



BOARD OF SUPERVISORS AGENDA ITEM REPORT

Requested Board Meeting Date: 5/21/19

Title: Pavement Preservation Individual Job Order Limit

Introduction/Background:

Arizona Revised Statutes §34-605(F)(1) established the individual job order limit of \$1 million for Job Order Contracts (JOC) circa 2005. The statute did not build in an automatic escalation factor to the \$1 million amount but allowed for each specific agent to prescribe such higher or lower amount in an action by the Board as the maximum amount of an individual job order. This limit is further defined in Board of Supervisors Policy D29.1, Contracting for Architectural and Engineering Related Professional Services and Alternative Project Delivery Methods Under A.R.S. Title 34.

Discussion:

Since 2005, the national average building cost, which includes labor, equipment and materials, has increased at a rate such that the current purchasing value is only 66.7 percent of the 2005 value (RS Means Construction Cost Index). Thus, a \$1.5 million limit today can be considered equivalent in value to the \$1 million 2005 limit. This calculation does not take other factors into consideration such as the local economy, the capacity of local contractors, and the availability of resources. Another important factor with pavement preservation is the seasonality of the required work.

Having the opportunity to procure projects through a JOC allows for scheduling flexibility by qualified contractors. Raising the JOC limit to \$2 million for this Transportation Department pilot program for pavement preservation services will provide the opportunity to complete more projects without waiting for the 3 months it typically takes to procure a contract. Increasing the individual job order for pavement preservation projects will be completed in an expedited manner within the fiscal year to take advantage of current market conditions by qualified contractors and deter further pavement deterioration providing smooth and safe travel for the public.

Conclusion:

The increased job order limit will provide the Transportation Department a tool to successfully complete the committed number of pavement preservation projects in FY19/20. (approx \$12M)

Recommendation:

Recommend approval of an increase to the individual job order limit for the Pavement Preservation Job Order Contract as a pilot process to facilitate the committed pavement preservation services.

Fiscal Impact:

No direct fiscal impact. Indirect fiscal impact is that the faster projects can be completed, less time lapses and cost increase due to commodity market conditions is minimized.

Board of Supervisor District:

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Department: Procurement/Transportation

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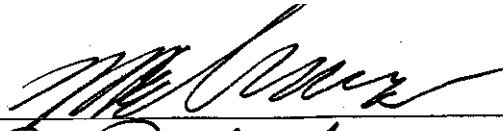
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Department Director Signature/Date:

Mary Jo Furphy 5/13/19 Ana Olivares 5/13/19

Deputy County Administrator Signature/Date:



County Administrator Signature/Date:

 5/14/19