

# JOB ORDER CONTRACTING / JOC –

A LEAN Best Management Practice for  
Efficient Construction Project Delivery



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- What is JOC?
- JOC terms
- JOC experience
- Types of JOC projects
- Benefits of JOC
- Steps in a typical JOC project and how projects are priced
- Keys to success

JOC collaborative, LEAN, *construction project delivery method* (also termed an Alternative Project Delivery Method or Integrated Project Delivery Method) using an Indefinite Delivery, Indefinite Quantity (IDIQ) contract for a specified period of time.

- JOC provides an "on-call" contractor at a transparent competitive rate structure.
- JOC targets renovation, repair, sustainability, maintenance, and "minor" new construction projects.
- JOCs have a specified term, generally up to five years.
- JOC prices are based on a coefficient tied to a Unit Price Book (UPB) (most UPBs are currently based upon a standardized cost book such as RS Means - Facilities Construction Cost Data, The Gordian Group's Construction Task Catalog (CTC), or The JOC Group's Construction Cost Data (CCD))



## **Job Order Contracting is a project delivery method in which...**

- The contract to be performed is specified in delivery orders issued during the contract.
- Finance services, maintenance services, operations services, preconstruction services, design services, and other related services may be included.
- The JOC contractor bids a coefficient or coefficients that include direct and indirect costs and overhead & profit.





## JOC is used in...

- Federal Government (DoD and non-DoD)
- Higher & Secondary Education
- State, County, and Local Government
- Private Sector
- Transportation (Airports, Mass Transit, Roadways and Bridges)



Where is JOC used?

- JOC - Acronym for Job Order Contracting (also called TOC -task order contracting and DOC-delivery order contracting)
- IDIQ - Indefinite Delivery/Indefinite Quantity
- UPB - Unit Price Book
- Open Book Pricing – Pricing associated with “hard bid” and typically involving obtaining subcontractor quotations. [Note: Use of Open Book Pricing in NOT JOC, except where non-prepriced items are required for a JOC task order.]
- UPBs: RS Means – Historically the standard unit price cost book used for JOC, The Gordian Group's Construction Task Catalog (CTC), and The JOC Group's Construction Cost Data (CCD); in addition to custom or individualized price lists/books.
- Coefficient - Multiplier applied to UPB
- Task Order, Delivery Order or Job Order - Individual construction projects performed under the umbrella procurement
- Non-prepriced item - A construction task item not within the UPB.



## JOC Contracts:

- Solicited through a variety of procurement processes
- Qualifications-based selection resulted in contracts with experienced JOC contractors
- Best value procurement process is documented to result in the most efficient contracts
- Provide for a broad range of construction services
- Contain provisions for adding non-prepriced items (NPP) to cover unforeseen requirements
- Contractors have proven ability to perform construction services on-demand
- Provide quality construction services at fair value



## JOC Contracts:

- Contractors are licensed, bonded & insured
- Performance and payment bonds are provided for job orders
- Liquidated damages may be available
- Progress payments may be available
- Payment Retention may be available
- Requires member involvement
- Incentive based contracts: Good performance by the contractor yields more work and poor performing contractors typically do not gain volume since the owner is not obligated to issue orders to poor performers.



## **JOC is intended for minor new construction, renovations, repairs and additions, including but not limited to the following...**

- Any project that is operating under pressure due to time constraints
- “Minor” construction projects (generally under \$1-2 Million)
- HVAC and Electrical
- Routine repairs
- Renovations of all types
- Upgrades to ADA standards
- Emergency repairs
- Site work and utilities
- Parks and playgrounds
- Upgrade landscaping
- Classroom additions
- Complete new buildings
- Replace flooring



## Top Five Reasons JOC is a Method of Choice for Many

- Reason #1: Immediate access to negotiated contract, defines expected level of service
- Reason #2: Reduces Lead Time/Defined Schedule
- Reason #3: Quality/Efficiencies Increase
- Reason #4: Extension of staff
- Reason #5: Cost/Budget advantages

JOC is not always the cheapest method, but often it is the most cost effective and efficient method.



## Immediate Access

- Pre-negotiated JOC contracts with qualified vendors, can be used immediately
- You may retain the same awarded contractor(s) for the awarded period (JOC contracts are typically 3-5 years in duration)
- BUT, must ensure scope and type of work was what was contracted for just like other procurement actions

## Schedule

- Allows for faster response to customer needs
- Reduces disruptions to on-going operations through flexible scheduling
- Eliminates the need for multiple project solicitations
- Provides quick response to changing market conditions



## Quality

- Proven general contractors ensure top quality performance
- Team environment encourages quality collaboration
- High quality work ensures repeat business and develops relationships



## Extension of staff

- Predictability of project results
- Costs, schedule, safety, and quality
- Dependability
- Collaborative approach
- Reduced risk
- Increases MBE/WBE and small business participation



## Cost Effective/Best Value

- Dramatically decreases up-front design, procurement and administrative costs
- Maximizes the dollars for in-place construction
- Provides an extension of the owner's staff
- Reduces backlog of maintenance, repair and renovations
- Provides a complete proposal before the P.O. is written
- Allows scope and budget alterations with defined costs
- Reduces or eliminates claims, litigation and change orders

Note: RS Means pricing may not be 100% accurate when comparing local pricing. For instance, a past pricing of sheet rock a Lowe's was \$9.98, while RS Means was \$10.56.



## The Typical JOC Process:

- Scoping Session
- Scoping Confirmation
- Estimate Preparation
- Plan the Job/Submit PO
- Construction Performed
- Updates
- Final Inspection
- Close Out
- Warranty Issues



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Steps in a JOC process

## Initial Request (Getting the Owner's Thoughts on Paper)

- Are all the interested parties represented?
- Who are the decision makers?
- Is the project funded?
- Is the project under \$ limit?
- Do you have any pre-determined expectations?
- Are there special wage considerations (i.e., federal funded projects)?
- Are you relying on existing plans, estimates or budgets?
- Are there any time or critical constraints?
- Are permits required?
- Are there MBE/WBE goals?



## Scoping Session

- Visit the jobsite and document conditions
- Establish project goals
- Determine if design services are required
- Define building systems and quality of materials
- Identify client's responsibilities
- Determine project schedule and major milestones
- Identify safety, security and hazardous material issues



## Scope Confirmation

- Confirm scope of work and quantities
- Review any qualifications and assumptions
- Revise the scope as necessary
- Perform value engineering
- Review the schedule
- Confirm start and completion dates
- Understand and mitigate impacts on existing operations and facilities
- Review safety concerns and requirements



# Estimate Preparation

- Select UPB – unit price book
- Contractor and Owner determine quantities of work.
- Contractor creates an estimate, based on scope and Owner prepares internal estimate (Internal Government Estimate (IDE))
- For UPB pricing, the line item estimate is totaled and a coefficient is applied.
- A city cost index is applied, if applicable.
- Applicable bond, permit & taxes.

Estimator: Ryan Brown							Final Estimate	
Item	Description	UM	Quantity	Unit Cost	Total	Book	Renovate Classroom 1	
<b>02 - Existing Conditions</b>								
1	02-41-19-19-0700	Selective demolition, rubbish handling, the following are to be added to the demolition prices. Dumpster, weekly rental, includes one dump per week, 10 C.Y. capacity, 3 tons	Week	1.0000	\$480.00	\$480.00	RSM15FAC M, B	P
2	02-41-19-19-2000	Selective demolition, rubbish handling, the following are to be added to the demolition prices. Load, haul, dump and return, 0' to 50' haul, hand carried	C.Y.	10.0000	\$25.00	\$250.00	RSM15FAC L, B	P
<b>02 - Existing Conditions Total</b>						<b>\$730.00</b>		
<b>09 - Finishes</b>								
3	09-05-05-20-0400	Selective demolition, flooring, carpet, bonded, including surface scraping 30*35 = 1,050.00	S.F.	1,050.0000	\$0.30	\$315.00	RSM15FAC L, B	P
4	09-05-05-20-0850	Selective demolition, flooring, vinyl or rubber cove base 30*30+35*35 = 130.00	L.F.	130.0000	\$0.30	\$39.00	RSM15FAC L, B	P
5	09-05-05-20-0860	Selective demolition, flooring, vinyl or rubber cove base, molded corner	Ea.	4.0000	\$0.30	\$1.20	RSM15FAC L, B	P
6	09-65-13-13-0700	Resilient base, 1/8" vinyl base, standard colors, straight or cove, 4" high 30*30+35*35 = 130.00	L.F.	130.0000	\$2.41	\$313.30	RSM15FAC M, L, B	P
7	09-65-13-13-0730	Resilient base, 1/8" vinyl base, standard colors, corners, 4" high	Ea.	4.0000	\$3.23	\$12.92	RSM15FAC M, L, B	P
8	09-68-16-10-0720	Sheet carpet, commercial grades, direct cement, nylon, level loop, 28 ounce, light to medium traffic 30*35 = 1,050.00 [1050 S.F. = 116.6667 S.Y. Conversion]	S.Y.	116.6667	\$36.57	\$4,266.50	RSM15FAC M, L, B	P
9	09-68-16-10-0720-5000	Sheet carpet, for less than full roll, approximately 1,500 S.F., add (Modified using S.Y. 09-68-16-10-5000) 30*35 = 1,050.00 [1050 S.F. = 116.6667 S.Y. Conversion]	S.Y.	116.6667	\$8.00	\$933.33	RSM15FAC M, L, B	P
10	09-68-16-10-0720-9850	Sheet carpet, for brand-named specific fiber, add (Modified using 09-68-16-10-9850) 30*35 = 1,050.00 [1050 S.F. = 116.6667 S.Y. Conversion]	S.Y.	116.6667	\$8.00	\$933.33	RSM15FAC M, L, B	P
<b>09 - Finishes Total</b>						<b>\$6,814.58</b>		
<b>Alternates</b>								
11	09-68-16-10-0720-5620	Sheet carpet, for borders and patterns, add to labor (Modified using 09-68-16-10-5620) 30*35 = 1,050.00	S.Y.	1,050.0000	\$0.82	\$861.00	CUSTOM L, B	P

## UPB with Coefficient

Example:

Quantity x RS Means unit price	\$100.00
Multiply by City Cost Index (.89)*	\$89.00
Multiply by Coefficient (1.05)	\$93.45
 Cost to Owner	 \$93.45

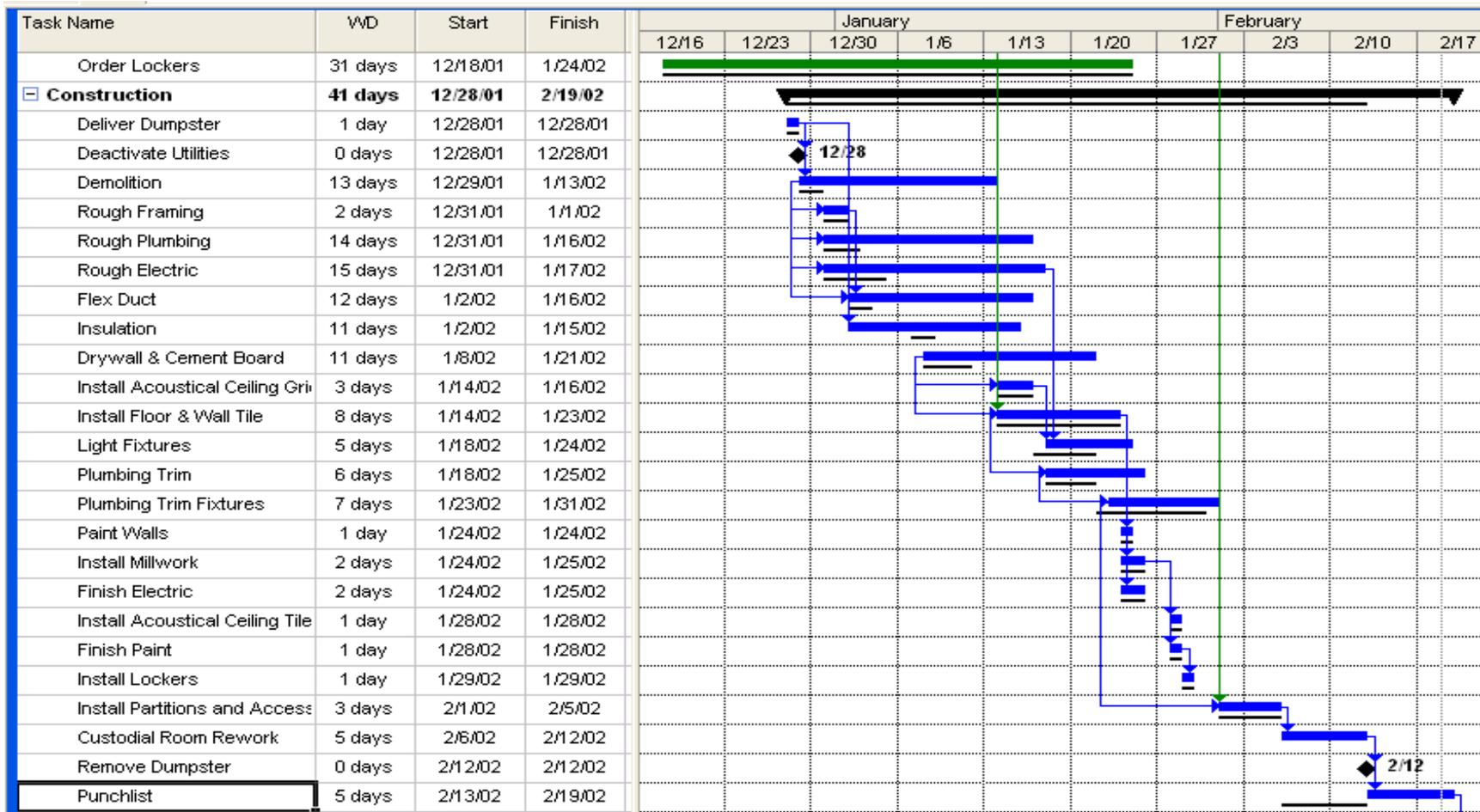
Note: City cost index varies by location of the work.  
Not all contracts use a city cost index.



## Construction

- Contractor reviews the work plan again
- Contractor properly segregates the construction zone
- Contractor performs the work in a continuous and timely fashion





Sample JOC Schedule

## Updates

Contractor holds regular progress meetings on:

- Safety
- Schedule
- Construction issues
- Submittals
- RFI's



## Final Inspections

Contractor will:

- Walk the project at completion
- Provide closeout documentation
- Train the facility managers
- Manage the warranty process



## Close Out

- Feedback
- Have a post completion meeting with the users
- Deliver close out documents, as-builts, warranties, etc.
- Customer surveys
- Follow up visits



Steps in a JOC process



Good JOC contracts & JOC contractors virtually eliminate vendor caused "Change Orders"

# Benefits of JOC

## Remember:

- Ensure the project is funded or that funding is readily available
  - Owner's representative must understand JOC
  - Not simply another price quote for the work
  - Not a free estimating service
  - Owner still has a lot involvement in the job
  - Allow adequate time for the process
  - Contractor invests a lot of front end effort
  - Owner can expect excellent execution of the work
  - Ensure that all owner & contractor stakeholders have had sufficient input into the job
  - Ensure owner & contractor consensus on scope, schedule and cost
  - Owner & contractor must each holdup its end of the bargain
  - Successful JOC is a non-adversarial relationship
  - JOC eliminated most change orders
- LEAN Best Management Practices



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