Faster, Stronger, Braver Construction

Identifying and implementing best practices through Job Order Contracting
History of JOC – 35 years!

Originated in the Military Services (1980’s)

Needed to do many, yet small jobs “fast”
Federal procurement too cumbersome & slow
Small jobs took disproportionate time & effort
Not cost effective but IDIQ was a successful model to emulate
Needed motivator for quality on small projects
What if you could buy construction work like office supplies?
A coefficient, multiplier, or adjustment factor
A Process
The Job Order Process

1. Project Identification
2. Joint Site Visit & Joint Scope
3. Contractor Prepares Cost Estimate/Proposal via UPB
4. Owner Reviews Proposal
5. Owner/Contractor Review, Value Engineer, Develop Schedule
6. Finalize & Submit Firm Price/Lump Sum to Owner
7. Owner Issues Job Order & NTP
8. Job Order Delivery/Project Execution
9. Job Order Close-out, Owner Sign-off & KPIs
A Not to Exceed Amount
- Not a Requirements Contract
Performance Based
Owner Success
Owner Success Factors

#1 Immediate access to IDIQ contracts with predetermined pricing and defined level of service and expectations

#2 Reduces Lead Time = Accurate Schedules

#3 Rapid Response = Increase in Efficiencies

#4 Fulfills the need for supplemental staff as an On-call Program

#5 Cost & Budget advantages: Job Order Contractor helps owner understand the real advantages, potential and possibilities of a trusted partner
Average Delivery Method Performance Comparison

<table>
<thead>
<tr>
<th>Method</th>
<th>% Projects On Budget</th>
<th>% Projects On Time</th>
<th>% Satisfaction</th>
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<tr>
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<td>86</td>
<td>82</td>
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<td>DB</td>
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Why JOC?
Average JOC Project Timeline Comparison
Contractor Success
Contractor Success Factors

#1 Owner Success

#2 Profitability

#3 More Business

#4 Developed Sub-Contractors
JOC Expectations From The Owner

• Faster Response Time(s) - Serve On-Call
• High Level of QUALITY at a Firm, Fixed Price (no change orders!)
• Ability to manage multiple simultaneous projects timely & effectively
JOC Expectations From The Owner

• Include a Large Number of Subcontractors
• Achieve and Exceed the Diversification Program Objectives
• Truly Develop a Partnering Relationship
• Meet and/or Exceed Outlined & Proposed Performance Criteria
Contractor Expectations

• Rapid Mobilization After Award with assignments ready for issuance
• Consist workflow with migration of fluctuations
• Reasonable profit for firm’s sustainability
• Job Orders priced by line items from the predetermine unit price book which are issued as firm fixed price.
Contractor Expectations

• In multiple contractor circumstances, no competing of contractors, in any way, after solicitation and award of master contract(s).

• Not to be used as a free estimating service, without any job orders
Success – The Predictors

• Spend time developing needs before starting your program

• JOC Certified & Credentialed Professionals

• Create a partnering relationship

• Customize the program to meet your needs not desires

• Identify an internal JOC champion to lead

• Define & communicate YOUR processes & performance criteria

• Review the Schedule of Values (SOV) for each job order
Challenges – The Predictors

- Advertise more contract volume than anticipated
- Re-compete job orders via a contract that is already competitively bid and awarded
- Allow vendors to drive your decisions
- Rotate Assignments
What About Cooperative Purchasing?
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