

Exploring Job Order Contracting to Streamline Energy Retrofit Construction for Cities in San Mateo County

Interviews conducted on behalf of the San Mateo County Energy Watch

Meeting Agenda

1. INTRODUCTION: 5 minutes
2. PRESENTATION: 15 minutes
 - Purpose of Project and Interviews
 - What is Job Order Contracting?
 - San Francisco's Energy Efficiency JOC Program
 - JOC Advantages for Energy Efficiency Projects
 - SoCalREN EE JOC Program (Cooperative Procurement)
3. QUESTIONS: 25 minutes
4. CONCLUSION: 5 minutes

Purpose of Project

- The San Mateo County Energy Watch (SMCEW) is exploring a new resource called Job Order Contracting (JOCs) to expedite the construction of energy retrofits for multiple public agencies across San Mateo County.
- The SMCEW has hired 2050 Partners, Inc. to help determine the feasibility of a county-wide Energy Efficiency JOC program.
- We want your input to help assess the feasibility of this county wide approach to streamlining the construction procurement process for energy retrofits

Purpose of Interview

- Provide insight into the JOC process and its benefits
- Examine the barriers you may encounter when implementing energy retrofit projects
- Understand your typical construction and project timelines
- Learn what kinds of energy projects you want to implement
- Determine the level of familiarity with JOCs and cooperative procurement, “piggybacking” and JPAs (Joint Powers Agreements)
- Gauge your level of receptivity and interest in this new tool
- Gather input to help SMCEW determine the feasibility and best approach for establishing a county wide JOC program

What is Job Order Contracting or *Indefinite Quantity Construction Contracts*?

- Job Order Contracts = as-needed construction services
 - Construction Task Catalog[®] (CTC) of detailed construction tasks and specifications
 - Preset prices based on local prevailing wages and materials
 - “indefinite quantity” task or job orders are issued under master contract on an as-needed basis
 - Also known as *Indefinite Quantity Construction Contracts (IQCC)* Competitively bid! (*but job orders are each fully scoped and quantified*)
 - Contractor bid markup(s) that are applied to all tasks in catalog
 - Contractor(s) with lowest mark ups are awarded contract(s)
- *IQCC* s have a 25-year record of implementation within the United States Department of Defense and local governments across the US

San Francisco Municipal Building Energy Retrofit Program – Modified JOCs to expedite Energy Retrofits

- Worked with The Gordian Group to develop first customized lighting and mechanical energy-efficiency-specific JOC catalogs
- Contracted directly with mechanical and lighting Job Order Contractors
- Used engineering contracts for audit-design-CM services along with lighting and HVAC JOCs for on-call whole building retrofits
- Completed retrofits in 100+ sites over 4 years; ranging from full mechanical upgrades at Davis Symphony Hall and Jails, to lighting upgrades at libraries, police stations and Rec Centers

EXAMPLE JOC COST PROPOSAL



- Gordian Software:
- Allows Contractor to easily produce Cost Proposal
 - Allows Gordian and Agency to easily review and comment on Contractor's cost proposal line by line.

Comparison Report Current Proposal vs First Proposal

Project No: JOC-25-06.00
 Title: EECBG-Lighting Retrofit at Ella Hill Hutch Community Center
 Current Proposal Value: \$68,005.80 August 6, 2010 1:05 am
 First Proposal Value: \$72,785.19 July 15, 2010 8:27 pm

Proposal Sorted by **CSI**

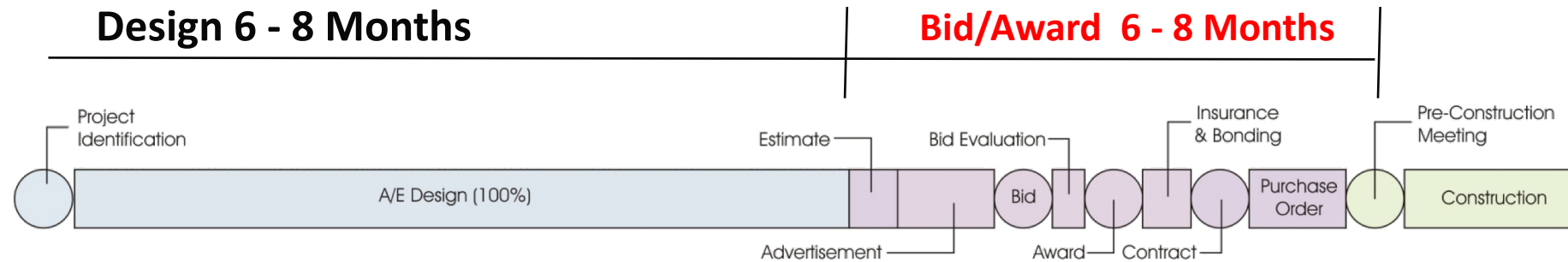


Status	Rec#	Item	Mod.	UOM	Description	Value Change								
01 - General Requirements														
M	5	01560-0011		SF	Masonite For Floor Protection	\$(2,182.40)								
					<table border="1"> <thead> <tr> <th>Quantity</th> <th>Unit Price</th> <th>Factor</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>1600.00</td> <td>1.24</td> <td>1.1000</td> <td>\$2,182.40</td> </tr> </tbody> </table>	Quantity	Unit Price	Factor	Total	1600.00	1.24	1.1000	\$2,182.40	
Quantity	Unit Price	Factor	Total											
1600.00	1.24	1.1000	\$2,182.40											
					Current Proposal Installation									
					Contractor Notes:	FLOOR PROTECTION FOR GYM HARDWOOD FLOORS. INCLUDES LABOR TO MOVE MASONITE AROUND.								
					Previous Proposal Installation	\$4,364.80								
					Owner's Notes:	Contractor to change quantity to 1,600 and move as needed.								
16 - Electrical														
D	47	16505-0005		EA	Convert 1L F96 fixture to operate (2) F32T8 lampsNote: Includes white enameled 8' reflective fixture pan, pre-wired with lampholders and ballast. Excludes lamps.	\$(8,901.75)								
					<table border="1"> <thead> <tr> <th>Quantity</th> <th>Unit Price</th> <th>Factor</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>0.00</td> <td>0.00</td> <td>1.1000</td> <td>\$0.00</td> </tr> </tbody> </table>	Quantity	Unit Price	Factor	Total	0.00	0.00	1.1000	\$0.00	
Quantity	Unit Price	Factor	Total											
0.00	0.00	1.1000	\$0.00											
					Current Proposal Installation									
					Contractor Notes:	QUANTITY MODIFIERS NOT USED DUE TO THIS KIT WILL HAVE TO BE FIELD MEASURED AND CUSTOM FIT FOR SOFFIT LIGHTING IN HALLWAY.								
					Previous Proposal Installation	\$8,901.75								
					Owner's Notes:	Contractor to remove, use 16505-0016 and modifiers.								
A	50	16505-0016		EA	Retrofit An Existing 4' (T12) Strip Style Fixture With Reflector To Operate One 4' (T8) Lamp	\$6,088.50								
					<table border="1"> <thead> <tr> <th>Quantity</th> <th>Unit Price</th> <th>Factor</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>50.00</td> <td>110.70</td> <td>1.1000</td> <td>\$6,088.50</td> </tr> </tbody> </table>	Quantity	Unit Price	Factor	Total	50.00	110.70	1.1000	\$6,088.50	
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50.00	110.70	1.1000	\$6,088.50											
					Current Proposal Installation									
					Previous Proposal Installation	\$0.00								

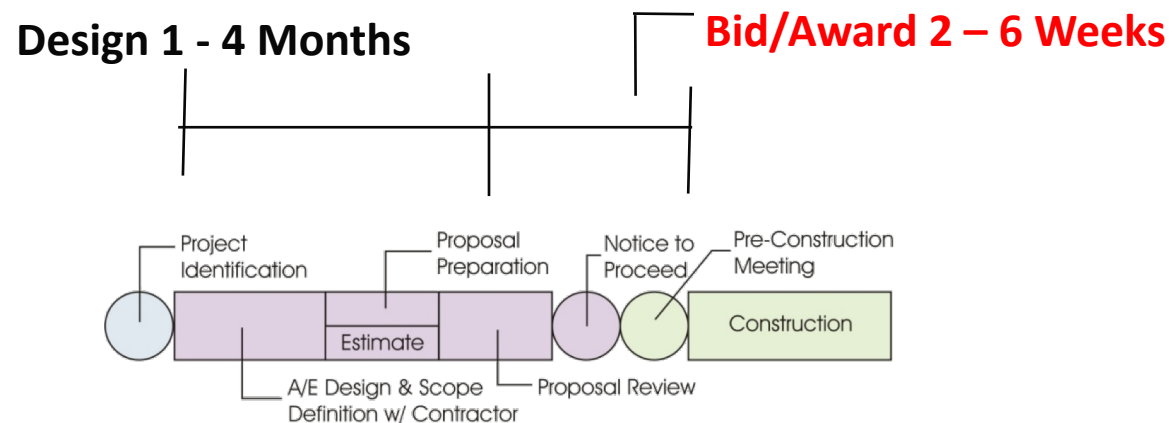
Note : **A - Added** **D - Deleted** **M - Modified**

San Francisco EE JOC Program - Time Savings

Design - Bid & Award Duration: 12 to 16 Months



JOC Design - Bid & Award Duration: 3 to 6 Months



Other Job Order Contracting Advantages

- Transparency and certainty in pricing
- Lowers admin, design and construction costs
- Eliminates risk of inflated change-order costs
- Higher quality through performance based contracting
- More opportunities for use of local, small businesses
- Greater flexibility
- Encourages partnership and collaboration!



The Southern California Regional Energy Network (SoCalREN) - Cooperative Procurement

- Partnered with The Gordian Group and Sourcewell , a large national cooperative purchasing agency
- Awarded competitively bid indefinite quantity construction contracts (IQCCs) to 13 contractors across 12 counties
- Each county ended up having 2 to 3 contractors to choose from in three categories (HVAC, Lighting and Street Lighting)
- Projects identified by energy engineers on contract with SoCalREN
- IQCCs Adapted for Energy Efficiency:
 - Conform to the California Government Code
 - Leading edge technologies
 - Transparent pricing and review by Gordian on every proposal

Legal Justification Sited for utilizing Sourcewell's Indefinite Quantity Contracts for Energy Retrofits

- *California Government Code Section 6500 et seq (Joint Powers of Exercise of Powers Act) provides legal authority for two or more public agencies to enter into a joint powers agreement and jointly exercise any power common to the contracting parties, even though one or more of the contracting agencies may be located outside of California*
- *California Government Code Section 4217.10 et se (Single Source Supplier) (California Energy Codes Code 6502 and Code 4217) authorizing a public agency to use any procurement process that its governing body determines is in the best interest of the agency to procure facility energy efficiency improvements provided the governing body determines that the project costs outweigh the energy savings*

Examples of CA Agencies Using ezIQC Contractors Procured by Sourcewell (SoCalREN)

- SoCalREN (Site 6500 and 4217 for Legal Justification)
 - Number of Agencies that have used ezIQC Contractors = 32
 - Number of Cities Using ezIQC Contractors = 23

Leading by Example: Public Agency Projects

Agency Name	Project Type(s)	Agency Rationale for Turnkey Approach	Section 4217.10 et. seq.	Section 6500 et. seq.
City of Covina (General Law)	Mechanical, Street Lighting, Lighting (EMS, LED conversion & various upgrades)	City used Section 4217.10 et. seq. of the Government Code to justify utilizing competitively bid NJPA contractors.	✓	
City of Pomona (Charter)	Mechanical and Street Lighting (VFD on pool pumps and LED conversions)	City successfully used Section 6500 et seq. of the Government Code to justify using NJPA with two different projects.		✓
City of Arcadia (Charter)	Street Lighting (various upgrades)	City used Section 6500 et seq. of the Government Code to justify using NJPA to save time and money.		✓

Example Agencies in CA That Have Used Contractors Procured by Sourcewell via Gordian's ezIQC Program

1. Port of Hueneme, Oxnard Port District
2. County of Orange
3. City of Culver City
4. Western Riverside County Regional Wastewater Authority (WMWD)
5. Western Municipal Water District
6. City of Newport Beach
7. City of Covina
8. Eastern Municipal Water District
9. City of Moreno Valley
10. City of Visalia
11. City of Pomona
12. City of Whittier
13. City of Orange
14. Yucaipa Valley Water District (SBVWD Retailer)
15. City of Rancho Mirage
16. City of Downey
17. City of Mission Viejo
18. City of Claremont
19. Cucamonga Valley Water District
20. Inland Empire Utilities Agency
21. City of Murrieta
22. City of Arcadia
23. Goleta Sanitary District
24. City of Palmdale
25. City of West Hollywood
26. City of Santa Paula
27. City of La Palma
28. City of Costa Mesa
29. Coachella Valley Water District
30. City of Buena Park
31. City of Fullerton
32. City of Beverly Hills

Legislation: Using Joint Powers Agreements in California

- No Provisions for Co-Operative Purchasing in the Public Contract Code
- [Government code section 6500](#) et seq. is known as the Joint Exercise of Powers Act (Gov. Code §6501) and is the legal authority for the establishment of what are commonly known as Joint Powers Agencies (JPA's)
- [Section 6500](#) defines “public agency” for purposes of the act, and expressly includes “the federal government or any federal department or agency, this state, another state or any state department” as well as any local agency
 - Sourcewell qualifies as a “public agency”
- [Section 6502](#) thus stands for the proposition that any two or more public agencies, regardless of geography or jurisdiction, can enter into an agreement to jointly exercise their common powers.

Legislation: Using Joint Powers Agreements in California

- **Section 6503** prescribes the contents of the agreement between the public agencies:
 - **Section 6503** contemplates that the “power” that is common to the agencies in question may be exercised in different ways.
- **Sections 6508 & 6509** make clear that the JPA established by the agreement has only those powers specified in the agreement, and may only exercise the power in the manner provided by the agreement
 - **Section 6509** allows the agreement to specify which agency’s restrictions shall be applicable to the exercise of the power by the JPA.
 - Legislature left it to the parties to the agreement to decide which set of restrictions would apply to the power being exercised by the JPA.

Questions - Energy Retrofit Implementation

1. What kinds of projects (and approximately, how many and how large) are you interested in completing in the next five years? Any projects that you've identified but not yet implemented?
 - Lighting
 - Mechanical
 - Street Lighting
 - Other (process, water, etc.)
 - Renewable and Power Storage
2. What are the main barriers to completing energy projects in your agency?
3. When does your city have to go out to bid for construction projects? What is the typical cost limit?
4. What is the typical project delivery path your city takes to implement an energy efficiency project? What are the current design-construction timelines for facility upgrade projects?
5. What kinds of additional technical assistance might your city need to implement energy projects using Job Order Contracts for construction?

Questions - JOCs and JPAs

6. Are you familiar with JOCs? If so what's your understanding?
7. How familiar are you with JPAs (joint powers agreement, a joint powers agency, or a joint powers authority)?
8. What has been your experience with JPAs? Are you familiar with “piggy backing” or cooperative procurement? What has been your experience with these?
9. Are you familiar with the Sourcewell (previously the National Joint Powers Alliance)?
10. Given what we have shared today, do you think JOCs could help your city complete energy retrofits?
11. Do you believe your city could support some form of “piggybacking” on the open, competitive procurement process undertaken by another agency to help you fast track energy retrofits?

Conclusion

- What do you think about the possibility of SMCEW establishing a county-wide Job Order Contracting Program?
- Any last thoughts how this program could benefit your city?

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