



Administrative Regulations

Number AR 8-31
Issue 1

Subject: Job Order Contracting (JOC) Policy

I. Purpose

The purpose of this regulation is to set forth City policy on the use of Job Order Contracting (JOC) as outlined in the Long Beach Municipal Code 2.84 and Ordinance No. ORD-16-0008. JOC provides a contract means for the City to quickly, and in a cost-efficient manner, execute maintenance, repair and minor renovation work. This Policy is to serve as a supplement to other City documents (e.g. Municipal Code, Ordinances, City Charter, Administrative Regulations, Public Contracting Code and Department Policies and Procedures). In the event this Policy conflicts with JOC project-specific contract documents, the provisions of the individual job order shall govern.

II. Scope

This Policy is applicable to all City departments and offices directly responsible to the City Manager. It is also requested that elective offices and other independent offices and departments of the City comply with this Policy in the interest of administrative uniformity.

III. Policy

The JOC Policy establishes the program's intent, providing specific criteria describing the type of projects that may be authorized to be accomplished under JOC; and a process whereby each individual job order is reviewed and approved by the appropriate level of management prior to issuance and in advance of payment.

The JOC program is intended for small to medium, simple, repetitive and easily defined maintenance, repair and minor renovation projects of which the scope aligns transparently with the pre-priced unit catalog. The JOC program shall not be used for large, complex or new construction projects that require extensive design.

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A. Contractor Prequalification

All contractors must be prequalified prior to submitting a bid for a JOC master contract to provide a reasonable level of assurance that JOC contracts are awarded to contractors who are licensed and registered with the California Department of Industrial Relations (DIR); and have demonstrated competency, capacity, and relevant experience to satisfactorily perform the JOC contracts.

The City will use the DIR's model forms and scoring, as modified by the City, to prequalify contractors pursuant to Public Contract Code Section 20101.

B. JOC Master Contracts

The City may award multiple JOC master contracts to prequalified contractors through a competitive bid process whereby contractors bid a factor, or percentage, plus or minus, of the unit prices published in the pre-priced unit catalog. The pre-priced catalog may be adjusted annually, or more frequently, as recommended by the catalog publisher. The contractor's adjustment factor shall remain fixed for the duration of the contract and extended contract term. Contractors should submit sealed bids based on Section 1804 of the City Charter, and the City Manager or his/her designee shall accept the lowest, responsible bidder. Pursuant to Section 1804 of the City Charter, the City Manager at his/her discretion may reject any or all bids presented and may rebid if in the best interest of the City.

Initial contract terms for JOC master contracts will not exceed twelve (12) months, with an option of extending the contract for two (2) additional 12-month periods, for a maximum term of three (3) years. The maximum dollar amount that may be awarded under a JOC master contract is the amount authorized by City Council. The City reserves the right to award individual job orders up to the limit of the aggregate authority of the contract or not to issue an individual job order under the JOC master contract.

C. Individual Job Orders

No single job order project may exceed five hundred thousand dollars (\$500,000) during the term of the JOC master contract. No job order project shall be split or separated into small job orders for the purposes of evading the five hundred thousand dollar (\$500,000) cost limit. No job order tasks shall commence until the Notice to Proceed (NTP) has been

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issued. The NTP for a job order must be effective prior to the contract expiration date, and work must be substantially complete prior to the contract expiration date. Supplemental job orders may be written after the contract expiration date, only as required to complete the original scope of work. However, every effort shall be made to schedule work so that it is complete prior to expiration of the contract.

D. JOC Project Review

The Project Management Officer (PMO) will evaluate each potential JOC project to determine if it is in the best interest of the City to use the JOC method for the project. Each individual job order will not be approved by the PMO until a responsible, knowledgeable person other than the project manager has independently completed an estimate and review of the JOC contractor's cost proposal. The independent review shall ensure that the contractor's proposal aligns appropriately with the City's scope of work, that the listed tasks are appropriate and the quantities are accurate, and that unit and system costs are not redundant. If the PMO determines that the traditional methods of project delivery result in the best value to the City, the availability and ease of use of JOC shall not preclude the use of traditional methods of project delivery.

E. Use of Subcontractors

The JOC contractor must perform a minimum of twenty percent (20%) of the contract work for a project, with no more than eighty percent (80%) of the work done by subcontractors. All subcontractors used by the primary contractor must be pre-approved by the City, and at a minimum be required to be licensed, registered with the DIR, hold liability insurance, and have sufficient relevant experience.

F. Non-Prepriced Items

The PMO shall not approve a job order if the cost of items not listed in the pre-priced unit catalog exceeds ten percent (10%) of the total cost proposal, without written approval of the City Manager or his/her designee. If items not listed in the job catalog are included in the contractor's proposal, the contractor will be required to obtain three (3) written quotes and use the lowest qualifying quote. For non-prepriced items that are sole source products, the contractor must justify in writing the reasons that three (3) quotes were not obtained. The use of all non-prepriced items must be approved by the City Engineer. The City shall retain all documentation related to the selection of the non-cataloged items, including the three (3) written quotes obtained by the contractor or the documented reason for the lack of three (3) quotes.

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G. JOC Staff

The PMO is responsible for ensuring that all employees associated with the JOC program are properly trained regarding the JOC procedures and use of the JOC management software; and for ensuring that JOC staff represent the City's best interest, consistent with the City's Code of Ethics. The PMO shall ensure that project managers receive adequate training to properly administer the JOC contracts and that project managers are sufficiently involved in administering the job orders. The City shall maintain JOC training materials for ongoing use and update the materials as needed to keep them current. Personnel (City employees and non-City Consultants) assigned to a JOC project shall not be affiliated with any entity that provides services related to the project, such as design, construction, or engineering support services.

H. JOC Project Administration and Close Out

A consistent and formal job proposal, project management, and project close out and acceptance process shall be used. The close out process shall include the documented performance evaluation of contractors and subcontractors to ensure work is done to the City's satisfaction and to ensure that poorly performing contractors and subcontractors are not used on future JOC projects. The PMO is responsible for ensuring consistency in the administration of the project close out and acceptance process. All City Manager departments using JOC shall follow the same processes and procedures outlined in the JOC Policy and JOC Procedures Manual, including use of a common JOC project management software for project documentation and post project review.

I. Document Availability

After the City has issued a job order, all documents pertaining to the job order shall be available for public review.

J. Updates to Procedures Manual

The Department of Public Works will maintain and update the JOC Procedures Manual as necessary.