Agenda

- JOC Overview & Benefits
- An Introduction to the Contract Documents and the Construction Task Catalog®
- Individual Project Procurement Post-Award
- Bid Preparation
- Summary / Review of Key Points
- Open Discussions / Questions
JOC is another delivery method for Lake County to procure construction services. It is not meant to replace any procurement method. It is another tool for the Lake County to accomplish work.
JOC Overview

- JOC Introduced in the United States in 1985
  - Dept. of Defense, USPS, NASA, etc.

- Implemented by States, Counties, Cities, K-12 Schools, Transportation Agencies, Universities, Housing Authorities, etc. since 1990

- Implemented by Various Agencies in Small, Medium, and Large Cities Alike.

- More than 1,000 Contracts Currently in Use

- Over $1.5 Billion in Construction Placed Annually
JOC Overview

• Job Order Contracting is an Indefinite Quantity Construction Contract

• Provides the Ability to Accomplish a Large Number of Individual Projects with a Single Competitively Tendered Contract

• On-Call General Contractors Ready to Perform a Series of Projects at Different Locations for Competitively Tendered Prices

• Focuses on Small to Medium Sized Routine Projects
JOC Overview

Part 1
Bidding the Umbrella Job Order Contract

Owner Advertises Job Order Contract

Contractors Submit Bids

Owner Awards Master Job Order Contract to Contractor

Part 2
Procuring Individual Projects Post-Award

Project A
Project B
Project C

Lake County has a qualified Local Subcontractor’s
JOC Overview

- Time Savings
  - Faster Procurement – Weeks Instead of Months
  - Based on Owner-Contractor Partnership = Non-Adversarial Relationship

Based on independent studies, JOC can save up to 90% in procurement time from project identification to completion.
Prime Contractor’s benefits with Job Order Contracting:

- **JOC can be profitable**
  - Profit is a function of volume
  - Volume is driven by performance
  - JOC provides a steady flow of work
  - Do not have to chase the next project

- **Long-term relationship with Lake County**
  - Non-adversarial relationship
  - Develop partnership with the Lake County

- **Professionally rewarding**
  - Different types of projects (varying scope)
  - Ability to provide input during scope development
Subcontractor’s benefits with Job Order Contracting:

- Increases subcontracting opportunities because Prime Contractors must utilize local subcontracting community.
- No projects are identified at the time of Tender, which inhibits the Prime Contractor from staffing up to self perform the work.
- Simplified procurement process for Lake County by allowing them to procure more work in a shorter period of time. Results in greater number of subcontractor opportunities.
- Multiple projects on multiple sites simultaneously.
JOC Contract Documents

- County’s Standard Invitation for Bid Customized for JOC
- Construction Task Catalog®
- Technical Specifications
JOC Contract Documents

- Invitation for Bid
  - Instructions to Bidders
  - Definitions
  - General Conditions
  - Supplementary General Conditions
  - Labor Statutes
  - Contractor Qualifications
The Construction Task Catalog® (CTC)

- Catalog of pre-priced construction tasks
- Organized by the CSI 2004 Numbering System
- Prices include Local Labor, Equipment and Material (LEM) costs
- Customized for Lake County’s tasks and standards
• Contract Includes Technical Specifications for each task

• KEY POINT!
  ✦ Must know what the price is for!
  ✦ Essential that each construction task be tied to a concise technical specification!

Construction Task Catalog and Technical Specifications have coordinated numbering system for easy reference.
• Internet Based Software Provided to Contractors
  ✶ eGordian® Software Automates the Price Proposal Process
Individual Project Procurement Post-Award

- Owner Identifies Project & Selects Procurement Method
  - Joint Scope Meeting With Owner to define Detailed Scope of Work
  - Owner Issues RFPP to Contractor to Prepare Proposal
- Contractor Prepares Proposal
  - Typical Proposal Due Date will be 1-2 weeks from RFPP
- Owner Reviews Proposal
- Owner Issues Job Order
- Total Time: Average 3-5 Weeks
1. **Accuracy of Proposed Adjustment Factors**
   - Anticipate the type of work the County may procure with JOC
   - Did you spend time analyzing the prices in the CTC versus your costs to complete the Work

2. **OH & Profit Expectation (OH Dependent on Cost of Staff)**
   - Project Manager(s) must be able to manage multiple projects at multiple sites simultaneously
   - Superintendent(s) must be able to superintend the project ensuring construction according to the specifications
   - Office Administrators must be able to execute necessary paperwork, payments, and follow up to correct any deficiencies
Anticipate the Type of Work the County May Procure with JOC

161 projects; average project size 63K

From May 2009 – Feb 2014

- # of Job Orders = 161
- TOTAL = $15 Million
- AVERAGE Job Order = $63,374*
- MEDIAN - $29,005*

Approximate Values Only

*Approximate values only.
Bid Preparation

Anticipate the Type of Work the County May Procure with JOC

<table>
<thead>
<tr>
<th>DIVISION OF WORK</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Heating, Ventilating, And Air-Conditioning (HVAC)</td>
<td>$3,469,184</td>
</tr>
<tr>
<td>2 Electrical</td>
<td>$3,293,243</td>
</tr>
<tr>
<td>3 Finishes</td>
<td>$1,863,035</td>
</tr>
<tr>
<td>4 Openings</td>
<td>$1,718,387</td>
</tr>
<tr>
<td>5 Interior Renovation</td>
<td>$1,351,762</td>
</tr>
<tr>
<td>6 Site Work &amp; Exterior Improvements</td>
<td>$1,351,762</td>
</tr>
<tr>
<td>7 Mechanical</td>
<td>$1,189,674</td>
</tr>
<tr>
<td>8 Structural Components</td>
<td>$808,193</td>
</tr>
<tr>
<td>9 Specialties &amp; Conveying Systems</td>
<td>$416,892</td>
</tr>
<tr>
<td>10 Communications &amp; Security</td>
<td>$177,022</td>
</tr>
</tbody>
</table>

$15,680,339
Bid Preparation
Calculating the Adjustment Factors

• Use Historical Project Data
  ✷ Select a Completed Project
    ✷ You Know Scope and Direct Costs
    ✷ You Know the OH & Profit Achieved
  ✷ Price Project From CTC
  ✷ Calculate the Adjustment Factor

• Create a Representative Project
  ✷ Create a Scope of Work
  ✷ Get Sub Quotes or Estimate Cost
  ✷ Price Project From CTC
  ✷ Add on Overhead and Profit
  ✷ Calculate the Adjustment Factor

• Sampling Method
  ✷ Evaluate a Sampling of the Anticipated Items
Analyzing the price in the CTC as it Relates to Cost:

- **Recommended Method**
  - Select comparable projects from your files (more than one)
    - Example: for a project you select, you received a price of $80,323
  - Price the project from the CTC at a Factor of 1.0000 (i.e., no adjustment)
    - Example: Direct Cost from the CTC is $70,746

- **Calculate the Adjustment Factor**
  - If you were satisfied with the $80,323 (i.e., you covered your Direct Costs, Overhead & Profit), you would need and Adjustment Factor of:
    \[
    \frac{80,323}{70,746} = 1.1353 \text{ Adjustment Factor}
    \]

- Don’t Stop with One Project! Try Varying Scope & Size
- Break Costs Down per Trade and Discuss with Subcontractors
## Calculating the Adjustment Factors

Example of a spreadsheet used to analyze pricing:

<table>
<thead>
<tr>
<th>CSI Number</th>
<th>Description</th>
<th>Unit of Measure</th>
<th>Quantity</th>
<th>Unit Price</th>
<th>Adjustment Factor</th>
<th>Line Total</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>09110 1003</td>
<td>3-5/8&quot; Metal Studs</td>
<td>SF</td>
<td>400.00</td>
<td>$ 1.83</td>
<td>1.0000</td>
<td>$ 732.00</td>
<td></td>
</tr>
<tr>
<td>Modifier 4112</td>
<td>For Quantities &gt;200 to 500, Add</td>
<td>SF</td>
<td>400.00</td>
<td>$ 0.30</td>
<td>1.0000</td>
<td>$ 120.00</td>
<td></td>
</tr>
<tr>
<td>09250 1103</td>
<td>5/8&quot; Drywall</td>
<td>SF</td>
<td>800.00</td>
<td>$ 1.12</td>
<td>1.0000</td>
<td>$ 896.00</td>
<td>Double Quantity Because Drywall is on Both Sides of Studs</td>
</tr>
<tr>
<td>09250 4101</td>
<td>Tape, Spackle and Finish Drywall</td>
<td>SF</td>
<td>400.00</td>
<td>$ 0.47</td>
<td>1.0000</td>
<td>$ 180.00</td>
<td></td>
</tr>
<tr>
<td>09920 1415</td>
<td>Paint Interior Drywall, 1 Coat Primer, Brush/Roller</td>
<td>SF</td>
<td>400.00</td>
<td>$ 0.45</td>
<td>1.0000</td>
<td>$ 130.00</td>
<td></td>
</tr>
<tr>
<td>09920 1417</td>
<td>Paint Interior Drywall, 2 Costs Paint, Brush/Roller</td>
<td>SF</td>
<td>400.00</td>
<td>$ 0.91</td>
<td>1.0000</td>
<td>$ 354.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>TOTAL $2,480.00</td>
<td></td>
</tr>
</tbody>
</table>
Calculating the Adjustment Factors

- Include All Appropriate Tasks:

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>Unit</th>
<th>Quantity</th>
<th>Rate</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>32 16 23 00-0002</td>
<td>4&quot; Cast In Place Concrete Sidewalk</td>
<td>SF</td>
<td></td>
<td>$5.06</td>
<td>$2,024.00</td>
</tr>
<tr>
<td></td>
<td>For Quantities 100 to 500, Add</td>
<td>SF</td>
<td></td>
<td>$2.04</td>
<td>$816.00</td>
</tr>
<tr>
<td>32 11 16 00-0015</td>
<td>4&quot; Crushed Aggregate Base</td>
<td>SF</td>
<td></td>
<td>$0.63</td>
<td>$252.00</td>
</tr>
<tr>
<td></td>
<td>For Quantities Under 1000</td>
<td>SF</td>
<td></td>
<td>$0.18</td>
<td>$72.00</td>
</tr>
<tr>
<td>01 71 13 00-0003</td>
<td>Mobilize Backhoe</td>
<td>EA</td>
<td></td>
<td>$402.63</td>
<td>$402.63</td>
</tr>
<tr>
<td>31 23 16 36-0006</td>
<td>Excavation by Backhoe</td>
<td>CY</td>
<td></td>
<td>$3.75</td>
<td>$41.25</td>
</tr>
<tr>
<td></td>
<td>For Quantities Under 20 CY, Add</td>
<td>CY</td>
<td></td>
<td>$3.75</td>
<td>$41.25</td>
</tr>
<tr>
<td>31 23 16 36-0028</td>
<td>Loading Excess Materials</td>
<td>CY</td>
<td></td>
<td>$3.42</td>
<td>$47.03</td>
</tr>
<tr>
<td></td>
<td>For Quantities Under 20 CY, Add</td>
<td>CY</td>
<td></td>
<td>$3.42</td>
<td>$47.03</td>
</tr>
<tr>
<td>01 74 19 00-0029</td>
<td>Hauling to Dump Site</td>
<td>CYM</td>
<td></td>
<td>$0.51</td>
<td>$105.57</td>
</tr>
<tr>
<td>01 74 19 00-0021</td>
<td>Landfill Dump Fee</td>
<td>CY</td>
<td></td>
<td>$15.14</td>
<td>$208.18</td>
</tr>
</tbody>
</table>

Total: $4,056.93

\[ \text{Total} = \text{Amount} + \text{Landfill Dump Fee} \]

\[ \text{Total} = 2,024.00 + 816.00 + 252.00 + 72.00 + 402.63 + 41.25 + 47.03 + 105.57 + 208.18 \]

\[ \text{Total} = 4,056.93 \]

Contractors can price sample projects from the CTC.
Other Considerations

- Anticipated Annual Volume of Work
- The use of Local Subcontractors that have experience working with Lake County.
- Expected Overhead and Profit on Annual Volume
- Must Meet County’s Minimum Qualification Requirements *Typical for any County Bid.*
- Must Meet County Insurance Requirements.
- Must be Able to Manage Multiple Projects at Multiple Sites

**Previous JOC Experience NOT Required.** The Gordian Group will Provide Training on the JOC Process, Software, and other JOC Related Activities.
Review / Key Points

- JOC is an established procurement method
- Owners can procure a Large Number of Projects with one Competitive Tender
- Simplified Process to Develop each Job Order
- Contractor has Input into Detailed Scope of Work and Construction Schedule
- Simplifies Pricing for Changes, Deletions, and Extras
- Contractors have Opportunity to build Long Term, Non-Adversarial Relationship with Owner
- JOC can Result in a Steady Flow of Work
Questions and Open Discussion?