

August 3, 2015

CITY COUNCIL AGENDA MEMORANDUM

SUBJECT

Resolution No. 8963 authorizing execution of a Job Order Contracting (JOC) contract with FORMA Construction Company for general construction services for an initial term of two years and the option to renew for one year.

FISCAL IMPACT

Two contracts for Job Order Contracting (JOC) will be executed to two separate contractors. Each of the JOC Contracts will obligate the City to a total minimum contract value of \$50,000, with a maximum contract value of \$4,000,000, per year for two years, as set by state statute limits. Historically, since 2010, the City has expended between \$1.2 million and \$3.0 million per year under the JOC program.

JOC procedures allow for the contractor to perform individual small public works projects ("job orders") in amounts not to exceed \$350,000 for any single project. Each of these projects intended for completion under the JOC program will be funded through the appropriate budgeting source based on previous Council approval during the budget cycle.

STAFF CONTACT

Jamie Robinson, Procurement Services Manager, 6843
Toni Battersby, Acting Assistant Finance Director, 6455
Jan Hawn, Department Director, 6846
Finance Department

POLICY CONSIDERATION

City Code:

BCC 4.28.100 Alternative public works contracting.

Notwithstanding any other provision of this chapter, when a determination is made by the applicable department director in conjunction with the finance director or his/her designee that use of a job order contract, design-build procedure, or general contractor/construction manager contract will benefit the public, public works projects may be done pursuant to these contracting procedures, as authorized by Chapter 39.10 RCW and subject to the definitions and limitations of that statute as now adopted or hereafter amended.

BACKGROUND

Through RCW 39.10, the State of Washington has authorized cities with a population greater than seventy thousand to award job order contracts and use the job order contracting procedure. Job Order Contracting, a competitively bid contract, is an alternative to public works contracting method from the traditional design-bid-build method used to procure small and simple public works projects. The procedures for use are outlined in detail in Chapter 39.10. RCW.

The City first initiated its JOC program in 2010. Staff has experienced time and cost savings associated with this program as a result of the streamlined nature of the process that eliminates the traditional formal design and bid process, reduces change orders and claims and brings in final delivery of projects much quicker. Since inception in August 2010, the City has spent approximately \$11 million and completed 307 projects with an average cost of \$36,403 per

project. Each project has taken an average of 30 days from Notice to Proceed to Approval and an average of 36 days to complete construction.

Time for New Job Order Contracts – 2015

State statute mandates that JOC contracts be for a two-year term with an option to renew for an additional one-year term therefore the City must conduct a new competitive process every three years.

On May 20, 2015, the City issued Request for Proposals (RFP) #15075 for Job Order Contracting for Construction Services. There were a total of four submittals received. The City intends to award two contracts to two separate contractors to ensure coverage and availability. Staff have determined that there is sufficient workload for both contracts.

The selection process is a two phase process. Phase I determines the most qualified contractors who are capable of performing the work and Phase II determines the best value as offered to the City. Submittals were scored by a Selection Committee consisting of staff from the Civic Services, Utilities, Transportation and Parks Departments. The selection panel evaluated each proposal based upon the evaluation criteria outlined in the RFP. Phase II evaluation consisted of an interview with the Selection Committee and a submittal of the Price Proposal.

FORMA Construction Company and Saybr Contractors, Inc received the highest overall evaluation scores. As required under the Revised Code of Washington (RCW), the two contractors will sub-contract a minimum of 90% of all work done under the JOC process for the City. They will utilize a combination of sources for obtaining sub-contractors for this work, including the City's Small Works Roster.

EFFECTIVE DATE

If approved, this Resolution becomes effective immediately upon Council adoption.

OPTIONS

1. Approve the Resolution authorizing execution of a Job Order Contracting contract with FORMA Construction Company for general construction services for an initial term of two years and the option to renew for one year.
2. Do not authorize the Resolution and provide alternative direction to staff.

RECOMMENDATION

Option 1.

MOTION

Move to approve Resolution No. 8963 authorizing the execution of a Job Order Contracting contract with FORMA Construction Company for general construction for an initial term of two years and the option to renew for one year.

ATTACHMENT

Proposed Resolution No. 8963