Tempe, and the City of Tucson. They have completed over 175 job orders in the last 10 years.

Both firms will develop a local "Mesa Supplier and Subcontractor Participation Plan" to establish a goal of utilizing local Mesa firms to execute 20% or more of all job orders awarded to them under this contract. Actual percentages will be reported at each JOC project Council notification. Staff will prepare master contracts and negotiate the contractor's allowable overhead for Water and Wastewater Construction Services to ensure both quality and price are being included in the work assigned to them under this JOC Master Contract.

Alternatives

An alternative to the approval of the Job Order Contract (JOC) for Water and Wastewater Construction Services would be to use the traditional design-bid-build method. Using design-bid-build for every project, particularly when it comes to the smaller projects, can become impractical and costly over time. 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, allowing projects to be completed months quicker than the traditional design-bid-build method.

Fiscal Impact

Job Order Contracting typically decreases up front design, procurement and administrative costs as there will be no need prepare formal bid documents and

construction documents can often be simplified when using a JOC contract. This allows for more of the available funding to be allocated towards the actual construction portion of the project work. 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

Water Resources and Engineering performed a detailed analysis of Water and Wastewater type projects and determined that these specialized Job Order Contracts are warranted. City Staff is satisfied with the JOC program and supports this action. Water Resources concurs with this recommendation.