



Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street
Chicago, IL 60611

Legislation Text

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TRANSMITTAL LETTER FOR BOARD MEETING OF JULY 10, 2014

COMMITTEE ON PROCUREMENT

Mr. David St. Pierre, Executive Director

Authorization to enter into an agreement with The Gordian Group, Inc., for professional services for the development and implementation of the job order contracting system, in an amount not to exceed \$156,000.00, Accounts 101, 201, 401-VAR-VAR

Dear Sir:

Approval is requested to enter into an agreement with The Gordian Group, Inc., for professional services for the development and implementation of the Job Order Contracting System in an amount not to exceed \$156,000.00 for a two-year period, with an option to extend for two additional one-year periods with Board approval.

Job Order Contracting (JOC) is a unique competitively bid contracting process to provide routine construction services more rapidly and at a significantly lower cost than with the traditional system of construction contracting. This method will greatly reduce lead times, increase the ability to respond to changing workload priorities, simplify contract administration, and reduce costs.

The sole business focus of The Gordian Group, Inc., is the development and implementation of the JOC system for public agencies and institutions. The scope of work includes all consultant services, including the development of a specific unit price book, customized technical specifications, JOC contract terms and conditions, bid documents, marketing support, procurement assistance, development of execution procedures, staff training, contractor training, implementation assistance, monthly meetings, and follow-up technical and implementation support.

The Gordian Group, Inc., will provide experienced, full-time, on-site personnel who will be fully responsible for the complete JOC development and implementation program in accordance to the agreement. This project manager will report directly to the District and will be available to assist the District with any JOC-related issues as they arise.

The Gordian Group, Inc., will develop and implement the JOC system without any up-front risk or cost to the District. The Gordian Group, Inc., will be compensated on the basis of a variable licensing and technical support fee that would be tied to the District's level of usage of the JOC process annually.

The licensing and technical support fee includes the development and institution of the JOC system and the use of copyrighted documents and software for the services stated above. The fee schedule is as follows:

One and ninety-five hundredths percent (1.95%) of the value of work ordered through the JOC program.

The License Fee shall be subject to modification during each twelve (12) month period in

accordance with the Annual Volume Discount Table attached hereto as Exhibit A. The applicable discount to the License Fee for the initial twelve (12) month period of this Agreement shall be determined by the construction volume procured by the District during the immediately preceding twelve (12) month period of July 1, 2013 - June 30, 2014. The applicable discount for each subsequent twelve (12) month period of this Agreement shall be determined by calculating the actual construction volume purchased by the District during the immediately preceding twelve (12) month period, and applying the discount according to the Annual Volume Discount Table.

License fees shall be billable upon issuance of each job order issued to the JOC construction contractor(s). Payment will be made by direct voucher method from District departments that are utilizing the JOC system.

Inasmuch as the services to be provided are professional in nature, it is recommended that the Director of Procurement and Materials Management be authorized to enter into an agreement with The Gordian Group, Inc., without advertising in accordance with Chapter 70ILCS 2605/11.4 of the Purchasing Act, in an amount not to exceed \$156,000.00. Funds are available in Accounts 101, 201, 401-VAR-VAR.

Recommended, Darlene A. LoCascio, Director of Procurement and Materials Management, DAL:SEB:cm
Respectfully Submitted, Barbara J. McGowan, Chairman, Committee on Procurement
Disposition of this agenda item will be documented in the official Regular Board Meeting Minutes of the Board of Commissioners for July 10, 2014

Attachment