

Memorandum



CITY OF DALLAS

Date October 10, 2008

To Members of the Finance, Audit & Accountability Committee
Chair Mitchell Rasansky, Vice Chair Jerry R. Allen, Mayor Pro Tem Dr. Elba Garcia,
Vonciel Jones Hill, Angela Hunt, Ron Natinsky and David Neumann

Subject **Job Order Contracting Initiative**

The Committee's October 13th agenda includes the Subject briefing. Jack Ireland, Director of Equipment & Building Services will brief the Committee and his briefing materials are attached.

Should you require additional information, please let me know.

A handwritten signature in black ink, appearing to read 'Edward Scott'.

Edward Scott
City Controller

Attachment

C: Honorable Mayor & Members of the City Council
Mary K Suhm, City Manager
Tom Perkins, Jr., City Attorney
Deborah Watkins, City Secretary
Craig Kinton, City Auditor
Ryan S. Evans, First Assistant City Manager
David O. Brown, Interim Assistant City Manager
Ramon Miguez, P.E., Assistant City Manager
Jill A. Jordan, P.E., Assistant City Manager
A.C. Gonzalez, Assistant City Manager
Dave Cook, Chief Financial Officer

City of Dallas Job Order Contracting Initiative



Equipment and Building Services
Finance, Audit & Accountability – October 13, 2008



Outline

- Purpose of Briefing
- Background
- What is Job Order Contracting?
- Why Use Job Order Contracting?
- Advantages of JOC
- How is the Cost of a Job Determined?
- RFP Responses
- Summary
- Recommendation

Purpose of Briefing

- Brief Council Committee on “Job Order Contracting”
- Request Council Committee’s support on Council action on October 22, 2008

Background

- The City of Dallas owns over 800 city buildings maintained by Equipment and Building Services (EBS)
- EBS constantly needs to address issues that require maintenance, repair, renovations and minor construction
 - Emergency repairs such as Cedar Crest Club House and FS #37 which were damaged by citizen vehicle accidents
 - Unplanned HVAC repairs such as the Science Place chillers
 - Facility renovation and space planning projects such as the clinic at City Hall
- Job Order Contracting is a tool that will allow the City to respond to these types of events in a timely, effective and efficient manner

What is a Job Order Contract?

- Competitively bid contracts used for maintenance, repair, renovations and minor construction projects
- Awarded to one or more qualified contractors
 - Results in a pool of contractors called upon to respond to jobs as needed
 - Common trades include mechanical, electrical, plumbing and carpentry
- Cost of each job is based on prices specified in a Unit Price Book multiplied by the contractor bid “coefficient”
 - Unit Price Book is a national standard
 - The “coefficient” is the contractor’s adjustment to the unit price that is contained in the Unit Price Book



What is Job Order Contracting?

- When a specific job is identified
 - Scope of work is defined
 - Contractors from the approved pool are requested to submit proposals
 - A contractor is selected to complete the job

Why Use Job Order Contracting?

- Respond rapidly to needs and keep us on schedule
- Expedite construction project delivery
- Control and manage construction costs
- Know costs before committing funds
- Maximizes response with limited staff resources
- Reduce backlog of maintenance, repair, and renovations



Why Use Job Order Contracting?

- **Quality** - Increased incentive for contractors to produce high quality work to get additional work
- **Responsiveness** - Services from contractors are acquired much quicker than going through usual RFP process
- **Dependability** - Fosters long term relationships based on performance and motivates the contractor to impress the owner (City) with fast, dependable, quality service to receive the maximum possible amount of work
- **Line by Line Approval** - Using the Unit Price Book allows for simple contract documents that contain only the specific tasks of the project
- **Time and Cost Savings** - The administrative and time costs of traditional methods are greatly reduced

Advantages of JOC

- Work can start faster than traditional design-bid-build methods
- Provides flexibility and allows quick response to emergency needs
- It is an ongoing program that is competitively bid once, not a single project
- Provides opportunities to better manage in-house staff work load
- Allows contractor to be involved in scoping
- Good entry point to City for small to medium contracting firms
 - Enhances M/WBE (BID) opportunities

How is the Cost of a Job Determined?

- The Request for Proposals required
 - Using the RSMeans Facility Construction Cost Data unit price book
 - National Standard
 - Provides a price index for each city
 - Contractors bid a “coefficient” used with the unit price book to calculate the cost of a job
 - Fixed price, lump-sum contract
 - Includes a fixed overhead and profit markups

JOC Cost Calculation Example

Request for room to be painted

- RSM means lists 28¢ per square foot (sf) for painting walls using a brush with an oil base paint
- RSM means local city cost index for Dallas is .846
- Room has 400 square feet of wall to be painted
- Contractor proposed coefficient .73

- National average cost: $28¢/sf \times 400sf = \$112.00$
- Cost adjusted to city: $\$112.00 \times .846 = \94.75
- What city pays: $\$94.75 \times .73 = \69.17

RFP Responses

- EBS, Business Development & Procurement Services and City Attorney Office developed process for use in the City
 - 1,695 e-mail notifications sent to vendors
 - Over 45 contractors directly contacted
- Eight responses were received to RFP
- Selection Committee determined all eight proposers met the City's requirement for participation

Contractor Name	Type	M/WBE
EBS, Business Development and Services Company, Inc.	Painting Contractor	
Centennial Contractors Enterprises, Inc.	General Contractors	
Frontier Electric, LLC	Electrical Contractors	
Lakeview Enterprises, LLC	General Contractors	Seeking M/WBE
Lopez Electric Company, Inc.	Electrical Contractors	M/WBE
MetalMan Design/Build Corporation	General Contractors	M/WBE
Phillips/May Corporation	General Contractors	M/WBE
Resources Flooring Group	Flooring Contractor	

Summary - Job Order Contracting

- Competitively bid construction contract
 - Recommend 24 months service contract
 - Recommend \$2 million
- Provides for fixed pricing using
 - Detailed scope of work
 - Unit price book
 - Contractor bid coefficient
- Effective delivery method in the “tool box” used to complete work faster and with higher quality
- Used to complete multi-trade maintenance, repair, renovations and minor construction projects
- More cost effective method than traditional design-bid-build process

Recommendation

- Support from Council Committee on Council action on October 22, 2008 to authorize a twenty-four-month service contract for job order contracting services