

MOTION NO. M2013-23

Job Order Contracting Construction Services

MEETING:	DATE:	TYPE OF ACTION:	STAFF CONTACT:	PHONE:
Capital Committee	4/11/13	Recommendation to Board	Bonnie Todd, Executive Director of Operations	206-398-5367
Board	4/25/13	Final Action	Richard Sage, Director, Construction Management	206-398-5226

PROPOSED ACTION

(1) Authorizes the chief executive officer to execute a two-year contract with one one-year option to extend with Centennial Contractors Enterprises, Inc. for Job Order Contracting Construction Services for a total authorized contract amount not to exceed \$8,000,000, and (2) authorizes the chief executive officer to execute individual work orders in amounts up to \$350,000 each.

KEY FEATURES SUMMARY

- RCW 39.10.420 authorizes the use of Job Order Contracts (JOC), which are contracts in which the contractor agrees to a fixed period, indefinite quantity delivery contract that provides for the use of negotiated, definitive work orders.
- This action authorizes a contract that will provide on-call construction services to perform primarily small, discrete construction work for Link light rail, Sounder commuter, and ST Express bus facilities and infrastructures not subject to the Project Labor Agreement (PLA).
- Use of job order contracting will benefit the agency by providing an effective means of reducing the total lead-time and cost for small construction work.
- The initial contract term is two years, with a one-year option to extend. The amount requested covers the initial-two-year contract. The contract amount is smaller than a similar JOC action (Motion No. M2013-22) being considered by the Board because less work is anticipated under this contract.
- State law places the following limits on job order contracts:
 - The total value of the work orders that may be issued to an individual job order contractor is limited to \$4,000,000 per year, with a minimum commitment of \$50,000 per year;
 - The maximum work order amount is \$350,000 and the minimum is \$500;
 - At least 90% of the work under the JOC must be subcontracted; and
 - The job order contractor must distribute subcontracts as equitably as possible among qualified and available contractors, including minority and woman-owned subcontractors to the extent permitted by law.
- This action also authorizes the chief executive officer to execute individual work orders up to \$350,000, the maximum value of a work order permitted by statute.

BACKGROUND

The JOC will be administered as an on-call, work order contract. It provides a mechanism for Sound Transit to quickly and efficiently complete construction projects including repair, rehabilitation, and/or modification, emergency response or follow-on construction activities associated with start of service. As needs are identified, construction services work orders will be developed, negotiated and executed. Use of this contracting method generally reduces the level of engineering, design, contract procurement time, and construction project procurement costs. Job

order contracts provide a means to execute a wide variety of indefinite delivery, indefinite quantity, fixed-price, construction services work orders that may occur one-at-a-time or simultaneously.

State law authorizes Sound Transit to enter into two multi-year JOCs. In partnership with labor and trade unions, Sound Transit agreed that any work to be performed by a job order contractor that would otherwise be subject to the PLA would be performed under a job order contract that is subject to the PLA. The work executed under this contract will not require compliance with the PLA. In addition, this contract is not subject to federal contracting requirements.

The JOC procurement process was initiated in February 2013 with release of a Request for Proposals (RFP). Seven proposals were received. Four firms were short-listed for interviews and requested to provide final proposals. Final proposals were received on March 21, 2013. The most qualified firm with the highest total score based upon the evaluation criteria established in the RFP was Centennial Contractors Enterprises, Inc.

As work is identified, Sound Transit staff will develop a scope of work and estimate upon which the Contractor will submit a proposal based substantially upon an established unit price book and pre-established multipliers submitted by the Contractor in its final proposal. Contractor's proposals will be evaluated by staff and upon agreement as to scope, schedule, and cost, a work order will be issued. Sound Transit staff will oversee construction and close-out of each work order.

FISCAL IMPACT

This on-call contract will be used for Link, Sounder, and ST Express projects. Funding for this contract will come from phases where the work will be performed within operating projects including the Small Work Program, Station Rehabilitation, System Expansion and Enhancement, or specific expense accounts from Service Delivery or Staff Operating budgets. The services described in the proposed action will be assigned on a work order basis after availability of budget is verified. Since the proposed services will be assigned on an as-needed basis, the distribution of costs will be determined as schedules and budgets are established for this work.

SMALL BUSINESS

Small Business Goals

Sound Transit Goal: 20%

Commitment: 20%

Small Business opportunities will be determined with each individual work order.

EQUAL EMPLOYMENT WORKFORCE PROFILE

34 employees; 26% women; 12% minorities.

APPRENTICE UTILIZATION COMMITMENT

Apprentice utilization goal: 20%

PUBLIC INVOLVEMENT

Not applicable to this action.

TIME CONSTRAINTS

Statutory authority for public bodies to enter into job order contracts is scheduled to expire July 1, 2013. There is currently a bill in the legislature (SB 5349/HB 1466) that would extend such authority until 2021, but until such legislation is passed and signed into law by the governor (which is by no means guaranteed), this action is time sensitive because a one-month delay could impact Sound Transit's ability to execute the contract in time to utilize this important alternative contracting procedure.

PRIOR BOARD/COMMITTEE ACTIONS

Not applicable to this action.

ENVIRONMENTAL REVIEW

JI 3/29/2013

LEGAL REVIEW

LA 5 April 2013

MOTION NO. M2013-23

A motion of the Board of the Central Puget Sound Regional Transit Authority (1) authorizing the chief executive officer to execute a two-year contract with one one-year option to extend with Centennial Contractors Enterprises, Inc. for Job Order Contracting Construction Services for a total authorized contract amount not to exceed \$8,000,000, and (2) authorizing the chief executive officer to execute individual work orders in amounts up to \$350,000 each.

BACKGROUND:

The Job Order Contract (JOC) will be administered as an on-call, work order contract. It provides a mechanism for Sound Transit to quickly and efficiently complete construction projects including repair, rehabilitation, and/or modification, emergency response or follow-on construction activities associated with start of service. As needs are identified, construction services work orders will be developed, negotiated and executed. Use of this contracting method generally reduces the level of engineering, design, contract procurement time, and construction project procurement costs. Job order contracts provide a means to execute a wide variety of indefinite delivery, indefinite quantity, fixed-price, construction services work orders that may occur one-at-a-time or simultaneously.

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This action authorizes a contract that will provide on-call construction services to perform primarily small, discrete construction work for Link light rail, Sounder commuter, and ST Express bus facilities and infrastructures not subject to the Project Labor Agreement (PLA). The initial contract term is two years, with a one-year option to extend. The amount requested covers the initial-two-year contract. The contract amount is smaller than a similar JOC action (Motion No. M2013-22) being considered by the Board because less work is anticipated under this contract.

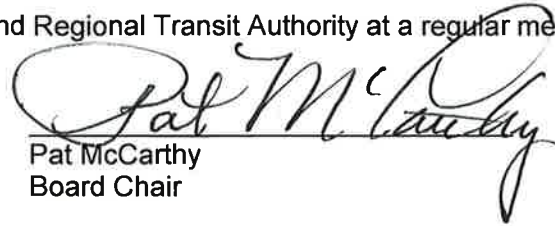
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MOTION:

It is hereby moved by the Board of the Central Puget Sound Regional Transit Authority that the chief executive officer is authorized to (1) execute a two-year contract with one one-year option to extend with Centennial Contractors Enterprises, Inc. for Job Order Contracting Construction Services for a total authorized contract amount not to exceed \$8,000,000, and (2) execute individual work orders in amounts up to \$350,000 each.

APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on April 25, 2013.


Pat McCarthy
Board Chair

ATTEST:



Marcia Walker
Board Administrator