



## REPORT

**DATE ISSUED:** April 28, 2016

**REPORT NO:** HCR16-043

**ATTENTION:** Chair and Members of the San Diego Housing Commission  
For the Agenda of May 6, 2016

**SUBJECT:** Approval of Increased Job Order Contracting Annual Contract Capacity

**COUNCIL DISTRICT:** City-wide

### **REQUESTED ACTION**

Recommend that the Housing Authority of the City of San Diego approve the increase to the annual contract capacity of all current and future National Joint Powers Alliance (NJPA) Job Order Contracting cooperative purchasing agreements that the San Diego Housing Commission (Housing Commission) elects to utilize for the maintenance, repair, renovation, modernization, and alteration of properties owned and/or managed by the Housing Commission.

### **STAFF RECOMMENDATION**

That the San Diego Housing Commission (Housing Commission) recommend the Housing Authority of the City of San Diego (Housing Authority) take the following actions, as described in this report:

- 1) Authorize the President & Chief Executive Officer (President & CEO), or designee, to enter into intergovernmental cooperative purchasing agreements with the contractors referenced within this report based upon procurements previously competitively bid and awarded by the National Joint Powers Alliance (NJPA);
- 2) Authorize contract amendments to increase the maximum annual contract capacity from \$500,000 to \$2 million for each of the contracts listed below and previously approved, Housing Commission Job Order Contracting (JOC) contracts:
  - JOC Contract No. JOC-14-03 with Grondin Construction Company, Inc.
  - JOC Contract No. JOC-15-01 with Vincor Construction, Inc.
  - JOC Contract No. JOC-16-01 with Vincor Construction, Inc.
  - JOC Contract No. JOC-16-02 with The Augustine Company
  - JOC Contract No. JOC-16-03 with Sylvester Roofing Company, Inc.
  - JOC Contract No. JOC-16-04 with Angeles Contractor, Inc.
  - JOC Contract No. JOC-16-05 with Good-Men Roofing & Construction, Inc.
  - JOC Contract No. JOC-16-06 with Angeles Contractor, Inc.
  - JOC Contract No. JOC-16-07 with Vincor Construction, Inc.
- 3) Authorize the President & CEO, or designee, to substitute the identified contract funding sources with other available funding sources as long as the total activity budget amount after substitution does not exceed the total approved budget, should the operational need arise, or should actions be to the benefit of the Housing Commission and its mission; and

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- 4) Authorize the President & CEO, or designee, to execute all JOC contracts and job order documents and instruments necessary and/or appropriate to implement these approvals, in a form approved by General Counsel, and take such actions as are necessary and/or appropriate to implement these approvals.

## **SUMMARY**

The Housing Commission has an ongoing need to maintain and improve the portfolio of properties it owns and/or manages. To meet this need more effectively, Housing Commission staff identified JOC as a procurement resource that enables staff to execute routine and reoccurring construction projects quickly and efficiently.

The Housing Commission Board of Commissioners has previously authorized the Housing Commission to enter into cooperative purchasing agreements to utilize NJPA competitively bid and awarded JOC contracts up to a maximum annual dollar capacity of \$500,000 pursuant to the San Diego City Council Resolution R-305431. NJPA sets annual JOC contract dollar capacities at varying dollar amounts that range from \$1 million to \$3 million annually. The JOC contracts referenced herein have an NJPA maximum annual contract capacity of \$2 million. The requested increased annual contract capacities will bring the existing nine (9) Housing Commission JOC contracts in line with the original annual capacities set by NJPA. These contracts were awarded through the competitive Invitation for Bid (IFB) process. The contractors listed, for each of the referenced JOC contracts, were identified by NJPA as the low responsive and responsible bidders for their respective contract(s).

Because JOC contracts are structured as on-call, as-needed contracts, the increased annual JOC contract capacities requested herein would not constitute a guaranteed award amount or expenditure obligation by the Housing Commission to the respective JOC contractors. Neither would these annual JOC contract amounts constitute a budgetary encumbrance or obligation by the Housing Commission. Approving these actions will not affect the Housing Commission's annual budget. Budgetary encumbrances would occur on a project-by-project, job-order-by-job-order basis.

In 2014 the Housing Commission conducted a Green Physical Needs Assessment (GPNA) on all 155 rental properties, either owned or managed by the Housing Commission. In Fiscal Year 2017 (July 1, 2016 – June 30, 2017), the Portfolio Management Department is proposing a budget allocation of \$16,398,637 to address capital needs identified throughout the GPNA. The purpose of the work will address various capital needs on 87 properties, or approximately 57 percent of the Housing Commissions portfolio. Approval of this request will provide the Housing Commission with adequate JOC contract capacity to help facilitate the efficient and expedient implementation and completion of the GPNA projects, referenced herein, as well as with other routine and re-occurring Housing Commission property maintenance, repair and renovation projects.

The Housing Commission Board currently has authority to approve contracts for the maintenance, modernization, and improvement of properties owned and/or managed by the Housing Commission (including LLCs) up to a maximum contract value of \$500,000 pursuant to San Diego City Council Resolution R-305431, which was passed by the City Council on November 23, 2009. In addition, Section 15 of the Housing Commission's Procurement Policy, titled "Cooperative Purchasing Agreements," authorizes and encourages the Housing Commission to utilize other Federal, State and Local cooperative purchasing agreements (also known as "intergovernmental agreements") to expedite the procurement,

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contracting and project delivery process. Furthermore, under California's Joint Exercise of Powers Act (Govt. Code § 6500 et seq.), two or more public agencies may jointly exercise their contracting power if authorized by their legislative bodies. This cooperative/intergovernmental agreement contracting process is also endorsed by the U.S. Department of Housing and Urban Development (HUD) in Title 24, Subpart A, Part 85, Section 85.36(b)(5) of the Code of Federal Regulations, and is widely employed by hundreds of Federal, State and Local agencies as a routine part of their procurement and contracting methodology. Nonetheless, these contracts shall not be utilized for new construction, due to Federal regulations. In addition, contract forms have been developed to ensure Housing Commission-required provisions are included within each of the contracts. These provisions include but are not limited to prevailing wages and requirements of Section 3 of the HUD Act of 1968 (Section 3).

The Housing Commission's JOC program was initially approved by the Housing Commission Board on September 12, 2014 (HCR14-081). Since its implementation, the Housing Commission's JOC program has proved to be a cost-effective and time-efficient procurement and contracting method.

#### Summary Data of Housing Commission JOC Projects Awarded To Date

Total Number of JOC Job Orders Issued for Construction Projects	Total Dollar Value/Cost of All JOC Job Orders Issued for Construction Projects	Average JOC Job Order Dollar Value	Total Cost Savings of JOC Job Orders Issued for Construction Projects <sup>1</sup>	Average Project Commencement Time of JOC Projects Performed <sup>2</sup>
11	\$4,105,379.65	\$373,216.33	\$193,500.00 (4.7%)	8 weeks

<sup>1</sup> Cost Savings is based on the difference of Project Independent Cost Estimate (ICE) and JOC Job Order project cost.

<sup>2</sup> Commencement time is calculated from initial Job order request entry to commencement of the project.

#### Utilization of Local Section 3 Businesses on JOC Construction Projects To-Date

Total Dollar Value/Cost of All JOC Job Orders Issued for Construction Projects	Total Dollar Value of All JOC Job Orders Issued to Section 3 Businesses
\$4,105,379.65	\$1,097,011.00 (27%)

#### **FISCAL CONSIDERATIONS**

Because JOC contracts are structured as on-call, as-needed contracts, the above requested maximum annual contract capacities of \$2,000,000 do not constitute a guaranteed award amount or expenditure obligation by the Housing Commission to the respective contractors. Neither do the specified maximum contract amounts constitute a budgetary encumbrance or obligation by the Housing Commission. Approving these actions will not affect the Housing Commission's fiscal year budgets. Budgetary encumbrances will occur on a project-by-project, job-order-by-job-order basis.

### **EQUAL OPPORTUNITY/CONTRACTING (EOC)**

All JOC contractors submitted the required Work Force Reports and EOC forms with their original JOC proposals:

- Grondin Construction Company—Local business, certified as a Section 3 Business Concern by the Housing Commission and a Small Business by the State of California;
- Vincor Construction—Certified as a Small Business by the State of California;
- The Augustine Company—Local business;
- Sylvester Roofing Company—Local business, certified as a Section 3 Business Concern by the Housing Commission and as a Small Business by the State of California;
- Angeles Contractor—Local business (via Regional Office); and
- Good-Men Roofing & Construction—Local business, certified as a Small Business by the State of California.

### **PREVIOUS COUNCIL and/or COMMITTEE ACTION**

On September 12, 2014, the Housing Commission Board unanimously approved the implementation of the Housing Commission's Job Order Contracting (JOC) program (Board Report No. HCR14-081). Subsequent to the approval and implementation of the Housing Commission's Job Order Contracting program, the Housing Commission Board unanimously approved the following Job Order Contracts:

- September 12, 2014 - Approved JOC contracts with ABC Construction Company, Inc., Grondin Construction Company, Inc., and Belfor Property Restoration (Board Report No. HCR14-081)
- June 15, 2015 – Approved JOC contract with Vincor Construction, Inc. (Board Report No. HCR15-053)
- September 11, 2015 – Approved JOC contracts with Angeles Contractor, Inc., Good-Men Roofing & Construction, Inc., The Augustine Company, Vincor Construction, Inc. and Sylvester Roofing Company, Inc. (Board Report No. HCR15-071)
- January 15, 2016 – Approved JOC contracts with Angeles Contractor, Inc. and Vincor Construction, Inc. (Board Report No. (HCR16-001)

### **KEY STAKEHOLDERS and PROJECTED IMPACTS**

Stakeholders include residents at Housing Commission-owned and/or managed properties, the Housing Commission's Real Estate Division, Portfolio Management Department, Property Management and Development Services Departments, and JOC contractors.

### **ENVIRONMENTAL REVIEW**

This activity is not a project as defined by the California Environmental Quality Act (CEQA) Section 21065 and State CEQA Guidelines Section 15378(b) (5), as it is an administrative activity of government that will not result in direct or indirect physical changes in the environment. The determination that this activity is not subject to CEQA, pursuant to Section 15060(c) (3), is not appealable and a Notice of Right to Appeal the Environmental Determination (NORA) is not required. Furthermore, this activity is exempt from the

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National Environmental Policy Act pursuant to Part 58.34(a) (3) of the Title 24 Code of Federal Regulations as an administrative and management-related activity.

Respectfully submitted,



George Hunt  
Housing Construction Supervisor  
Portfolio Management

Approved by,



Deborah N. Ruane  
Senior Vice President  
Real Estate Division

Attachments: Attachment 1 – Housing Commission JOC Process Flowchart

Hard copies are available for review during business hours at the security information desk in the main lobby of the San Diego Housing Commission offices at 1122 Broadway, San Diego, CA 92101 and at the Office of the San Diego City Clerk, 202 C Street, San Diego, CA 92101. You may also review complete docket materials on the San Diego Housing Commission website at [www.sdhc.org](http://www.sdhc.org).

JOC Project Commencement & Completion Time Savings vs. Traditional IFB Bidding Process

