



# MULTNOMAH COUNTY AGENDA PLACEMENT REQUEST

(Revised: Oct. 2017)

## Board Clerk Use Only

Meeting Date:	6/7/18
Agenda Item #:	R.5
Est. Start Time:	10:35 a.m.
Date Submitted:	5/24/18

**Agenda Title:** Resolution Approving Extension and Expansion of Job Order Contracting Pilot Project.

**Requested Date:**

June 7, 2018

**Time Needed:** 15 minutes

**Department/Division:**

DCM/DCA - Central Purchasing/DCA Hub

**Contacts:** Brian Smith, Henry Alaman

**Phone:** Ext. 87546

**Email:** Brian.r.smith@multco.us

**Presenters:** *Brian Smith, Purchasing Manager, DCM; Henry Alaman, Director of Facilities and Property Management.*

## General Information:

### 1. What are you requesting from the Board?

Approval by the Board of County Commissioners (Board), acting as the Public Contract Review Board (PCRB), of a Resolution extending the Job Order Contracting pilot project for one additional three-year term, expanding this procurement method to the Department of County Human Services Weatherization Program and the Department of County Services Transportation Division, and making the existing contract available to other agencies for cooperative purchasing.

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

On March 3, 2016, the Board, acting as the PCRB, approved the use of an Alternative Contracting Method, in accordance with PCRB 49-0620, *Use of Other Contracting Methods*, and more specifically the approval of a Job Order Contract (JOC) procurement method as a pilot project for the County. The Board authorized a single, competitively selected Contractor to assume responsibility for contracting with and developing a team of subcontractors on a requirements basis skilled in every trade to take on the County's Facilities Maintenance, Repair and Operations (MRO) work at the intermediate level (below \$150,000 per project). The County

selected Centennial Contractors Enterprises, Inc. (Centennial), through a competitive RFP and entered into Contract #44-3076 with Centennial dated effective April 1, 2017.

During the past year, the JOC Pilot Project has substantially relieved the County, including Central Purchasing, the DCA Hub, and Facilities & Property Management (FPM) of significant low dollar, high volume transactional work by shifting it to Centennial. Centennial has shared the responsibility to contract with Subcontractors, while increasing participation by disadvantaged business enterprises, firms owned by minorities, women, or service-disabled veterans, and emerging small businesses (DMWSDVESBs) as certified by the Oregon Certification Office for Business Inclusion & Diversity (COBID) whenever possible.

Recently, Centennial broke ground on work at the Multnomah County Animal Services facility with projected COBID Certified Firm utilization of just over 40% for the entire project. The transfer of tasks to Centennial should eventually eliminate significant County workload of conducting 50 to 60 intermediate level procurements and the required negotiations, contract document generation and ongoing Contract Administration workload over the course of a year.

The two-year pilot project term was selected to ensure adequate time to obtain Board authorization to proceed with the JOC concept, issue a formal solicitation, select and negotiate a contract with the successful proposer, and allow time for the JOC contractor to build its local infrastructure, recruit subcontractors and train County personnel on how to implement the JOC process.

More County Project Managers now view the JOC method as another tool to complete more projects by extending resources with JOC partners. Support for expanding the JOC contracting method to other County departmental programs, including the Department of County Human Services Weatherization Program and the Department of County Services Transportation Division and other Agencies interested in utilizing the cooperative language within the contract is evidence of the success of this pilot project.

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

Expansion of this alternative contracting method should have little fiscal impact on the County. The primary goals of the JOC contracting method are to significantly reduce low value transactional activity by departments using JOC and to maximize DMWDSVESB participation. Costs should be relatively stable or slightly higher and will be more than offset by the transactional costs and staff resources saved by shifting this high volume, low value workload to Centennial.

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

The PCRB Rules allow the Board to approve the use of innovative procurement methods that differ from standard design-bid-build solicitations when use of the alternative is supported by findings and approved at a public hearing. ORS 279C.335, which is incorporated by reference into PCRB Rule 49-0620, outlines the process and necessary findings for the PCRB to justify an exemption. The local contract review board may exempt a public improvement contract or class of public improvement contracts and, as an alternative to the findings described in subsection (b), may make a finding that identifies the contract(s) as a pilot project when the agency has not previously used the alternate contracting method.

Section 12.1 of Exhibit 1 to the Centennial contract authorizes the County, at the conclusion of two years of JOC operation, after an assessment of the JOC approach by all stakeholders and with the Board's consultation and explicit approval, to choose one of the following options:

1. Extend JOC operations on MRO projects for FPM for one additional three-year term; or
2. Extend JOC operations on FPM's MRO projects for one additional three-year term and exercise an option to initiate JOC processes in one or both of the two remaining areas (Weatherization or Transportation); or
3. Terminate the JOC contract entirely.

Section 12.2 of Exhibit 1 to the Centennial contract directs the programs using the JOC approach, at the end of the initial five-year Pilot Project period, to report to the Board on the history and their specific experience, and at that time recommend that the Board either:

1. Continue the JOC process in one, two or three, or any combination thereof of the work areas, for a period of not more than five additional years, via one year options; or
2. Terminate the JOC approach entirely.

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

Conceptualizing and designing a plan to introduce the JOC pilot project to the County went on for almost two years. Briefings and discussions were held throughout the County stakeholder community, as well as consultations with select national JOC firms to determine if the County was a good candidate for this nationally utilized process. Central Purchasing, FPM and the DCA Hub have been the most involved parties to date, as the County's implementation strategy featured piloting this process first into FPM's MOR program, while retaining options to expand it into other County departments with a high volume of non-public works maintenance, repair and operations activity for relatively low dollars.

The County programs designated in the JOC contract would now like to have the JOC contracting method available to them to extend their resources--these include the Department of County Human Services Weatherization Program and the Department of County Services Transportation Division, including the Bridge Shop. Leadership in both departments reviewed the pilot project RFP and provided comments, then reviewed the awarded contract and observed FPM's use of this option over the past year. Local Unions and Certified Firms have both been informed as well, and further communications and outreach will continue. Other agencies such as the City of Portland, Beaverton School District, TriMet, Portland Public Schools and Washington County are all at various stages of launching their own alternative programs to meet their construction demands.

**Required Signature:**

<b>Elected Official/ Department Director:</b>	/s/ Marissa Madrigal, COO & Director DCM /s/ Sherry Swackhamer, Director DCA	<b>Date:</b>	<b>May 24, 2018</b>
---	---	--------------	---------------------