

## **BOARD OF SUPERVISORS AGENDA ITEM SUMMARY**

Requested Meeting Date: June 4, 2013

### **ITEM SUMMARY, JUSTIFICATION and/or SPECIAL CONSIDERATIONS:**

Amendment #02 Master Agreement MA-IT-12000000000000000575, Job Order Master Agreement for as needed Structured Cabling Services with Arizona Communications Experts, Inc. (Corporate Headquarters: Tucson, AZ), Native Tele-Data Solutions, Inc. (Corporate Headquarters: Tucson, AZ), Netsian Technologies Group (Corporate Headquarters: Tempe, AZ), TLC Communications, Inc. (Corporate Headquarters: Tucson, AZ), and Vector Resources, Inc. (Corporate Headquarters: Torrance, CA) to increase the not to exceed amount by \$1,500,000.00. Funding Sources: Various Funds. Administering Department: Information Technology Department.

ARTICLE I – BASIC TERMS of this Master Agreement (Agreement), as originally approved by the Board of Supervisors on May 1, 2012, provides for the ability to add funding to this Agreement at any time without the approval or consent of the Job Order Contractors.

As of May 17, 2013, there is approximately \$200,000.00 remaining on the Master Agreement. Addition of \$1,500,000.00 will replenish the estimated annual funding need for the renewal period which is the first of four available renewal options. As the Master Agreement expired on April 30, 2013, Amendment #01 was executed under the Procurement Director's authority to add \$250,000.00 to the agreement and to extend the term of the agreement for one year.

This Master Agreement provides for competition between three of five contractors for jobs estimated to cost between \$75,000 and \$149,999.00 and for competition between all five contractors for jobs estimated to cost between \$150,000.00 and \$250,000.00. The maximum value of any job order released under this Master Agreement is \$250,000.00.

Increase in the available funds on this Master Agreement is required to meet the ongoing as needed County requirements for data communications cabling services.

Effective Date: June 4, 2013

Termination Date: April 30, 2014

Original Contract Amount: \$1,500,000.00

Previous Amendment(s): \$250,000.00

Previous Agreement Amount: \$1,750,000.00

Amount this Amendment: \$1,500,000.00

Revised Contract Amount: \$3,250,000.00

Project Manager: Robert Meredith, PCITD 724-2303

Contract Officer: Melissa Hala'ufia, CPPO, 724-8586

Procurement Department

PimaCore MA-PO-12000000000000000575

Cont # : MA-IT-12\*575-02

Effective: 06-04-2013

Term : 04-30-2014

Cost : \$1,500,000.00

Rev : 0

Tot : \$1,500,000.00

NTE : \$3,250,000.00

Timex : NO

Renewal: 01-01-2014

Term : 04-30-2014

**CLERK OF BOARD USE ONLY:**

BOS MTG. \_\_\_\_\_

ITEM NO. \_\_\_\_\_

Procure Dept 05/15/13 PM 08:17

To: COB - 5-22-13  
Agenda 6-4-13 (1)



---

# MEMORANDUM

## PROCUREMENT DEPARTMENT

---

**Subject: Background on Job Order Contracts and Master Agreements**

Job Order Contracts (JOCs) are a form of indefinite delivery, indefinite quantity contract for construction services. JOC contractors are selected on the basis of expertise, experience and past performance and, in some instances, unit prices for line items of work. Conceptually, a JOC is akin to having well-qualified contractors on standby and available to construct projects or perform repairs on an *ad hoc* basis as the need arises without having to go through a formal procurement process.

Pima County JOCs are based on a multiple-award model, with JOCs being awarded to more than one contractor. Below a relatively low threshold, the responsible department may simply select one of the JOC contractors and negotiate the cost of the project. Above the threshold, however, the department must compete projects between or among the JOC contractors to ensure competitive pricing, and award the project to the contractor submitting the lowest bid or quote.

Historically, each JOC contractor would be awarded its own contract in an amount representing an equal share of the total award. Having multiple contracts complicated contract administration, with every amendment having to be done multiple times, for example, or when one JOC contractor won a disproportionate share of competed work and we had to shuffle funds between/among the contracts to preserve competition. This issue was resolved by the County's new system, implemented in July 2011, that allows us to assign multiple contractors to a single contract, leading the Procurement Department to develop and implement the Master Agreement concept for JOCs, with a single agreement and a single "pot" of money available to all of the contractors.

The Agreements are typically for a one year term with a maximum expenditure limit. Statutorily, individual job orders may not exceed \$1 million, with lower limits established in some Agreements. Provision for annual renewals and authorized expenditure increases are typically included in the Agreement.

### Selection of Job Order Project Delivery Approach

The determination to use a JOC in lieu of independently bidding a particular project involves an assessment of tradeoffs with respect to quality, schedule and cost:

- The qualifications-based selection of the JOC contractor generally results in a lower risk of quality issues on a given project. A low-bid contractor may be only minimally qualified, resulting in greater risk of quality issues.
- The JOC is faster in terms of project delivery; individual job orders rarely require detailed design and the time to conduct a competitive bid is eliminated, although this may be offset somewhat by the time needed to establish the final job order. A bid, on the other hand, requires sufficient time to select a designer, develop, review and accept a detailed design, and conduct a competitive procurement, adding months to the time needed to deliver a project.

- Competitively bidding a project may result in lower initial construction costs. The apparent low-bid cost advantage *may* be offset, however, by the added cost and time to develop the detailed design needed to bid the job, the soft costs associated with managing the design process, the transaction costs associated with conducting a competitive bid process, costs (if any) associated with delayed project delivery, and an enlarged risk of change orders.

#### Administration of Job Order Contracts

An administering department implements individual job orders by issuing a delivery order in Pimacore to the selected JOC contractor, regardless of whether the selection was made below the competition threshold or through a competition above the threshold. This action does not require involvement of the Procurement Department. Each JOC contractor's quality, schedule and cost performance throughout the year should also be a factor in the department's determination to request renewal of the agreement for the following year. Neither the use of the JOC nor any particular JOC contractor is mandatory and a department, at its own discretion, may simply stop using a JOC contractor that is charging excessive prices.

**PIMA COUNTY INFORMATION TECHNOLOGY DEPARTMENT**

**PROJECT:** Job Order Master Agreement for Structured Cabling Services

**CONTRACTORS:** Arizona Communications Experts, Inc.  
4575 South Palo Verde, Ste.321  
Tucson, AZ 85714

Netsian Technologies Group  
2020 East Beverly  
Tucson, AZ 85719

Native Tele-Data Solutions, Inc.  
4443 North Flowing Wells Road  
Tucson, AZ 85705

TLC Communications, Inc.  
3450 South Broadmont, Ste. 110  
Tucson, AZ 85713

Vector Resources, Inc.  
1515 West University Dr., Ste. 102  
Tempe, AZ 85281

**MASTER AGREEMENT NO.:** MA-IT-12000000000000000575

**AMENDMENT NO.:** Two (2)

**FUNDING:** Various Funds

**CONTRACT**

NO. *MA-IT-12000000000000000575*

**AMENDMENT NO.** 02

This number must appear on all  
invoices, correspondence and  
documents pertaining to this  
contract.

<b>MASTER AGREEMENT TERM:</b> 05/01/2012-04/30/2013	<b>ORIGINAL AMOUNT:</b>	\$	1,500,000.00
<b>TERMINATION PRIOR AMENDMENT:</b> 04/30/2014	<b>PRIOR AMENDMENTS:</b>	\$	250,000.00
<b>TERMINATION THIS AMENDMENT:</b> 04/30/2014	<b>AMOUNT THIS AMENDMENT:</b>	\$	1,500,000.00
	<b>REVISED AMOUNT:</b>	\$	3,250,000.00

**MASTER AGREEMENT AMENDMENT**

**WHEREAS**, COUNTY and CONTRACTORS entered into a Master Agreement (Agreement) for services, as referenced above, dated May 1, 2012, and

**WHEREAS**, COUNTY has a continued need for job order contracting services for structured cabling services; and

**WHEREAS**, ARTICLE I – BASIC TERMS of this Agreement provides for COUNTY, at its sole discretion, to add funding, without requiring the consent of the CONTRACTORS; and

**WHEREAS**, COUNTY wishes to increase funding to provide payment for anticipated services during the renewal period.

**NOW, THEREFORE**, it is agreed as follows:

1. This amendment adds \$1,500,000.00 to the original not to exceed amount of this Agreement. The new total not to exceed amount of this agreement is \$3,250,000.00.

The effective date of this Amendment shall be June 4, 2013.

All other provisions of the Agreement, not specifically changed by this Amendment, shall remain in effect and be binding upon the parties.

---

IN WITNESS WHEREOF, the parties have affixed their signatures to this Amendment on the dates written below.

**PIMA COUNTY**

\_\_\_\_\_  
Chair, Board of Supervisors

\_\_\_\_\_  
Date

**ATTEST**

\_\_\_\_\_  
Clerk of the Board

\_\_\_\_\_  
Date

**APPROVED AS TO FORM**



\_\_\_\_\_  
Deputy County Attorney *for Marc Nadelberg*  
**TOBIN ROSEN**

\_\_\_\_\_  
Name

*5/13/13*

\_\_\_\_\_  
Date