DEPARTMENT OF PUBLIC WORKS

JOB ORDER CONTRACTING

FACILITIES

JOC 20-01 & 20-02

Mandatory Pre-Bid Meeting
January 9, 2019 @ 1:30 PM
Pre-Bid Meeting Agenda

- JOC Overview
- JOC Contract Documents
- JOC Process
- Solicitation Details
- Understanding the Construction Task Catalog® (CTC)
- Calculating the Bid
- Bid Considerations & Review
- Contractor Adjustment Factors
- Risk of Low Adjustment Factors
- Questions
What is Job Order Contracting?

- A Job Order Contract is a Firm, Fixed Priced, Competitively Bid, Indefinite Quantity Contract
  - JOC is Designed to Accomplish Small-medium Size, Multi-trade, Minor Construction, Repair, and Remodel Projects
  - JOC is a Series of Individual Projects Issued as Job Orders Under the Base Contract
- A Fundamentally Different Construction Procurement Relationship
  - Performance-Based Contract
- Non-adversarial relationship between Owner & Contractor
- Future Purchase Orders Tied to Contractor Performance
  - No Obligation to Award Specific Projects
- The County can Use All Other Methods for Accomplishing Projects
- JOC Introduced in the United States in 1985 (Dept. of Defense, USPS, NASA, etc.)
- Implemented by states, counties, cities, universities, housing authorities, etc. since 1990
- Hundreds of contracts currently in use
- Over $1.4 Billion in construction placed annually through Gordian JOC systems
JOC Overview

Part 1
Bidding the Umbrella Job Order Contract

Owner Advertises Job Order Contract
Contractors Submit Bids
Owner Awards Umbrella Job Order Contract

Part 2
Procuring Individual Projects From Owner

Owner Project A
Subcontracting Opportunities
Owner Project B
Subcontracting Opportunities
Owner Project C
Subcontracting Opportunities
JOC Overview – Contractor Benefits

Why JOC Works for The Contractors

• Good work is rewarded with more work
  • 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 the County
  • Good work is rewarded with more work
  • Develop partnership with the County
• Reduced Risk
  • Payment for every element of work performed
  • Ability to provide input during scope development
JOC Contract Documents

Front End Documents
Construction Task Catalog®
Technical Specifications
JOC Contract Documents

Front End Documents

• Invitation To Bidders
• Instructions To Bidders
• Bid Forms
• Etc.
JOC Contract Documents

Construction Task Catalog® (CTC)

- Catalog of Pre-Priced Construction Tasks
- Organized by Construction Specifications Institute (CSI)
- Based on Local Labor, Material & Equipment Costs
- The tasks represent the “Scope of Work” for the contract
Construction Task Catalog® (CTC)

Typical Task:

<table>
<thead>
<tr>
<th>Minor CSI</th>
<th>UOM</th>
<th>Description</th>
<th>Total Direct Cost</th>
<th>Unit Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>32 16 13 13</td>
<td>LF</td>
<td>Cast-In-Place Concrete Curbs And Gutters</td>
<td>8.16</td>
<td>3.72</td>
</tr>
<tr>
<td>32 16 13 13-0002</td>
<td></td>
<td>Concrete Curb, Cast In Place</td>
<td>4.63</td>
<td>1.92</td>
</tr>
</tbody>
</table>

Price includes labor, material + equipment for your location.

Modifiers for variations or quantity discounts.

Section + task notes.
JOC Contract Documents

Technical Specifications

- Specifies Quality of Materials and Workmanship
- Corresponds with Tasks in the Construction Task Catalog®
JOC Process – How is JOC Bid?

Award Based on Competitive Bid

• Must Bid 4 Adjustment Factors:
  • **Normal Working Hours on Projects less than $25,000**: 7:00 am to 5:00 pm Monday through Friday
  • **Other Than Normal Working Hours on Projects less than $25,000**: 5:00 pm to 7:00 am Monday to Friday, and all day Saturday, Sunday and County Holidays
  • **Normal Working Hours on Projects $25,000 or greater**: 7:00 am to 5:00 pm Monday through Friday
  • **Other Than Normal Working Hours on Projects $25,000 or greater**: 5:00 pm to 7:00 am Monday to Friday, and all day Saturday, Sunday and County Holidays

• Each Adjustment Factor is Weighted to Create an Award Criteria Figure

• Lowest Award Criteria Figure From a Responsive, Responsible Bidder Wins!
Joint Scope Meeting (JSM) With the County, Contractor, and Others to define the Detailed Scope of Work

The County Issues Request for Proposal for the Agreed Upon Detailed Scope of Work

Proposal Development
  • Typical Proposal Due Date will be 2 weeks from RFP

Proposal Review

Issuance of Job Order

Total Time Goal: Average 3-5 weeks
Prior to Bidding the County Cannot:

- Identify or Commit to any Specific Project or Location
- Identify or Commit to any Specific CTC Tasks or Quantities
- Bidders may bid separately on any or all of the contracts, only one contract is to be awarded to any one bidder

Bids are to be submitted in separate sealed envelopes. Envelopes shall be marked in lower left corner “Bid for JOC 20-01” or “Bid for JOC 20-02”.

<table>
<thead>
<tr>
<th>Contract</th>
<th>Contract Type</th>
<th>Minimum Contract Value</th>
<th>Maximum Contract Value</th>
<th>Maximum Value may be increased to legislative limit</th>
<th>Contract Term</th>
<th>Initial Payment &amp; Performance Bonding (Each)</th>
</tr>
</thead>
<tbody>
<tr>
<td>JOC 20-01</td>
<td>General “B”</td>
<td>$50,000</td>
<td>$750,000</td>
<td>$4,949,291</td>
<td>1 Year</td>
<td>$750,000</td>
</tr>
<tr>
<td>JOC 21-02</td>
<td>General “B”</td>
<td>$50,000</td>
<td>$750,000</td>
<td>$4,949,291</td>
<td>1 Year</td>
<td>$750,000</td>
</tr>
</tbody>
</table>
Solicitation Details

Internet Based Software Provided with Contract

- eGordian Software Automates the Proposal Process
Solicitation Details

Contractor License Fee
Access to eGordian®, Construction Task Catalog®, other proprietary materials
  • Most advanced technology and data in the marketplace.
  • Paperless
  • Efficient
  • Tasks and prices input directly... no fishing through old files and estimating books for costs

JOC process training
eGordian® software training

Support 8am to 8pm EST Monday through Friday

Included in the Contractor’s Adjustment Factor
  • Consider with the Bid as an Overhead cost
  • **1% of Job Order Price**
Solicitation Details

Differing Site Conditions or Changes in Scope

• Priced from Construction Task Catalog®
• Supplemental Job Order
• No Negotiated Change Orders

Filings and Permits

• Fees paid for all Permits reimbursed 100% - **No Markup**

Liquidated Damages

• Applied to every Job Order
• Sliding Scale Based on Job Order Value

**Bid Security: $25,000**
Understanding the Construction Task Catalog®

Contractor must review and understand “Using the Construction Task Catalog®”

Rules of the game
Make sure you get paid for all appropriate tasks

Pages 00 – 1 to 00-8 of the CTC

* Handout
### Include All Appropriate Tasks:

<table>
<thead>
<tr>
<th>Task Description</th>
<th>Unit</th>
<th>Quantity</th>
<th>Rate</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>4&quot; Cast In Place Concrete Sidewalk</td>
<td>SF</td>
<td>400</td>
<td>5.06</td>
<td>2,024.00</td>
</tr>
<tr>
<td>For Quantities 100 to 500, Add</td>
<td>SF</td>
<td>400</td>
<td>2.04</td>
<td>816.00</td>
</tr>
<tr>
<td>4&quot; Crushed Aggregate Base</td>
<td>SF</td>
<td>400</td>
<td>0.63</td>
<td>252.00</td>
</tr>
<tr>
<td>For Quantities Under 1000</td>
<td>SF</td>
<td>400</td>
<td>0.18</td>
<td>72.00</td>
</tr>
<tr>
<td>Mobilize Backhoe</td>
<td>EA</td>
<td>1</td>
<td>402.63</td>
<td>402.63</td>
</tr>
<tr>
<td>Excavation by Backhoe</td>
<td>CY</td>
<td>11</td>
<td>3.75</td>
<td>41.25</td>
</tr>
<tr>
<td>For Quantities Under 20 CY, Add</td>
<td>CY</td>
<td>11</td>
<td>3.75</td>
<td>41.25</td>
</tr>
<tr>
<td>Loading Excess Materials</td>
<td>CY</td>
<td>13.75</td>
<td>3.42</td>
<td>47.03</td>
</tr>
<tr>
<td>For Quantities Under 20 CY, Add</td>
<td>CY</td>
<td>13.75</td>
<td>3.42</td>
<td>47.03</td>
</tr>
<tr>
<td>Hauling to Dump Site</td>
<td>CYM</td>
<td>207</td>
<td>0.51</td>
<td>105.57</td>
</tr>
<tr>
<td>Landfill Dump Fee</td>
<td>CY</td>
<td>13.75</td>
<td>15.14</td>
<td>208.18</td>
</tr>
<tr>
<td></td>
<td>CY</td>
<td></td>
<td>/400</td>
<td>$10.14</td>
</tr>
</tbody>
</table>

* Sample only

**Compare these prices**
**Non Pre-priced Tasks**

Contractor must have permission from the County to use a Non Pre-priced Task prior to submission.

Three (3) Quotes on vendors’ or subcontractors’ letterhead

Justification for less than three (3) Quotes

Contractor is paid the amount in the following formula:

\[
A = \text{The number of hours for each labor classification and hourly rates} \\
B = \text{Equipment costs (other than small tools)} \\
C = \text{Three independent quotes for all materials} \\
\text{Total Cost for Self-Performed Work} = (A+B+C) \times \text{Normal Hours Adjustment Factor or 1.15 (whichever is less)} \\
\]

If the work is to be subcontracted, the Contractor must submit three (3) independent bids from Subcontractors. If three quotes or bids cannot be obtained, the Contractor will provide the reason in writing for the County’s approval as to why three quotes cannot be submitted.

\[
D = \text{Subcontractor Costs (supported by three quotes)} \\
\text{Total Cost of Non-Pre-Priced Task} = D \times \text{Normal Hours Adjustment Factor or 1.15 (whichever is less)}
\]
Methods to Calculate Bid – Adjustment Factors

**Recommended Method**

**Use Historical Project Data**
- Select a Completed Project
  - You Know Scope and Direct Costs
- Price Project From CTC
- Add on Overhead and Profit
- Calculate the Adjustment Factor

**Alternative Method**

**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
Sample Project - Detailed Scope of Work

Office Renovation

• Doors and Hardware
  • Replace 12 interior doors, hinges and hardware
  • Doors shall be 3x7, solid core wood doors
  • Grade 2 locksets with knobs
  • Replace 2 push bar exist devices and door closers on exit doors

• Interior Lighting
  • Replace all lay-in troffer fixtures on first and second floors. 48 in total
  • Replace 4 exit fixtures
  • Replace 12 industrial fixtures in shop area

• Plumbing Fixtures
  • Replace 8 bathroom sinks, 8 faucets, and 8 toilets in men’s and women’s bathroom in admin building and shop area
  • Replace 4 water fountains

• Replace Boiler
  • Demo existing boiler and as much piping and venting to accommodate new boiler. Install a new 1028 mbh oil fired cast iron boiler. Weil-McLain Model 88. No access for packaged boiler. Must field assemble sections. Provide new piping as required.

• Normal Working Hours Apply
## Sample Project – CTC Price vs. Quotes

### Direct Cost of Work from CTC

- Replace Boiler: $48,911.43
- Doors/Hardware: $9,748.46
- Lighting: $15,845.00
- Plumbing: $14,986.76

**TOTAL =** $89,491.65

### Direct Cost of Work from Quotes or Estimates

- Replace Boiler: $47,500.00
- Doors/Hardware: $9,250.00
- Lighting: $16,750.00
- Plumbing: $12,500.00

**TOTAL =** $89,000.00
## Sample Project – Price Proposal

### Contractor’s Price Proposal Summary - Category

<table>
<thead>
<tr>
<th>Job Order #</th>
<th>DCHA1.00</th>
</tr>
</thead>
<tbody>
<tr>
<td>Title</td>
<td>Sample Price Proposal</td>
</tr>
<tr>
<td>Contractor</td>
<td>123 Contracting</td>
</tr>
<tr>
<td>Proposal Value</td>
<td>$89,491.65</td>
</tr>
<tr>
<td>Proposal Name</td>
<td>Sample Price Proposal</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Boiler</td>
<td>$48,911.43</td>
</tr>
<tr>
<td>Doors &amp; Hardware</td>
<td>$9,748.46</td>
</tr>
<tr>
<td>Lighting</td>
<td>$15,845.00</td>
</tr>
<tr>
<td>Plumbing</td>
<td>$14,986.76</td>
</tr>
<tr>
<td><strong>Project Proposal Total</strong></td>
<td><strong>$89,491.65</strong></td>
</tr>
</tbody>
</table>

This price proposal - all information and data - shall not be duplicated, used, or disclosed in whole or in part for any purpose other than to evaluate this price proposal. This price proposal - all information and data - is Confidential and
## Sample Project – Putting It All Together

<table>
<thead>
<tr>
<th></th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>A.</td>
<td>Direct Cost of Work from Quotes</td>
<td>$89,000.00</td>
</tr>
<tr>
<td>B.</td>
<td>Overhead 10%*</td>
<td>$8,900.00</td>
</tr>
<tr>
<td>C.</td>
<td>Subtotal (Cost &amp; O/H)</td>
<td>$97,900.00</td>
</tr>
<tr>
<td>D.</td>
<td>Profit 10%*</td>
<td>$9,790.00</td>
</tr>
<tr>
<td>E.</td>
<td>Subtotal (Cost &amp; O/H &amp; Profit)</td>
<td>$107,690.00</td>
</tr>
<tr>
<td>F.</td>
<td>Price From CTC</td>
<td>$89,491.65</td>
</tr>
</tbody>
</table>

**Adjustment Factor (E / F) = 1.2034**

*Sample Only. Contractor to determine O/H & Profit. Prepare this calculation for more than one sample project.*
I. Projects Less Than Twenty-Five Thousand Dollars (<$25,000)

A. Normal Working Hours: Undersigned shall perform any or all functions called for during Normal Working Hours on Projects valued at less than Twenty-Five Thousand Dollars ($25,000) in the quantities specified in individual Job Orders against this contract for the Unit Prices specified in the Construction Task Catalog® (CTC) multiplied by the Adjustment Factor of:

| 1 | 2 | 7 | 0 | 0 |

(Specify to four (4) decimal places)

(Specify in words)

Note that no Adjustment Factor may be less than factor II.A. for Projects $25,000 or Greater to be performed during Normal Working Hours.

B. Other Than Normal Working Hours: Undersigned shall perform any or all functions called for during Other Than Normal Working Hours on Projects valued at less than Twenty-Five Thousand Dollars ($25,000) in the quantities specified in individual Job Orders against this contract for the Unit Prices specified in the Construction Task Catalog® (CTC) multiplied by the Adjustment Factor of:

| 1 | 2 | 9 | 0 | 0 |

(Specify to four (4) decimal places)

(Specify in words)

Note that no Adjustment Factor may be less than factor II.A. for Projects $25,000 or Greater to be performed during Normal Working Hours.

* Sample only
II. **Projects Twenty-Five Thousand Dollars or Greater (>= $25,000)**

A. **Normal Working Hours:** Undersigned shall perform any or all functions called for during Normal Working Hours on Projects valued at Twenty-Five Thousand Dollars ($25,000) or greater in the quantities specified in individual Job Orders against this contract for the Unit Prices specified in the Construction Task Catalog® (CTC) multiplied by the Adjustment Factor of:

\[
1 \cdot 2 \cdot 0 \cdot 3 \cdot 4
\]

(Specify to four (4) decimal places)

(Specify in words)

Note that no Adjustment Factor may be less than factor II.A. for Projects $25,000 or Greater to be performed during Normal Working Hours.

B. **Other Than Normal Working Hours:** Undersigned shall perform any or all functions called for during Other Than Normal Working Hours on Projects valued at Twenty-Five Thousand Dollars ($25,000) or greater in the quantities specified in individual Job Orders against this contract for the Unit Prices specified in the Construction Task Catalog® (CTC) multiplied by the Adjustment Factor of:

\[
1 \cdot 2 \cdot 5 \cdot 0 \cdot 0
\]

(Specify to four (4) decimal places)

(Specify in words)

Note that no Adjustment Factor may be less than factor II.A. for Projects $25,000 or Greater to be performed during Normal Working Hours.
### Filling Out the Bid Form

<table>
<thead>
<tr>
<th>Line</th>
<th>Description</th>
<th>Calculation</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Enter Normal Working Hours for Projects less than $25,000 Adjustment Factor from prior page in column to right</td>
<td>→</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Multiply Line 1 Adjustment Factor by 15% = (0.15 x Line 1) and enter in column to the right</td>
<td>→</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Enter Other than Normal Working Hours for Projects less than $25,000 Adjustment Factor from prior page in column to right</td>
<td>→</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Multiply Line 3 by 5% = (0.05 x Line 5) and enter in column to right</td>
<td>→</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Enter Normal Working Hours for Projects greater than $25,000 from prior page in column to right</td>
<td>→</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Multiply Line 5 by 60% = (0.60 x Line 5) and enter in column to right</td>
<td>→</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Enter Other Than Normal Working Hours for Projects greater than $35,000 Adjustment Factor from prior page to column to right</td>
<td>→</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Multiply Line 7 by 20% = (0.20 x Line 7) and enter in column to right</td>
<td>→</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Award Criteria Figure (ACF) equals the sum of Lines 2, 4, 6, and 8 (Add together: (Line 2+Line 4+Line6+Line 8) and enter total (sum) in column to right</td>
<td>→</td>
<td></td>
</tr>
</tbody>
</table>

**ACF**

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>2</th>
<th>7</th>
<th>0</th>
</tr>
</thead>
</table>
Bid Considerations

Contractors Should Expect To

- Prepare incidental drawings or sketches for some projects
  - Justify Quantity Calculations
  - Explain Detail of Work
- Prepare proposals for some projects that may be canceled
- Margins on CTC tasks vary
- Some projects are more profitable than others
- Maintain a fully functioning office
- Maintain a fully functioning staff
- Hold required licenses
- Contractor to Pay 1% of each Job Order as a Contractor License Fee for eGordian® software access
Importance of Adjustment Factors

- Determines winning bidder AND
- Used to price individual Job Orders
- Price proposal total becomes the lump sum Job Order amount

\[
\text{Unit Price} \times \text{Quantity} \times \text{Adjustment Factor} = \text{Total for Task}
\]

\[
\text{Unit Price} \times \text{Quantity} \times \text{Adjustment Factor} = \text{Total for Task}
\]

\[
\text{Unit Price} \times \text{Quantity} \times \text{Adjustment Factor} = \text{Total for Task}
\]

\[
\text{Total Job Order Price}
\]
Risks of Low Adjustment Factor

 Leads to Arguments in Proposal Review
  • Unsupportable Tasks
  • Exaggerated Quantities

 Leads to Delays in Job Order Development
  • Takes Longer to Review Proposals

 Creates an Adversarial Relationship
  • Reduced Volume of Work
  • Will Shorten Contract
  • Lost Profitability

 No Second Chance to Improve Margin
Review / Key Points

Focus on Total Potential Value of Contract
  • $750,000

Evaluate Construction Task Catalog®
  • Analyze Unit Prices
  • Know the General Guidelines for Using the CTC

Contractor Performance Drives Volume
  • Responsive Service
  • Accurate Proposals
  • Safe and Clean Project Sites
  • High Quality Construction
  • On-Time Completion
  • On-Time Close Out
Sealed bids due: **Thursday, January 23, 2020 at 3:00 PM**

County Clerk  
County Government Center  
1055 Monterey Street, Suite D120 (1st Floor)  
San Luis Obispo, CA 93408

ONE (1) fully executed paper bid document  
The bid number, Project Title, Project Number and company name must be included on the outside of your sealed package and failure to do so may result in the inadvertent opening of the package and may cause your bid to be rejected.

Bids are to be submitted in separate sealed envelopes. Envelopes shall be marked in lower left corner “Bid for JOC 20-01” or “Bid for JOC 20-02.”
Contract Documents

Contract Documents are also available for download free of charge at:

http://www.slocounty.ca.gov/GS/Purchasing/Current_Formal_Bids_and_Proposals.htm
Questions?

Make Sure you Signed the Pre-bid Sign-In Sheet

Question Submittal:

• Submit to the Owner a written request for an interpretation or correction thereof not less than five (5) business days prior to the date bids are be opened. The person submitting the request will be responsible for its prompt delivery. All questions pertaining to the content of this invitation to Bid must be made in writing through the Purchasing website. Questions and responses will be posted on the Purchasing website and can be viewed by accessing the Invitation to Bid located at the Purchasing website.