

Document Code No.: [CON 7-19-1-AEP]

Title: Procurement and Administration of Construction Work Order Contracts

Affected Agencies: All Executive Departments, Offices and Agencies

Authorities:

Keywords: Construction Work Order

Sponsoring Agency: Finance and Business Operations Division



King County

Executive signature: Dow Const

Date signed and effective: 6/22/17

I. Purpose

This policy provides the guidelines for the procurement and administration of CONSTRUCTION WORK ORDER contracts.

Applicability and Audience This policy applies to all Executive Departments, Offices and Agencies.

II. Definitions

Unless defined in this Section below, reference is made to Appendix A to King County Executive Policy CON 7-13-1 (AEP) for definitions of terms that are fully capitalized.

- A. "CONSTRUCTION WORK ORDER CONTRACT" means a master Public Works construction agreement to be used by the Implementing Agency(s) (IAs) for multiple, small, discrete work elements within the monetary boundaries described herein. The actual work is implemented with the execution of INDIVIDUAL WORK ORDER(s).
- B. "INDIVIDUAL WORK ORDER" means for the purpose of this policy a written agreement between King County and the CONTRACTOR to perform a clearly defined SCOPE OF WORK, schedule, and price in accordance with the terms of the CONSTRUCTION WORK ORDER CONTRACT.
- C. "P&P SUPERVISOR" means for the purpose of this policy the Supervisor of the Construction, Architectural/Engineering, and Project Control Services Team (CAP) within the Procurement and Payables (P&P) Section of the Finance and Business Operations Division responsible for procuring PROFESSIONAL and CONSTRUCTION SERVICES.

III. Policy

A. Types of CONSTRUCTION WORK ORDER CONTRACT(s)

- 1. A Project Specific Work Order contract is defined as a contract for an individual project with opportunity to do specific scopes of work by INDIVIDUAL WORK ORDER.
 - a. Each INDIVIDUAL WORK ORDER will be negotiated to define the scope of work, schedule and price.

- b. The work order limits cited in this policy do not apply to Project Specific Work Order Contracts.
 - c. For more details regarding the use of Project Specific Work Orders, talk to IA PCO.
2. A Discipline Specific Work Order contract is defined as a contract where one specific discipline of work is predominately being performed at one or more locations.
- a. Each INDIVIDUAL WORK ORDER will be negotiated to define the scope, schedule and price.
 - b. Example of Discipline Specific Work Order Contracts- Electrical, Mechanical, Roof Repair.
3. A Multidisciplinary Work Order contract is defined as a contract where multiple disciplines of work are being performed at one or more locations.
- a. Each INDIVIDUAL WORK ORDER will be negotiated to define the scope, schedule and price.
 - b. Examples of Multidisciplinary Work Order Contracts- Plumbing/Mechanical, Demolition, Abatement and Well Decommissioning.

B. Procurement of a CONSTRUCTION WORK ORDER CONTRACT

- 1. IAs will use an advertised, competitive bid process or the small works roster to procure and award a CONSTRUCTION WORK ORDER CONTRACT to the responsible bidder submitting a responsive bid in accordance with Washington state law.
 - a. IA can only award one CONSTRUCTION WORK ORDER CONTRACT per advertisement. Multiple Awards are not allowed for a CONSTRUCTION WORK ORDER CONTRACT.
 - b. IA is responsible for documenting the bid price review of the apparent lowest responsible bidder, identifying any unbalanced bid items and the potential risks to the County. This review must be submitted to Procurement & Payable (P&P) staff before award of the contract in the form of the Recommendation to Award.
- 2. A CONSTRUCTION WORK ORDER CONTRACT (excluding the Project Specific Work Order Contract) master agreement shall contain a not to

exceed (NTE) amount up to \$1,000,000 (excluding sales tax) with no guaranteed minimum amount of work issued to the CONTRACTOR.

Exception: If using the Small Works Roster the master agreement shall contain a not to exceed (NTE) amount up to \$300,000 (excluding sales tax) with no guaranteed minimum amount of work issued to the CONTRACTOR.

- a. The master agreement may exceed \$1,000,000, prior to advertisement, if agreed to by the P&P Supervisor (or designee) and IA in writing and justification is included in the procurement file.
 - b. IA is responsible for providing supporting justification in writing for the requested value of the CONSTRUCTION WORK ORDER CONTRACT to P&P at the time of requesting services from Procurement.
3. A CONSTRUCTION WORK ORDER CONTRACT (excluding the Project Specific Work Order) master agreement will be for a fixed term: one year with an option to extend for one additional year.

C. INDIVIDUAL WORK ORDER Requirements

1. Every INDIVIDUAL WORK ORDER must have an independent estimate or critical estimate review before execution of the WORK ORDER with the CONTRACTOR. This documentation is to be maintained in the WORK ORDER file.
 - a. *Exception:* In the case of urgent events that require immediate action, with Division Director (or designee) approval, an independent estimate or critical estimate review can be completed a maximum of **seven** days after the work begins.
 - b. INDIVIDUAL WORK ORDERS are limited to \$150,000. When the independent estimate for an INDIVIDUAL WORK ORDER or the total of all CHANGE ORDER(s) to the work order approaches the \$150,000 limit, the IA shall have a policy for notification and approval by the Division Director (or designee).

2. INDIVIDUAL WORK ORDERS that are estimated to exceed, or at risk of exceeding, the \$150,000 limit, the IA will consider alternative means of procurement.
3. Every INDIVIDUAL WORK ORDER that uses a time and materials or unit price contracting method shall include a not to exceed price.
4. INDIVIDUAL WORK ORDER approval limits (including change orders) are as follows:
 - a. **INDIVIDUAL WORK ORDER's from \$1- \$150,000-** Progressive approval limits and delegation of authority established by IA.
 - b. **INDIVIDUAL WORK ORDER's exceeding \$150,000-** Required to be sent to P&P Supervisor or Project Control Manager (or designee) for review and recommendation prior to issuance of the work order or changes to an existing work order. P&P's review shall not exceed three days.
 - c. All approvals shall be documented in writing and maintained in the contract files.

D. IA CONSTRUCTION WORK ORDER Compliance

1. The IA will provide the Project Control Manager with a quarterly report that lists each of its CONSTRUCTION WORK ORDER CONTRACT(s) and INDIVIDUAL WORK ORDER history.

IV. Implementation Plan

- A. This policy becomes effective for Executive Branch agencies on the date that it is signed by the Executive. The Finance and Business Operations Division is responsible for implementation of this policy.
- B. IAs are responsible for communicating this policy to the management structure within their respective agencies and other appropriate parties.

V. Maintenance

- A. This policy will be maintained by Finance and Business Operations Division, or its successor agency.
- B. This policy will automatically expire five (5) years after its effective date. A new, revised, or renewed policy will be initiated by the Finance and Business Operations Division, or its successor agency prior to the expiration date.

VI. Consequences for Noncompliance

- A. IAs that are noncompliant with this Policy, may lose the ability to use CONSTRUCTION WORK ORDER CONTRACTs as a procurement method for a specified period of time.

Appendices: None