



CITY OF TEMPE
REQUEST FOR COUNCIL ACTION

Council Meeting Date: 02/12/2015
Agenda Item: 6A4

ACTION: Award job order construction contracts to M.R. Tanner Development and Construction, Inc. and Sunland, Inc. – Asphalt & Sealcoating to perform on-call paving and resurfacing of streets and City facilities.

FISCAL IMPACT: The maximum annual contract amount for each one of the job order contracts is not to exceed \$2,000,000, for a combined annual not to exceed amount of \$4,000,000. These contracts are funded by various Capital Improvement Projects throughout the contract term as job order contracting is identified as the construction delivery method.

RECOMMENDATION: Award the job order contracts.

BACKGROUND INFORMATION: The job order contracting method of construction uses on-call contractors, who have been selected through a qualification based process consistent with Arizona Revised Statutes. § 34-601 through 611 for job order contracting. This selection process included evaluating each contractor's statement of qualifications, in response to our request for qualifications (RFQ), and holding selection panel interviews with qualified firms based on the following criteria:

- 5% General description of the professional skills, experience and ability of the proposed firm;
- 15% Relevant experience and qualifications of the proposed firm;
- 15% Relevant experience of key personnel;
- 15% Understanding of and approach to performing required services;
- 5% Description of the firm's past project performance and available resources;
- 35% In depth discussion through question and answer session of the proposed firm's expertise, knowledge and qualifications of key personnel, and;
- 10% Overall evaluation of the proposed firm and its ability to provide the required services.

Once interviews were held, a final list of three qualified firms was established to negotiate and enter into contracts with. The nature of pavement work allows unit pricing to be established for commonly used materials as a part of contract negotiations. Successful unit pricing negotiations allows the City to establish competitive pricing from the most qualified construction firms. Two of the firms offered exceptional value to the City offering both competitive pricing and experienced construction staff. Staff negotiated with the third firm, but they were unable to provide competitive enough pricing to make them a value to the City. Staff was successful in negotiating contracts with M.R. Tanner Development and Construction, Inc. and Sunland, Inc. – Asphalt & Sealcoating. These job order contracts will be utilized for Capital Improvement Projects when job order construction is established as the construction delivery method. Engineering staff uses a 21-point check list to determine the best delivery method for each project based on factors including project cost, degree of urgency, legal mandates, location, asset preservation, security requirements, funding requirements, etc.

Scope, schedule, and price are established for each individual job order and negotiated with the job order contractor. When the job order contractor hires subcontractors to perform a portion of the work, they are required to make their selection based on a combination of qualifications and price. When any individual job order exceeds \$50,000, it would be recommended to Mayor and Council for award. Each job order price averages \$30,000 to \$200,000, with the maximum price not to exceed \$1,000,000.

These job order contracts will generally be utilized for emergency and non-emergency street restoration, intersection reconstruction, rubberized asphalt overlay, pavement patching, concrete work, and other miscellaneous paving projects. These contracts are for a term of one year with an option to renew for up to two years in two twelve-month increments. The option to extend the job order contract will be evaluated by staff for recommendation to Mayor and Council based on the job order contractor's successful performance of individual job orders and the needs of the City.

ATTACHMENTS: Job Order Contracts.

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