


**2008 American Public Works Association International
Public Works Congress
& Exposition**
August 17-20, 2008 New Orleans, LA
New Orleans Convention Center

**More Construction
Projects Completed + Less
Burden On Staff
= Job Order Contracting**


Construction Management
 Tuesday, August 19, 2008
 2:30 p.m. - 3:30 p.m.
 Room 349


Job Order Contracting (JOC)



- A contracting method public agencies use to get numerous construction projects done quickly and easily through multi-year contracts
- Teaming approach

3 Identifying Features

- Unit Price Book
- Rate (Coefficient or Multiplier)
- Term

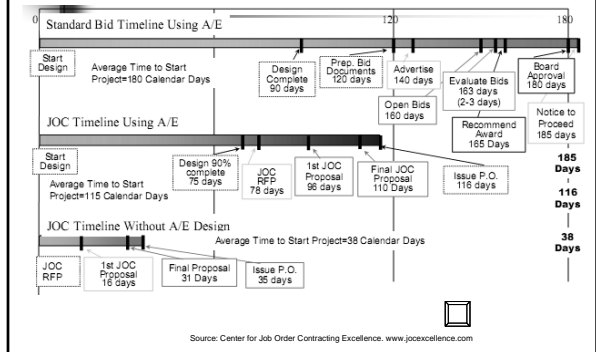


Why JOC?

- Performance First!
- Expedited delivery
- Non-adversarial
- Minimal back and forth negotiations
- Flexibility in procurement



Fast Track Your Projects



JOC Advantages

- Competitively Bid Once
- Performance-Based Contract
- Fast-track Your Projects
- Single Point of Contact
- Contractor Involved in Scoping and Budgeting
- Small Business Incubator, Economic Development Impact



JOC Advantages *Cont'd*

- Design Can be Included in Project Cost
- Contractor Requested Change Orders are Virtually Eliminated
- Limited Concern for Cost Overruns
- Protests are Virtually Eliminated
- Reduced Project “Surprises”
- Know your Total Project Cost upfront



JOC Disadvantages

- Not Suited for Large Construction Projects
- Some General Contractor's may be Unfamiliar with Pricing
- Sufficient Volume is Require
- There is a Learning Curve

Unique Elements of a JOC

- Pre-priced Unit Price Book
- Rates (Multiplier or Coefficient, not Mark-up)
 - \$100.00 line item from UPB
 - x .85 Contractor's Coefficient
 - = \$85.00 price to owner
- Term (1 + 4 option years is common)
- Competitively procured RFP, IFB
 - Usually Best Value
- Projects usually in \$25K to \$1M range

Establishing a JOC Contract

- Request for Proposal (RFP)
 - 1 Step
- Invitation for Bid (IFB)
 - 1 Step
- Request for Qualification (RFQ) & Request for Proposal (RFP)
 - 2 Step
- Inter-Governmental Agreement (Competitively Procured)

Sample RFP

<AGENCY> is soliciting proposals from General Contractors for a Job Order Contract to provide construction services for various renovation, repair, replacement, alteration and minor construction projects on a requirements basis. Information necessary to submit a proposal is contained herein.

A MANDATORY Pre-Proposal Conference is scheduled for <INSERT TIME> on <DAY OF WEEK, MONTH, DATE> at <LOCATION AND ADDRESS>. All interested Respondents are required to attend this meeting to review the owner's goals, terms and conditions of this request for proposal. Proposals will not be accepted from firms that do not attend this meeting.

This is a "Best Value" procurement, meaning award will be made based on the weighted evaluation criteria determined to provide the best value to the <AGENCY>. Award is not based solely on lowest price, although price is a factor for award. All interested Respondents are urged to review this document prior to the Pre-Proposal Conference. Owner reserves the right to reject any or all proposals or to waive any minor informalities or irregularities in the proposals.

Proposals will be received by the <AGENCY> Department of Procurement, <ATTENTION, ADDRESS> NLT <INSERT TIME>, Legally Prevailing Time on <DAY OF WEEK, MONTH, DATE, YEAR>, for titled "JOB ORDER CONTRACT FOR CONSTRUCTION SERVICES." Proposals will be evaluated in accordance with the instructions of this Request for Proposal.

Sample RFP

■ Unit Price Book (UPB):

The Unit Price Book for this Contract is the current edition of the R. S. Means Facilities Construction Cost Data estimating guide. This Contract requires application of the local City Cost Index coefficient and the Contractor's Price Coefficient(s). These coefficients will be applied to the prices in the Bare Cost column of the UPB to determine the lump sum, fixed-price on all Job Orders. The total value of the applicable line items from the Bare Cost column of the UPB and their quantities will be multiplied by the City Cost Index coefficient and the designated Contractor's Price Coefficient(s) to determine the lump sum, fixed-price of all Job Orders. The then current year version of the R.S. Means Facilities Construction Cost Data estimating guide will apply upon execution of any Contract renewals or extensions. For Agencies choosing to use this Contract through the Piggybacking Provision, the Contractor's Price Coefficient(s) will remain the same, but the City Cost Index to be used may vary and will be mutually agree upon by the Contractor and the Piggybacking Agency.

SAMPLE RFP

■ **RATE: Pricing Coefficients(s)**

A factor which accounts for all other contingencies including, but not limited to, such items as burdens, risk, mobilization, demobilization, taxes, project management, overhead and profit which will make up the total Job Order proposal estimate.

SAMPLE RFP

■ **Term:**

The initial term of this Contract is one (1) calendar year, commencing <MONTH, DATE, YEAR> and expiring <MONTH, DATE, YEAR>. Four (4) one (1) year renewal options may be executed at the owner's discretion. Written notice of intent to exercise the renewal option year will be provided to the Contractor at least sixty (60) days before the expiration date of each term.

SAMPLE RFP

■ **Non Pre-Priced Items**

Items that cannot be found in the UPB will be considered "non pre-priced." If an item basically the same in "form, fit, and function can be found in the price book, it can be used to price the line item if appropriate rationale and documentation is provided in the final line item Job Order proposal estimate. If a like item cannot be found, the contractor will obtain three quotes from sources such as other contractors and/or suppliers. The lowest responsive price that meets the specifications, availability and delivery will be selected by the Owner.

On any Job Order, non pre-priced items may not exceed 25% of the Job Order amount without the prior express written approval of the Owner.

Selection

- Evaluation Criteria
 - Relevant Contracts
 - Past Performance
 - Technical Performance
 - Price
- Expectations
 - JOC Process

JOC Process



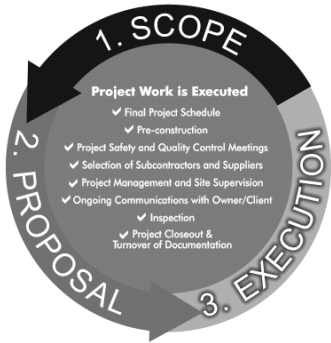
JOC Process



JOC Process



JOC Process



Who Uses JOC

- Federal Agencies
- Department of Defense
- State Agencies
- Airports
- Transportation
- School Districts
- Colleges & Universities
- Cities
- Counties
- Hospitals & Research Centers



Example



City of Phoenix

- Multi-phased remodel of the Public Works Metro Building
- Replacement and completion of concrete sidewalks at the Indian Bend Park playground prior to a major Park dedication
- Shemer Art Gallery conversion and remodel of a donated residence for ADA compliance
- Addition of critical mill work for the Palo Verde & Maryvale Community Center
- Paving an off-site street to control surface drainage for Fire Station # 49
- Correcting the ADA sidewalk slopes surrounding the City Municipal Court Building during a holiday week end and within a 24 hour work schedule
- Paving the parking lot adjacent to a public swimming pool prior to the opening of the swimming season

Source: Center for Job Order Contracting Excellence. www.jocexcellence.com

Example

DFW Airport Welcome Home Wall
DFW Airport
Transportation



As a joint effort of the North Texas Commission and the Dallas/Fort Worth International Airport, a client of the Centennial Lewisville, Texas office, the R&R Welcome Home Program was created on June 16, 2004 to show our U.S. troops returning home from the Middle East for R&R (rest and recuperation) that they have the support and love of the citizens in the Dallas/Fort Worth region.

On May 4, 2006 Centennial Contractors was awarded a delivery order to design, fabricate and install a 10' high by 6' wide, 2,200 pound black granite sign with brushed stainless steel and a lighted display cabinet to display mementos sent home to families of our troops.

Complete by June 24, 2006 for an unveiling to the Joint Chiefs of Staff ranking the highest priority on DFW's list of projects. Through monitored efforts and coordination of our sub-contractor the monument sign was installed on June 21, 2006 three days ahead of schedule.

- Complete Customer Satisfaction
- Ahead of Schedule
- On Budget
- Zero Punch List
- Accident Free Job Site

What the Research Says



What the Research Says

Research Findings Include:

- **JOC Needed For Timely Project Results & Simplicity Of Use:** 43% of the respondents indicated the primary reason for using JOC is the urgency or need to complete the work in a timely manner. Other significant reasons cited for using JOC include simplicity of use, familiarity with the contractor, and the predictability of the process.
- **JOC Provides More Satisfaction Than Other Delivery Methods:** 60% of the respondents stated that JOC provides more satisfaction than other most likely used methods (including design-bid-build, or design-build or CM at risk).
- **JOC Requires Less Time To Start Up A Project:** 74.5% of the respondents stated that JOC requires less time to start a project than other most likely used methods (including design-bid-build, or design-build or CM at risk).
- **JOC Requires Less Time To Design A Project:** 56.6% of the respondents stated that JOC requires less design time than other most likely used methods (including design-bid-build, or design-build or CM at risk).
- **JOC Requires Less Time To Close Out A Project:** 63.2% of the respondents stated that JOC requires less time to close out a project than other most likely used methods (including design-bid-build, or design-build or CM at risk).
- **JOC Is Easy To Use:** 70.8% of the respondents stated that JOC is more easy to use than other most likely used methods (including design-bid-build, or design-build or CM at risk).

Source: Northern Arizona University national survey of facility owners. www.jocexcellence.com

Why Use JOC

- Expedite Construction Project Delivery
- Alleviate Project Backlog
- Control and Manage Construction Costs
- Limited People Resources
- Agency Does Not Desire the Adversarial Nature of Construction – Reduced Stress
- Mission Sensitivity
- To Meet Economic Development Goals
- Reduce Total Program Costs



Summary

■ Job Order Contracting

- "A competitively procured, open ended, indefinite-delivery indefinite-quantity contract (IDIQ), providing for firm fixed pricing, based on a detailed joint scope of work, a unit price book and a pre-determined coefficient for the purpose of managing and completing complex multi-trade renovation, repair, rehabilitation and minor construction projects."



JOC in A Wrap

- Alleviates Project Backlog & Expedites Delivery
- Increases Overall Operational Efficiency
- Improves Economic Impact of Agency to Local Small Businesses
- Better Stewardship of Public Funds



Thank You!



**Take The Struggle
Out of Construction!**

How Much Are You Paying?

- Project development
 - Meet with end-users
 - Develop expectations and scope
 - A/E direction and fee proposal
- Bid package development
 - A/E plans review, 50%, 75% 95% and final
 - Pre-bid conference
 - Answer RFI, review proposals, make award

How Much Are You Paying?

- Initial Construction Costs
 - All proposals are based on drawings and initial cost projections, not end result
- Project management
 - Regular project oversight
 - Review and approve submittals
 - Inspections
 - RFI resolutions
 - Project close-out approval

How Much Are You Paying?

- Change Orders
 - Change Orders from contractor can average 8 – 12%
 - Schedule is impacted by change order delay
- Warranties
 - Who oversees the warranty?
 - Will your contractor respond?
 - Do you have single point of contact for each vendor?

How Much Are You Paying?

- Time
 - What does construction time cost you?