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Title: Approve an Agreement with the Gordian Group, Inc., dba the Mellon Group, for the continued implementation of a Job Order Contracting Program

Sponsors: Public Works Department

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Attachments: 1. 20-001186 Gordian Agreement

Date	Ver.	Action By	Action	Result
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REPORT TO THE CITY COUNCIL

September 24, 2020

FROM: SCOTT L. MOZIER, PE, Director
Public Works Department

KEVIN MEIKLE, Director of Aviation
Airports Department

THROUGH: WILLIAM C. HERR, Assistant Director
Public Works Department, Facilities and Construction Management Divisions

BY: DEBBIE BERNARD, Project Manager
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SUBJECT

Approve an Agreement with the Gordian Group, Inc., dba the Mellon Group, for the continued implementation of a Job Order Contracting Program

RECOMMENDATION

Staff recommends that the City Council approve an Agreement with the Gordian Group, Inc., dba the Mellon Group, for the continued implementation of a Job Order Contracting Program and authorize the Public Works Director and Director of Aviation or designees to sign the contract on behalf of the City.

EXECUTIVE SUMMARY

The Job Order Contracting (JOC) Program offered by the Gordian Group enables the Facilities Management Division (FMD) and Airports Department (Airports) to provide prompt, responsive building maintenance or construction service to City Departments at competitive “local market” pricing. The JOC Program provides competitively bid fixed-unit pricing for construction tasks from local contractors which can be quickly accessed by the FMD or Airports to perform needed building repairs, maintenance or alterations; or other installation and construction services. Provided is an extensive unit price catalog of construction tasks, pricing, and associated technical specifications that contain approximately 120,000 individual items of typical construction and maintenance.

Under the Agreement, the City is not obligated to utilize the JOC contractor(s) for any project, however the program does provide a competitively bid option for projects and maintenance approved by the budget. However, when the City uses JOC contractor(s) it agrees to pay a license fee to the Gordian Group of 5% of the value of the work orders up to \$6 million and 1.95% thereafter.

BACKGROUND

On December 17, 2009, and again on August 20, 2015, Council approved a 5 year contract with The Gordian Group, Inc. that allowed FMD and Airports to utilize the Job Order Contracting Program for smaller building maintenance projects. Staff now wishes to execute a new contract for another five year period. The FMD and Airports work diligently each year to complete budgeted building maintenance and renovation projects as well as be responsive to the various approved unbudgeted facility service requests received from various City Departments throughout the year. The JOC Program has been instrumental in assisting FMD and Airports to provide quality work, competitive costs, and improved responsiveness in completing small to medium-sized construction projects involving building maintenance and renovations.

The JOC Program employs the services of a prime contractor and a network of sub-contractors expert in various building construction tasks. The annual contracts are competitively bid based on firm fixed-unit pricing and indefinite quantities. Building repair, remodeling, and other construction projects are accomplished by issuance of individual work orders to the JOC Contractor.

The JOC Program utilizes an extensive unit-price catalog of construction tasks, pricing, and associated technical specifications that contain approximately 120,000 individual items of typical construction and maintenance. The pricing is developed in accordance with local construction costs (prevailing wages, equipment rates, material prices, etc.). The technical specifications, unit-price catalog, and JOC General Conditions are competitively bid for each contract needed by the City (e.g., general building prime contract, plumbing prime contract; roof repair prime contract; etc.), and a respective job order contract is awarded to one JOC Prime Contractor. Execution of the recommended Agreement will authorize the Gordian Group to continue to implement their JOC Program including preparation of the necessary documents for competitive bidding, in conjunction with the Purchasing Division, which includes technical specifications to establish local pricing.

Contractors will bid two sets of adjustment factors to the prices in the Construction Task Catalog that will be applied to the unit costs for work performed during normal business hours and for work

performed outside of normal business hours. These factors, which include overhead and profit, apply to the designated items in the Construction Task Catalog. The basis for award is the lowest bid received.

Thereafter, as individual building construction/maintenance projects are identified, staff and the JOC Prime Contractor develop the scope of work for each individual project. All projects must meet the performance criteria defined by the FMD and Airports and as included in the general conditions and specifications of the annual JOC contract.

All of Gordian's products have been developed and are supported with in-house staff. All support services are performed with full-time Gordian employees. Gordian does not rely on third-party vendors and other service providers. As a result, Gordian is always extremely responsive to the needs of their clients.

Since 1985, the Gordian Group has successfully implemented JOC Programs for over 90 federal, state, and local government agencies. Examples of public agencies that have established successful JOC Programs include the California State Universities, the Counties of Contra Costa, Sacramento, Ventura, San Diego, Los Angeles, San Luis Obispo, Kern, Santa Clara Roads and Airports, the City and County of San Francisco and the City and County of Fresno.

Staff followed AO6-19 and issued an RFQ on July 15, 2020 requesting SOQs for a JOC Program, SOQs were due August 7, 2020. The Gordian Group was the only SOQ received. The City has been in contract with the Gordian Group for JOC Program administration since 2009 with great success, therefore staff recommends that Council approve the Agreement with the Gordian Group for the continued implementation of the JOC Program. The Agreement will be funded through appropriations for specific projects and budgeted maintenance.

The Agreement has been reviewed and approved as to form by the City Attorney's Office.

ENVIRONMENTAL FINDINGS

In accordance with California Environmental Quality Act (CEQA) Guidelines, Section 15378, this professional services contract does not qualify as a "project" for the purposes of CEQA.

LOCAL PREFERENCE

Local preference was not implemented because the RFQ received only one submission.

FISCAL IMPACT

There is no cost associated with executing the Agreement. The 5% Gordian Group, Inc. fee is paid as part of each individual project, in accordance with current and future adopted department budgets.

Attachment:
Agreement with the Gordian Group, Inc.