



## CITY OF KIRKLAND

Department of Finance & Administration  
123 Fifth Avenue, Kirkland, WA 98033 425.587.3100  
www.kirklandwa.gov

### MEMORANDUM

**To:** Kurt Triplett, City Manager  
**From:** Barry Scott, Purchasing Agent  
**Date:** December 17, 2015  
**Subject:** REPORT ON PROCUREMENT ACTIVITIES FOR COUNCIL MEETING OF JANUARY 5, 2015.

This report is provided to apprise the Council of recent and upcoming procurement activities where the cost is estimated or known to be in excess of \$50,000. The "Process" column on the table indicates the process being used to determine the award of the contract.

The City's major procurement activities initiated since the last report, dated November 19, 2015, are as follows:

	Project	Process	Estimate/Price	Status
1.	Pavement Management Services	A&E Roster Process	\$59,925	Contract awarded to Capital Asset & Pavement Services of Salem, OR based on qualifications per RCW 39.80.
2.	Engineering Services for 3 <sup>rd</sup> Ave & 2 <sup>nd</sup> St Sewer Services	A&E Roster Process	\$224,227	Contract awarded to Tetra Tech, Inc. of Kirkland based on qualifications per RCW 39.80.
3.	Engineering Services for Goat Hill Storm Drain Repair	A&E Roster Process	\$102,000	Contract awarded to The Blueline Group of Kirkland based on qualifications per RCW 39.80.

4.	Fire Protection Engineering for Parkplace	A&E Roster Process	\$250,000	Contract awarded to AEGIS Engineering, PLLC of Mukilteo, WA based on qualifications per RCW 39.80.
5.	Engineering Services for Rose Point Lift Station Replacement	A&E Roster Process	\$631,984	Contract awarded to Murray, Smith & Associates, Inc. based on qualifications per RCW 39.80.
6.	Job Order Contracting Consulting Services	Direct Purchase	\$50,000/yr	Competitive process waived by City Manager in accordance with KMC 3.85.210. See attached documentation for additional information.

Please contact me if you have any questions regarding this report.



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**To:** Kurt Triplett, City Manager

**From:** Michael Olson, Director of Finance & Administration  
Barry Scott, Purchasing Agent

**Date:** December 1, 2015

**Subject:** REQUEST FOR WAIVER OF COMPETITIVE BIDDING – Consulting Services for Job Order Contracting

**RECOMMENDATION:**

Staff recommends waiving the use of a competitive process for the procurement of consulting services from The Gordian Group of Greenville, SC.

**BACKGROUND DISCUSSION:**

The City has been using the consulting services and software provided by The Gordian Group (Gordian) for Job Order Contracting (JOC) since May of 2013 when the City implemented its JOC pilot program. We have used Gordian by piggybacking on the City of Bellevue's contract with them, which was awarded as the result of a competitive Request for Proposal (RFP) process.

The City of Bellevue's contract with Gordian is expiring at the end of this month and, after exploring the market, Bellevue is opting to continue contracting with Gordian because Bellevue "knows of no other consultant that provides the full range of products and services necessary to develop, implement and support the City of Bellevue's JOC program." (Quote from Bellevue's Notice of Intent to Contract dated 9/17/15.)

As part of its process, Bellevue published a Notice of Intent (NOI) to Contract in September. The NOI (Attachment A) invited any competing firms to come forward and state their objection to Bellevue's decision to contract directly with Gordian. Bellevue received no responses to the published NOI.

Additionally, Snohomish County issued a RFP for JOC Consulting Services this past summer. In response to its RFP, Snohomish County received only one proposal, which was submitted by Gordian. Snohomish County has since contracted with Gordian to assist with the implementation of its JOC program in early 2016.

Gordian has proposed (Attachment B) to continue providing its services under the same terms and conditions as were agreed to in its Bellevue contract for the duration of our existing JOC contracts. With the rebid of our JOC contracts, the terms will change to include a 1% licensing fee to be paid by each JOC contractor. The City will continue to pay a 5% licensing fee for the use of Gordian's proprietary JOC information management system. With our two JOC contracts each capped at \$1,000,000 per year, Gordian's fees cannot exceed \$100,000 per year. (To date, we have paid Gordian a total of \$51,832.24.)

December 1, 2015

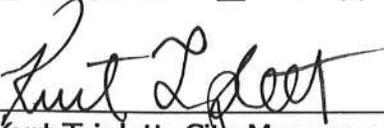
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Information on the various services provided by Gordian can be found in their attached proposal and Bellevue's NOI.

Bellevue is seeking to contract with Gordian for three years with the option to extend the agreement for two additional years. Staff recommends that the City do the same. If Gordian fails to perform as expected or additional service providers enter the market, Bellevue and Kirkland may elect to jointly conduct a competitive RFP process for JOC consulting services.

This request to waive the competitive process is consistent with KMC 3.85.210 which allows for the competitive process to be waived by the City Manager for the purchase of professional services over fifty thousand dollars. If this request is approved, this documentation will be provided to the City Council with the Procurement Activities Report for the first Council meeting of 2016 in order to comply with the reporting requirement of KMC 3.85.210(f).

I approve     I disapprove

  
\_\_\_\_\_  
Kurt Triplett, City Manager

**CITY OF BELLEVUE  
NOTICE OF INTENT TO CONTRACT**

**Issued For:  
NOI# 15115 – Job Order Contracting Consultant (JOC)  
Date: September 17, 2015**

Notice is hereby given by the City of Bellevue, State of Washington of its intent to contract with The Gordian Group a Public Work Consultant Contract without a call for RFPs.

**The City has chosen not to solicit bids for these services for the following reasons:**

- The City knows of no other consultant that provides the full range of products and services necessary to develop, implement and support the City of Bellevue's JOC program.

The contract will not exceed a total value of \$175,000 per year and is expected to cover a period of three (3) years with an option for (2) more.

**SCOPE OF WORK**

The Gordian JOC Solution™ is a highly specialized and proprietary solution consisting of the following components:

- eGordian® web-based JOC applications configured to meet the needs of each client,
- Construction Task Catalog® customized to include the construction tasks required by each client, with task prices based on the client's local cost of labor, materials and equipment,
- Extensive implementation services and support materials to train client and construction contractor staff to properly utilize the system, and
- On-going technical maintenance and support services during the term of the contract, including 24/7 tollfree software support.

All of Gordian's products have been developed and are supported with in-house staff. All support services are performed with full-time Gordian employees. Gordian does not rely on third party vendors and other service providers.

**Gordian's JOC Applications** – A primary feature of the Gordian JOC Solution is the proprietary, web-based eGordian JOC information management system. eGordian JOC applications have the functionality to completely manage the JOC process, from the contractor's preparation of a Price Proposal, to the owner's review of the Price Proposal, to issuing the Job Order, to tracking M/WBE participation. eGordian was developed solely for JOC. Unlike the off-the-shelf estimating software provided by other firms, eGordian does not require any modifications to administer a JOC program.

**Construction Task Catalog** – The Construction Task Catalog is a unit price book that is developed and maintained specifically for Gordian JOC clients. The Construction Task Catalog is customized for each client from Gordian's Construction Cost Database of more than 260,000 construction and maintenance related tasks. In addition to the Construction Task Catalog, Gordian also prepares Technical Specifications for each client, which describes the work the JOC contractor is obligated to perform and the quality of workmanship and materials required for each construction task. Gordian prices each Construction Task Catalog by obtaining the labor, material and equipment costs applicable to each client's "local" area.

Consolents wishing to object to this decision should contact Jamie Robinson, Procurement Services, at [jrobinson@bellevuewa.gov](mailto:jrobinson@bellevuewa.gov) by or before **October 1, 2015 at 4:00 p.m.**, detailing specific reasons for their objection. If justified, the City will convene a meeting with City representatives and the contractor(s) to receive representations concerning this objection.

**Closes by or before: October 1, 2015 at 4:00 p.m.**



November 19, 2015

Barry L. Scott, C.P.M.  
 Purchasing Agent  
 City of Kirkland  
 123 5<sup>th</sup> Avenue  
 Kirkland, WA 98033

Re: JOC Products and Services

Dear Barry:

The Gordian Group has appreciated the opportunity to provide our Job Order Contracting products and services to the City of Kirkland ("City") since 2013. As you are aware, the City procured Gordian's services by piggybacking our contract with the City of Bellevue, which will expire on November 30, 2015. On September 17, 2015, Bellevue advertised NOI # 15115, which is attached for your reference, notifying any potential vendors of its intent to award The Gordian Group a contract for the provision of a Job Order Contracting system. As noted in the NOI, Bellevue's justification for the contract award was that it "knows of no other consultant that provides the full range of products and services necessary to develop, implement and support the City of Bellevue's JOC program." There were no objections to the NOI, and we are in the process of finalizing our new contract with Bellevue.

Gordian would like to offer the City the opportunity to procure our JOC Complete Solution®, described below, at the same terms and conditions as included in our new contract with Bellevue.

### JOC Complete Solution®

The JOC Complete Solution has helped facility and infrastructure owners control and fast track their repair, maintenance and construction projects for over two decades. Through the JOC Complete Solution, Gordian will develop, implement and support a turnkey JOC program for the City and provide Job Order development services for all Job Orders. The following is a list of the program development, implementation and support services performed for the JOC Complete Solution:



- **Experienced Account Managers** – Gordian will provide experienced Account Managers that are responsible for the implementation and support of the City's JOC program. This staff will report directly to the City and will be available to assist the City with any JOC related issues.
- **Establish JOC Program Guidelines** – Gordian will be responsible for conducting the activities necessary for establishing the structure of the City's JOC program. Responsibilities include preparing City specific Execution Procedures that will be used to execute the JOC program.
- **JOC Program Documents** – Gordian will be responsible for preparing the JOC program Contract and General Conditions, Bid Documents and Technical Specifications and for providing a customized Construction Task Catalog®.



- **Prepare the Price Proposal** – Next, the JOC contractor prepares and submits a Price Proposal by selecting the appropriate tasks from the Construction Task Catalog. Gordian's JOC software will automatically calculate the total cost for each line item by multiplying the unit price of the task by the required quantities and the JOC contractor's competitively bid Adjustment Factor. The JOC contractor will also prepare additional City required information (e.g., construction schedule, list of proposed local subcontractors, etc.).
- **Price Proposal Review** – Then, the Gordian Account Manager will review the Price Proposal to make sure the JOC contractor has selected the appropriate tasks and quantities and will ask the JOC contractor to make any required changes. We will also obtain and review any City required information submitted by the JOC contractor such as a construction schedule and list of proposed subcontractors. Then, the Gordian Account Manager will submit the Price Proposal and related documents to the City.
- **Issue Job Order** – Once the City is 100% satisfied with the Price Proposal and related documents, and decides to move forward with the project, the City simply issues a purchase order to the contractor.
- **Construction Management** – During construction, the City will follow its standard internal policies and procedures for construction management and site inspections, including coordinating any required code inspections. When unforeseen conditions arise or the City desires to change the Detailed Scope of Work, a supplemental Job Order is developed in the same manner as the original Job Order. With JOC, changes to the work are pre-priced.
- **On-going Support and Maintenance** – Gordian will be responsible for providing comprehensive JOC follow-on support to the City for the administration of its JOC program. Gordian will monitor the overall program and prepare any status reports required by the City. Support services will include, but are not limited to, unlimited toll-free eGordian® software support, access to all eGordian® software updates and additional functionality, updating for each new JOC contract the Construction Task Catalog®, Technical Specifications, Contract and General Conditions and Bid Documents, providing procurement assistance for new JOC contracts, providing training for new City and JOC contractor staff, and preparing customized forms and reports requested by the City.

### **JOC Complete Solution® License Fee**

The License Fees for the JOC Complete Solution consist of a client paid license fee ("City License Fee") and Job Order Development Fee paid by the City, and a contractor paid license fee ("Contractor License Fee") paid by the JOC contractor as follows:

<u>City License Fee:</u>	1.95% of the value of the work ordered; and
<u>Job Order Development Fee:</u>	3.05% of the value of the work ordered; and
<u>Contractor License Fee:</u>	1.00% of the value of the work ordered.

JOC Complete Solution License Fees are payable when a Job Order is issued to the JOC contractor. The City License Fee and Job Order Development Fee will be payable upon the issuance of a Job Order, purchase order, or similar purchasing document to the JOC contractor by the City. The Contractor License Fee shall be invoiced to the JOC contractor and is not a cost assessed to the City. The Contractor License Fee will apply to all JOC contracts awarded by the City on or after the date of this letter, and will not apply



to JOC contracts currently in place. Gordian's JOC solutions are subject to the JOC System License included as **Attachment No. 2**.

I realize that it will take the City sometime to process the new contract, and Gordian is willing to extend the current contract until December 31, 2015 so that there is no interruption in the current JOC program. Please acknowledge your agreement to this extension in the signature line below.

We greatly appreciate the opportunity to continue providing our JOC products and services to the City of Kirkland, and look forward to executing the new contract. Please contact me at [a.lesher@thegordiangroup.com](mailto:a.lesher@thegordiangroup.com) or (800) 874-2291 if you have any questions or wish to discuss this proposal in greater detail.

Sincerely,



Ammon T. Leshner  
Vice President of Legal Affairs

cc: Rory Woolsey  
Randy Horn

**Agreed to and accepted by the City of Kirkland**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

## **JOC SYSTEM LICENSE**

The Gordian Group, Inc. ("Gordian") hereby grants to the [Owner], and the [Owner] hereby accepts from Gordian for the term of this Agreement, a non-exclusive right, privilege and license to Gordian's Job Order Contracting System and other related proprietary materials (collectively referred to as "Proprietary Information") to be used for the sole purpose of operating the [Owner's Department]'s Job Order Contracting program. The parties hereby agree that Proprietary Information shall include, but is not limited to, Gordian's PROGEN<sup>®</sup> and/or eGordian<sup>®</sup> applications and support documentation, Construction Task Catalog<sup>®</sup> (also commonly referred to as a unit price book), training materials and other proprietary materials provided by Gordian. In the event this Agreement expires or terminates as provided herein, this JOC System License shall terminate and the [Owner] shall return to Gordian all Proprietary Information in the [Owner]'s possession.

The [Owner] acknowledges that disclosure of Proprietary Information will result in irreparable harm to Gordian for which monetary damages would be an inadequate remedy and agrees that no such disclosure shall be made to anyone without first receiving the written consent of Gordian. The [Owner] further acknowledges and agrees to respect the copyrights, registrations, trade secrets and other proprietary rights of Gordian in the Proprietary Information during and after the term of this Agreement and shall at all times maintain complete confidentiality with regard to the Proprietary Information provided to the [Owner], subject to federal and state laws related to public records disclosure.

Upon expiration or termination of this Agreement as provided herein, Gordian shall provide all data generated by the [Owner] in a form accessible by a standard database program, such as Microsoft<sup>®</sup> Access<sup>®</sup>.

Gordian agrees to grant a license to each contractor that is awarded a JOC contract by the [Owner], provided the JOC contractor agrees to pay Gordian's contractor license fee in effect when the [Owner] awards the contract and provided the [Owner] includes licensing language in the JOC contract similar in form to this JOC System License.

In the event of a conflict in terms and conditions between this JOC System License and any other terms and conditions of this Agreement or any purchase order or similar purchasing document issued by the [Owner], this JOC System License shall take precedence.