



MULTNOMAH COUNTY AGENDA PLACEMENT REQUEST

(Revised: 6/9/2014)

APPROVED: MULTNOMAH COUNTY
BOARD OF COMMISSIONERS
AGENDA # R-4 DATE 3/3/16
MARINA BAKER, ASST BOARD CLERK

Board Clerk Use Only

Meeting Date: 3/3/16
Agenda Item #: R.4
Est. Start Time: 10:35 am approx
Date Submitted: 2/19/16

Agenda

Title: Approval of a Class Special Procurement to extend existing contractual relationships to permit the introduction of a Job Order Contracting process

Note: Title should not be more than 2 lines but sufficient to describe the action requested. Title on APR must match title on Ordinance, Resolution, Order or Proclamation.

Requested

Meeting Date: March 3, 2016 Time Needed: 10 Minutes
Department: DCM/DCA Division: Central Purchasing/DCA Hub
Contact(s): Brian Smith
Phone: 988.7546 Ext. n/a I/O Address: 503/4/Purchasing

Presenter

Name(s) &
Title(s): Brian Smith, Purchasing Manager & Karen Preston (DCA HUB Supervisor)

General Information

1. What action are you requesting from the Board?

The Board, acting as the Public Contract Review Board, is asked to approve a one-time Special Procurement for a class of existing contracts, extending them for up to an additional two year period without competition. A list of contracts is attached to this request.

All of these existing contracts are expected to be candidates for replacement as a Job Order Contractor is brought on board and can establish the ability to assume virtually all of this work. The Job Order Contractor approach is being pursued through a separate Board approval item.

2. Please provide sufficient background information for the Board and the public to understand this issue. Please note which Program Offer this action affects and how it impacts the results.

Under a proposed job order arrangement, a single, competitively selected Contractor will assume responsibility to contract for and have on hand a team of Contractors to take on a significant level of the County's Maintenance, Repair and Operations (MRO) work at the intermediate level. This would substantially relieve the County; including Central Purchasing, the DCA Hub and Facilities & Property Management (FPM), of the need to directly pursue replacing or renewing almost 60

existing MRO contracts that are expected to be gradually replaced by the selected Job Order Contract (JOC) Provider. Once the JOC Provider is selected, they will immediately begin to build a "team" of available MRO contractors on a requirements basis skilled in every trade and skill area to meet Multnomah County's MRO needs.

This planned transfer of tasks to the JOC Provider will eliminate a significant County workload of conducting approximately 50-60 intermediate level procurements and the required negotiations, contract document generation and ongoing Contract Administration workload. The two-year period requested was selected to ensure adequate time to obtain Board permission to proceed with the JOC concept, issue a formal solicitation, select and negotiate a contract, and allow the successful Provider time to build their local infrastructure, recruit MRO subcontractors and train County personnel on how to best employ the JOC process.

With approval of this Special Procurement to temporarily extend our existing MRO contractors, it will eliminate unnecessary procurement and contracting activity that would only be valid for a short time until the JOC is in place and begins the process of building their own in-house capability. National JOC Providers have reported needing approximately 8-12 months after selection to find and contract with enough trades to be able to meet the County's expected MRO requirements.

3. Explain the fiscal impact (current year and ongoing).

There is no cost impact to the current year or in out-years. Obtaining transactional procurement and contracting relief by granting this temporary special procurement will avoid unnecessary procurements and contracting activity by simply extending in place MRO Contractors rather than replacing them as their contracts expire over the next two years. If we have to replace the expiring contracts, we would then almost immediately terminate them as the JOC took over responsibility. Most of these existing MRO contracts were competitively procured and were awarded with favorable pricing - we are simply proposing extending these contracts temporarily. Approval of the Special Procurement will not only ensure the selected JOC Provider a smoother transition into taking over a substantial portion of our MRO work, it will also allow DCA Hub personnel and Central Purchasing staff to focus on the higher priority and higher dollar projects currently in their work plans.

4. Explain any legal and/or policy issues involved.

The PCRB grants the Board the authority to entertain the creation of a Class Special Procurement, allowing a contracting procedure that differs from the rules and is for the purpose of entering into a series of contracts over time for the acquisition of a specified class of goods or services – in this case MRO services. By temporarily avoiding unnecessary new procurement/contracting activity, we can avoid putting in place new contracts that will only end up being terminated, often in the same year they were created, as the JOC takes on this responsibility.

5. Explain any citizen and/or other government participation that has or will take place.

The conceptualization and activity around designing a plan to introduce and pilot the Job Order Contracting process to the County has been ongoing for almost two years. Briefings and/or discussions have been held throughout the County stakeholder community as well as the initiation of ongoing consultations with select national JOC firms to determine if Multnomah County is a promising candidate for this nationally utilized, but revolutionary to us, process. Central

Purchasing, FPM and DCA Hub have been the most involved parties to date, as our implementation strategy features piloting this process into FPM first, while retaining options to expand it into several other areas in the County where there is a high volume of non-public works maintenance, repair and operations activity for relatively low dollars. These areas include the Department of County Human Services Weatherization Program and the Department of County Services Transportation Division, including the Bridge Shop. Discussions around JOC are also planned with the Union and the Minority, Woman-Owned, and Emerging Small Business Community.

Required Signature

Elected

Official or

Department DCA: Sherry Swackhamer, Director /s/

Director: DCM: Marissa Madrigal, Director /s/ **Dates:** February 19, 2016

Note: Please submit electronically. Insert names of your approvers followed by /s/ - we no longer use actual signatures. Please insert date approved.

Findings

Subject: Exemption sought from the Board under 47-0285 – Special Procurements, “Contract Specific Special Procurement”; Exemption of sub-set of firms currently providing Maintenance, Repair and Operations (MRO) work for Facilities, with contractual arrangements due to expire beginning March 1, 2016.

Notice Requirements: One week notice is required, similar to process used in 47-0300, “Sealed Bids”. Notice has been posted on Multnomah County Purchasing’s website for seven days beginning February 22nd.

Circumstance:

Multnomah County is planning to pilot a “Job Order Contracting” (JOC) approach; with Facilities as the first trial area (Weatherization and Transportation are also future candidates). Under the JOC approach, a single contractor competitively awarded will take on the MRO sub-contracting responsibilities for Facilities and will replace, over time, the procurement and contracting responsibilities currently shouldered by the DCA Hub and Central Purchasing. The existing contracts identified under this exemption are all candidates for assumption by the JOC Provider and have upcoming expiration dates.

Reason for the action:

Obtaining procurement and contracting relief by granting this temporary special procurement will avoid unnecessary procurements and contracting activity by simply extending in place MRO Contractors rather than replacing them as their contracts expire over the next two years. If we have to replace the expiring contracts, we would then almost immediately terminate them as the JOC Provider took over responsibility. Most of these existing MRO contracts were competitively procured and were awarded with favorable pricing - we are simply proposing extending these contracts temporarily. Approval of the Special Procurement will not only ensure the selected JOC Provider a smoother transition into taking over a substantial portion of our MRO work, it will also allow DCA Hub personnel and Central Purchasing staff to focus on the higher priority and higher dollar projects currently in their work plans.

Findings Supporting this Action:

PCRB 47-0285(3) grants the Board the ability to approve a Special Procurement if it can be demonstrated that the alternative process will:

- (a) *Be unlikely to encourage favoritism in the Awarding of Public Contracts or to substantially diminish Competition for Public Contracts; and*
- (b) *Result in substantial cost savings to the County or to the public; or*

(c) Otherwise substantially promote the public interest in a manner that could not practicably be realized by complying with requirements of these rules.

We will address each of the above requirements individually below:

(a) There is no impact to the competitive awarding of contracts for MRO activities as the JOC, when on board in mid 2016, will compete these contracts through solicitation processes substantially similar to the County's and award them based on low price. The only change is the JOC will do the awarding and contracting, not the County. We are only extending, in some cases for only a few months, existing contractual arrangements that exist today. When the JOC begins the process to replace the existing contracts in order to acquire the capability to do County MRO work, the current providers as well as all other qualified providers will have an equal opportunity to participate – there will be no favoritism in the awarding of contracts.

(b) The reduction of transactional costs (the cost to the County of researching, building and issuing individual solicitations, negotiating terms and creating legally sufficient contracts, and then administering and modifying those contracts) is large and all of this relatively low dollar, high volume work will transfer to the JOC Provider, when they are in place. Although cost reduction is not the primary reason we are undertaking this pilot project, we believe there will be savings through the reduction of transactional costs, which will better allow all areas involved to keep up with the growing demands.

Additionally, by approving this request, we will avoid incurring the significant cost of re-procuring these activities only to turn around and have to terminate them as the JOC Provider takes responsibility over the various skill areas in order to take on Job Order requests.

(c) One of the major reasons to try the JOC approach is that it will allow us to bolster the Minority, Women-Owned, Emerging Small Business portion of the Facilities MRO workload. The consolidation of numerous smaller procurements/contracts into large Formal procurements to better adhere with County PCRB rules, and use of Cooperative contracts for MRO work has reduced the opportunities for MWESB participation at the County – and are expected to continue to do so unless we can replace the large Formal or Cooperative procurement use with a JOC approach that includes strong incentives to boost MWESB usage and makes successful participation by MWESB contractors more attainable.

Vendor Name	Product Category Description	Avg Award Amt/Year of Contract Validity Period
AIRFILCO INC	AIR FILTER REPLACEMENT AND COIL CLEANING	\$50,000
TREECOLOGY INC	ARBORIST SERVICES COUNTY-WIDE	\$75,000
BUD'S EXPERT TREE SERVICE	ARBORIST SVCS	\$5,964
PROFESSIONAL MINORITY GROUP	ASBESTOS, LEAD PAINT & MOLD REMEDIATION	\$29,909
BOILER AND COMBUSTION SERVICE	BOILER MAINTENANCE SVCS AS REQUIRED	\$22,261
DONKIN	CONSTRUCTION GENERAL	\$366,667
CHOWN	CONSTRUCTION HARDWARE & GENERAL SVS	\$91,306
INTERIOR TECHNOLOGY INC	DOOR REPAIR (INTERIOR MECH DR MAINT/REPAIR)	\$54,411
NORTHWEST	ELECTRICAL AND LOW VOLTAGE SERVICES	\$500,000
EC COMPANY	ELECTRICAL SERVICES	\$950,000
MILESTONE ELECTRIC	ELECTRICAL SERVICES	\$83,333
THYSSENKRUPP	ELEVATOR MAINTENANCE AND REPAIR SERVICES	\$270,000
MSD CONSTRUCTION LLC	FENCING MATERIALS AND INSTALL	\$30,000
WESTERN STATES	FIRE PROTECTION SVS	\$30,000
ALLIANCE FIRE SAFETY	FIRE EXTINGUISHER/HOOD MAINT&REPAIR	\$25,000
RIVER CITY GLASS & WINDOWS	GLASS AND GLAZING SERVICES	\$30,000
NW ELECTRICAL CONTRACTORS	LIGHTING MAINTENANCE	\$95,997
COAST SWEEPING SVS	PLUMBING MAINTENANCE & REPAIR	\$25,000
PORTLAND MECHANICAL CONTRACTORS	PLUMBING MAINTENANCE & REPAIR	\$620,490
THOMAS FLANNEL DBA UNIVERSAL LAWN CARE	PRESSURE WASHING	\$23,761

SNUGS PRO WASH	PRESSURE WASHING & GRAFFITI REMOVAL	\$9,609
HYDRO POWER WASH	PRESSURE WASHING	\$30,000
NELSON CAPITOL CONSTRUCTION PRGM	PROJECT MANAGEMENT SVS	\$50,000
ELEEK INC	RETRO-FIT LIGHTING FIXTURES	\$100,000
RIVER CITY ENVIRONMENTAL	SNOW REMOVAL SERVICES	\$75,000
CRESCENT ELECTRIC	UPS UNINTERRUPTABLE POWER SYSTEM MAINTENANCE	\$100,000
EMERSON NETWORK	UPS EATON UPS SERVICES	\$100,000
EUROPEAN SECURITY	WELDING AND FABRICATION SERVICES	\$320,000
NALCO CO.	WATER TREATMENT SVS	\$50,000
CLEAN SVS NW	WINDOW WASHING SVS (On Call)	\$30,000
		\$4,243,707