



## Legislation Text

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File #: 17-236, Version: 1

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### **CITY COUNCIL AGENDA ITEM**

#### **ACTION REQUESTED:**

Approve the Award of the Third and Final Two Year Option to Contract 11-082, Job Order Contract, to F. H. Paschen in an amount not to exceed \$2,000,000.

**DEPARTMENT:** Finance Department

**SUBMITTED BY:** Rachel Mayer, Finance Director

#### **BOARD/COMMISSION REVIEW:**

N/A

#### **BACKGROUND:**

Job Order Contracting (“JOC”) provides an alternative vehicle for the procurement and award of construction service contracts and work. JOC has proven to be a low cost, efficient and effective solution for multiple trade projects. On June 7, 2011, City Council awarded the initial contract for an amount not to exceed \$2,000,000. The initial term of the contract was June 8, 2011 thru June 7, 2013, with three, two-year options to extend the contract. First and second extensions were approved by City Council on May 17, 2013 and June 2, 2015, respectively. The second extension ends June 8, 2017.

#### **DISCUSSION:**

City staff recommends award of the third and final two-year option to extend the contract to June 8, 2019.

The JOC program has saved the City and neighboring community’s significant time and money since its inception in June 2011. From June 2011 through March 2017, the City of Naperville has completed 61 projects with a total value of \$2,583,757. It is our intention to continue to use the JOC program when it is advantageous to the City. There is no ongoing minimum amount the City must spend pursuant to this contract. We will seek proposals for specific projects that meet criteria for consideration as a JOC project. Once identified, projects will be priced using fixed prices in the contract. If quantities and pricing are acceptable and approved by the using Department and Chief Procurement Officer, the work is ordered. Projects exceeding \$25,000 are submitted to the City Manager for approval and those exceeding \$100,000 are submitted to City Council for approval. Additional projects will only be considered if performance is acceptable on each previous project; thus, the contractor must be successful with each project to earn the right to be considered for new projects.

This contract is designed as a cooperative purchase agreement between the City, Naperville Community Unit School District 203, Indian Prairie School District 204 and the Naperville Park

District, as well as other agencies located within the Six County Area and State of Illinois. From June 2011 through March 2017, \$19,300,460 of work was completed by thirty-one (31) other jurisdictions on 235 projects pursuant to our cooperative purchasing agreement. As part of the cooperative program, the City receives 1% of this cooperative contract work as reimbursement to offset the City's costs to administer the program. The City has received \$191,865 in reimbursement since inception in 2011.

Through effective management of the sub-contractor process and intentional outreach to Local Businesses as sub-contractors, the JOC program brought \$3,553,548 in work to local businesses. The contract includes a requirement that the JOC contractor work to maximize use of local sub-contractors in performing work for Naperville. Other jurisdictions are allowed to ask that work performed for them include their local contractors. The result to date is local Naperville businesses received \$753,105 of the work for Naperville; 29.1% of the total work. In addition, local Naperville businesses received an additional \$2,800,443 from non-Naperville cooperative projects; 14.5% of the total work.

**FISCAL IMPACT:**

CIP #: N/A

Funding will come from various accounts budgeted for construction work in CY2017. No additional expenditures or budget increases are proposed. The contract is for an amount not to exceed \$2 million and does not require the City provide a minimum amount of work to the contractor.

The City receives 1% of all cooperative contract work, or \$191,865 since the program's inception in 2011.