Job Order Contracting
Responsive Solution...

... for Facility Owners’ Construction Needs On Renovation, Remodeling & Repair Projects
In the Beginning...

- Initial Concept Developed
  - Department of Army
    - Army Corps of Engineers
    - Mid 1980’s
    - Expediting of small to medium sized projects
    - Reduce overall procurement costs
    - Reduce time to completion
JOC – An Alternative Delivery Tool

- Excellent Quality
- Proven Process
- Fast & Responsive

Job Order Contracting (JOC) is: “A method of managing multiple details of renovation, rehabilitation, repair, and other construction projects on a predetermined set of pricing and standards.” By using JOC customers take advantage of a process that is fast and responsive to their needs while providing excellent quality in construction.
Need to Keep in Mind on JOC

- Not like existing forms of contracting
- Focused on long-term relationships
- Requires a level of commitment and faith to the process and team
- Builds quality results and performance over time.
- Establishes a unique relationship that is dependable and responsive
- Not all JOC contactors are the same.
Benefits to Facilities Managers/Owners

- Focus your limited people resources on mission critical and priority needs
- JOC is able to expand and change based on the needs and demands of your facilities and organization
- Getting more done – generating a positive impression & experience
- Saves time
- Improved quality of delivery and results
- No project surprises
More on Job Order Contracting

- Emphasizes partnering and teamwork
- Contractor’s goal is to provide the highest possible quality and service resulting in the maximum volume
- Focused on performance – delivery and quality execution of projects as part of an ongoing program
JOC – Pricing Approach

- Construction costs based on Unit Price Book – RS Means and coefficient using localized knowledge.
- Lump-sum fixed price for each delivery order.
- Owner negotiates the scope of work and price.
- Cost coefficient is established up front.
- JOC process drives competitive value.
- Supports local economy by utilizing local subcontractors.
  - Tool used to meet agency MBE/WBE goals
What is a Typical JOC?

- $50,000 to $500,000 range per project
- Complex and multi-trade.
- Require active project management and coordination.
- Targeted Design – appropriate level of drawings via Scope of Work.
- Restrictive Owner schedules, non-standard hours.
- Adaptive, flexible scopes of work to meet budget limitations.
- Infrastructure upgrade projects (Mechanical, Electrical, Communication/security systems, Abatement of lead and asbestos, and Temporary class rooms)
Once a JOC Program contract is signed; Client project demands/requests happen over the year(s). This starts the JOC Process:
- Scope
- Proposal
- Execution
Traditional Project vs JOC Project Preconstruction Timelines

**Standard Bid Timeline Using A/E**
- Start Design
- Design Complete 90 days
- Prep. Bid Documents 120 days
- Advertise 140 days
- Open Bids 160 days
- Evaluate Bids 163 days (2-3 days)
- Recommend Award 165 Days
- Notice to Proceed 185 days
- Board Approval 180 days

**Average Time to Start Project**
- 180 Calendar Days

**JOC Timeline Using A/E**
- JOC RFP 78 days
- 1st JOC Proposal 96 days
- Final JOC Proposal 110 Days
- Issue P.O. 116 days
- Targeted Design
- Design 90% complete 75 days
- Average Time to Start Project=115 Calendar Days

**Average Time to Start Project**
- 115 Calendar Days

**JOC Timeline Without A/E Design**
- JOC RFP 16 days
- 1st JOC Proposal 31 Days
- Final Proposal 31 Days
- Issue P.O. 35 days
- Incidental Design – CAD, Hand drawing
- Average Time to Start Project=38 Calendar Days

**Average Time to Start Project**
- 38 Calendar Days

**Average Time to Start Project**
- 185 Days

**Average Time to Start Project**
- 116 Days

**Average Time to Start Project**
- 38 Days
Benefits of JOC

- More cost effective than other individual project procurement methods.
  - The coefficient includes: Quality Control & Safety, Administration Fees and Profit, Project Management, Bond Costs, and other overhead related items.
  - Use of Unit Price Book results in an industry-standard approach.
  - One-time procurement of JOC contractor eliminates individual project procurement costs.
  - JOC use of unit prices eliminates change order philosophy.
Benefits of JOC

- Shortened project procurement timeline saves 10-20% over traditional install costs and reduces customer down time. **Example**

- Scope of Work designed around budget parameters.

- Value engineering during project scoping and throughout construction.
Procurement Cost Examples

Assume 10 projects per year averaging $250,000

**Traditional Procurement Method**
- Cost to prepare each solicitation package, review and award: $2000.00
  - $2000 x 10 = $20,000/yr
  - 10 x $2,000 x 5 = $100,000.00

**Via a Job Order Contract**
- Cost to prepare an RFP, review and award: $6000.00
  - $6000 x 1 = $6000
  - JOC Contract typically 4 – 5 years = 50 projects totaling $12,500,000 in value for a total procurement cost of $6000.00
Who is utilizing Job Order Contracting

- Federal Government
- Department of Defense
- Colleges and Universities
- Housing Authorities
- Municipalities
- Transit Authorities
- K-12 Districts
- Hospitals
Thank You!

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