

# Work Plan for Utilizing Job Order Contracting for Los Angeles County

## Bridge Preventative Maintenance Program

Federal ID No. BPMPL-5953(652)

### **Purpose**

This work plan will detail Los Angeles County's approach to utilize the Job Order Contract (JOC) process to deliver its Bridge Preventative Maintenance Program (BPMP). With approval of the work plan Los Angeles County (County) can deliver its BPMP with the least cost and in the timeliest fashion by utilizing federal-aid for JOCs under the Federal Highway Administration (FHWA) Federal Special Experimental Project No. 14 (SEP-14) alternative contracting program.

### **Scope**

The Los Angeles County Bridge Preventative Maintenance Program (BPMP) has identified three hundred fifty-five (355) bridges needing work. The County's JOC will be used to contract for necessary work that qualifies as preventative maintenance under California Department of Transportation (Caltrans) Bridge Preventative Maintenance Program Guidelines for Local Agencies, approved February 27, 2006.

### **Current Method**

Los Angeles County utilizes standard contracts where the selection is by lowest responsive bidder in accordance with federal regulations.

### **Opportunities for Improvement**

The standard process is ineffective because many of the bridges require minor repairs. Preparing extensive and extremely detailed plans and specifications for a formal contract solicitation dramatically increases project soft costs for small projects. By utilizing JOCs, we can take advantage of the economies of scale by grouping work and providing standardized plans for the repairs.

A JOC is a competitively bid, firm fixed price indefinite quantity contract. It includes a collection of detailed repair, remodel, and repetitive work tasks and specifications that have established unit prices. It is used for the accomplishment of repair, alteration, modernization, and rehabilitation of buildings, structures, and for repetitive work. The JOC process provides a way to accomplish a large number of individual projects with a single competitively bid contract. The contracting authority for counties for the JOC process is Public Contract Code Section 20128.5. The maximum contract amount originally was \$3 million. The dollar cap for JOCs was amended in 1997, effective January 1, 1998, which indexed

increases for the maximum contract amount to the California consumer price index. The current contract maximum amount is \$4.2 million. Each contract is valid for one year from the date of execution.

Los Angeles County Department of Public Works (Public Works) awarded its first JOC in January 1996. The primary focus of the County's JOC program was to assist the County in its work for Earthquake Recovery repair and renovation projects. In the last few years, the County has implemented the JOC program to accomplish maintenance, repair and refurbishment of County infrastructure and facilities without extensive plans and specifications. The JOC program has been successfully used to complete hundreds of projects in various Departments, such as Beaches and Harbors, Health Services, Parks and Recreation, Public Library, Fire, and Superior Court.

Public Works implementation of the JOC program is carried out by developing and customizing a Unit Price Book (UPB) and technical specifications. A UPB includes pre-priced construction tasks that are specifically tailored for the type of work that the County intends to accomplish and includes labor, material and equipment costs. All unit prices incorporate Federal Labor Standards including Davis-Bacon requirements and other Federal and State wage rate requirements. A UPB is work-segment based and incorporates local activity, climate, and geographic features. Technical specifications take into account quality of materials and workmanship, performance specifications, and detailed specifications furnished on a project by project basis.

Contractors bid on adjustment factors for work performed during normal working hours and non-normal working hours. These adjustment factors will be applied against the prices set forth in the unit price book and are used to price out fixed price work orders by multiplying the adjustment factors by the unit prices and quantities. The Contractor with the lowest composite factor will be considered the apparent low bidder.

Once a contract is awarded, the County will conduct a meeting with the JOC contractor to determine the actual work to be done for each project or work order to be performed under the JOC. The Contractor will be issued a Request for Proposal and will be required to develop a proposal for the work required. The Contractor will submit their proposal to the County and this proposal will be evaluated. If the Contractor's proposed units are found reasonable, a work order may be issued at the agreed upon units, which when multiplied by the unit price and appropriate contract adjustment factor will establish the firm fixed price for the work order.

The County's JOC program has become a valuable tool for meeting the ongoing need for high quality, fast, and straightforward construction projects. Since its inception, Public Works has issued over 50 Job Order Contracts. Public Works issues approximately \$50 million in work orders annually under the JOC program and has placed approximately \$265 million in construction.

The advantages of JOCs are:

- All items are fixed and pre-priced.
- The adjustment factor is competitively bid.

- The cost for each activity is priced by multiplying the number of units by the unit price in the UPB.
- The amount of each Job Order is the sum of the cost of the activities multiplied by the contractor's adjustment factor.
- JOCs provide reasonable value to the tax payers. JOC projects compare favorably and economically with time and material contracts and traditional design contracts.
- JOCs provide a timely response to identified preservation and maintenance needs as the time to begin construction can be advanced.
- JOCs can be limited in scope. The scope of work for each JOC can be used to limit the types of asset the contract can be applied to.
- JOCs reduce the need and costs for extensive PE work for smaller projects.
- Federal legislation allows all highway bridges to be eligible for federal-aid funding.
- The FHWA Special Experimental Project No 14 (SEP-14) may be used to evaluate promising non-traditional contracting techniques.

### **Proposal**

County requests approval to utilize JOCs under SEP-14 "Alternative Contracting" program to carry out federally funded projects under our Bridge Preventative Maintenance Program. Approval of this work plan will allow County to deliver the preventative maintenance projects in an accelerated timeframe and at a cost savings.

### **Schedule**

County has identified the activities that will be included in the JOC book.

The County at its own expense will retain a consultant to prepare the JOC book. Once finalized, the County will solicit bids through the federal process to select several contractors to perform the work contained in the JOC book. We expect to have the JOC book ready for advertising by May 1, 2012, and award by August 1, 2012.

Bridges will be grouped based on scope of work and geographic location.

The JOCs will be administered in accordance with Federal Highway Administration and California Department of Transportation guidelines for the Federal Bridge Preventative Maintenance Program.

### **Measures**

The County will measure activities and costs for each project let under a JOC as compared to conventional contracting methods.

- Measurements will include:
- Time to complete the plans.
- Bidding and award.
- Evaluation of bidders.

- Effectiveness in carrying out the BPMP.

### **Reporting**

For each JOC a report will be prepared detailing the contract, federally eligible and ineligible costs and delivery. Review of inspectors records, interviews and debriefings of staff and contractors. Comparisons with standard contracting will be made such as:

- Required staffing for PE, advertising and construction.
- Timeliness of contractors to prepare and provide proposals.
- Thoroughness of the activities included in the JOC book.
- Ability to add items when conditions warrant.
- Ability to handle changes during construction.
- Time and cost to deliver.
- Quality of product.