



Irvine Community Land Trust

REQUEST FOR IRVINE COMMUNITY LAND TRUST BOARD ACTION

LAND TRUST BOARD MEETING DATE:

JANUARY 19, 2011

TITLE: NATIONAL JOINT POWERS ALLIANCE AGREEMENT

Executive Director

RECOMMENDED ACTIONS:

1. Approve participation in the National Joint Powers Alliance.
2. Authorize the President to execute contracts with New Creation Builders and MTM Construction Inc. substantially in the form attached.
3. Budget \$150,000 total for residential rehabilitation to MTM Construction and New Creation Builders.
4. Authorize the Executive Director to execute all implementing documents and purchase orders.

BACKGROUND:

The Land Trust has been operating under an agreement with the City of Irvine to provide administrative support services since March 17, 2010. Under this agreement, City and Land Trust staff have worked together to identify various methods to efficiently support the Land Trust's procurement requirements. Recently, the City's Purchasing Agent recommended a new process for use by the Land Trust to streamline the residential rehabilitation program efforts. This new process involves the use of a government purchasing "cooperative agreement," whereby the Land Trust may "piggyback" from a master contract with MTM Construction and New Creation Builders. Contracts were awarded to these contractors after a formal competitive bid process was conducted by the National Joint Powers Alliance. Piggybacking from this cooperative agreement will result in decreased project delivery time and costs.

Overview:

The National Joint Powers Alliance (NJPA) cooperative agreement program is available for use by cities, counties, governmental agencies, both public and private educational agencies, colleges, universities, and non-profit organizations, throughout the nation. The NJPA has established numerous contracts for various goods and services to be used by member agencies, including the "Indefinite Quantity Construction Contract" (EZIQC) cooperative program. California Government Code, Sections 6500 and 6502 (reference Attachment 1), as well as the City of Irvine Financial Policies & Procedures Section 4. 2 Contracts, grant authority to use the cooperative agreement procurement process, which has been in use by the City for many years.

The NJPA's EZIQC cooperative program consists of competitively bid indefinite quantity construction contracts issued by NJPA to provide on-call construction services to non-profit and government members. The construction services offered include repair, alteration, modernization, rehabilitation, and minor new construction of infrastructure, buildings, structures, or other real property (reference Attachment 2).

NJPA performed the formal bid solicitation process for the EZIQC cooperative agreement in 2008. The process resulted in contract award to four different contractors for the Los Angeles/Orange County area. The Purchasing Agent has recommended that the Land Trust work with the two firms in closest proximity to implement the residential rehabilitation program: New Creation Builders and MTM Construction.

The EZIQC contractors have already completed the formal competitive bid process, and therefore a standard bid process is no longer required for each Land Trust residential rehabilitation project. This results in cost savings for the Land Trust as contractors have provided volume discount pricing to NJPA because the EZIQC contract allows the contractor to be awarded numerous jobs under one competitive bid. In addition, the contractor jointly scopes the work with representatives from the Land Trust and has the opportunity to inspect the work site and ask questions about the work before the proposal is submitted. This open communication eliminates the confusion, misunderstanding and mistakes that lead to most change orders. The Land Trust, as the owner, still has the right to change the scope of work at any time during the job. Under the EZIQC system, extra work and changes are priced out of the Construction Task Catalog. Credits are handled the same way and this eliminates the need to negotiate change orders as all construction activities are pre-priced.

The contract documents for the EZIQC contracts include specifications and the Construction Task Catalog (CTC) containing repair and construction tasks with preset unit prices. All unit prices are based on local labor (state prevailing wage rates), material, and equipment prices for the direct cost of construction. The contractors are to bid their adjustment factor to the preset unit prices provided in the CTC. The contracts are awarded to lowest responsive, responsible bidders. The lowest bids are determined by the combined adjustment factor.

The amount to be paid for the work ordered will be determined by multiplying the preset unit prices by the appropriate quantities and by the appropriate Adjustment Factor. As projects are identified and requested, the contractor will jointly scope the work with the Land Trust and a Representative of NJPA. The NJPA Representative will prepare a detailed scope of work and issue a Request for Proposal to the contractor. The contractor will then prepare a Work Order Proposal for the project including a Price Proposal, Schedule, Material Submittals and other requested documentation. The NJPA representative will review the proposal and if appropriate, submit and review with the Land Trust.

The Land Trust will issue two separate blanket contracts in the combined amount of \$150,000 to the two EZIQC contractors for the rehabilitation of various residential units, with a not-to-exceed value of \$75,000 each. The blanket contracts will be prepared using the Irvine Community Land Trust Contractor Agreement form, referencing the NJPA cooperative agreements (reference

Attachment 3). The cooperative agreement documents set forth the CTC, Specifications, and the Adjustment Factors. Once the blanket contract is in place, individual purchase orders will be issued against the blanket contracts for each project, with EZIQC Work Order Proposals serving as supporting documentation to the subject purchase orders.

There is no obligation to give a contractor any work under the blanket contracts. The contractor must satisfy the Land Trust quality requirements and standards. If the requirements are not achieved, additional purchase orders will not be issued, and the remaining funds would be transferred to the other contractor.

Conclusion:

Staff recommends the Land Trust approve participation in the National Joint Powers Alliance and authorize contracts with two qualified contractors, New Creation Builders and MTM Construction Inc.

Attachments: 1) California Government Code, Sections 6500 and 6502
2) EZIQC Brochure
3) NJPA Cooperative Agreements with MTM Construction and New Creation Builders