

County of Fresno – Internal Services Department

Job Order Contracting Mandatory Pre-Bid Conference

FOR

SOLICITATION OF BID **912-5020**
JOB ORDER CONTRACT

JANUARY 6TH 2012



Agenda

- Part I: The Job Order Contracting (JOC) Program
 - ✦ Introduction
 - ✦ Explanation of the JOC Concept
 - ✦ Fresno County JOC Program
- Part II: Analyzing the Bid Process
 - ✦ Construction Task Catalog® (CTC)
 - ✦ Analyzing the CTC
 - ✦ Adjustment Factor Considerations
 - ✦ Expected Events and Rewards
 - ✦ Bidding Information



**THE
GORDIAN
GROUP®**

Part I: Job Order Contracting

Introduction

- Fresno County Has Advertised **Two (2)** General Construction JOC Contracts under solicitation **912-5020**
- Work Will Be Issued Under the Job Order Contract, in the form of “Job Orders”
- Work Will Be Administered Through Fresno County
 - ✦ Mike Bartosch– Facility Services Manager – Internal Services Dept.

Overview of Work

Project Types Include but not Limited to:

- ✦ Tenant Remodels
- ✦ ADA Upgrades
- ✦ Detention Facility Improvements
- ✦ HVAC Replacement and Upgrades
- ✦ Exterior Repair and Paint
- ✦ Roof Replacement or Repair
- ✦ Asphalt Repair

Project Areas:

- ✦ Countywide

Projected Size Of Projects:

- ✦ Average Project ~\$50k

JOC Background

- JOC was invented by Harry Mellon
- 1st JOC awarded at NATO Military Headquarters in 1982
- 1st Federal JOC awarded in 1985 by US Army Corps of Engineers
 - ✦ Army Corps of Engineers initially responsible for providing JOC pricing documents to all Federal Agencies
 - ✦ Army Corps of Engineers stopped providing JOC pricing documents in 1994
- Over \$1.5 Billion of Construction Volume Performed through JOC Annually

Job Order Contracting Definition

Job Order Contracting is:

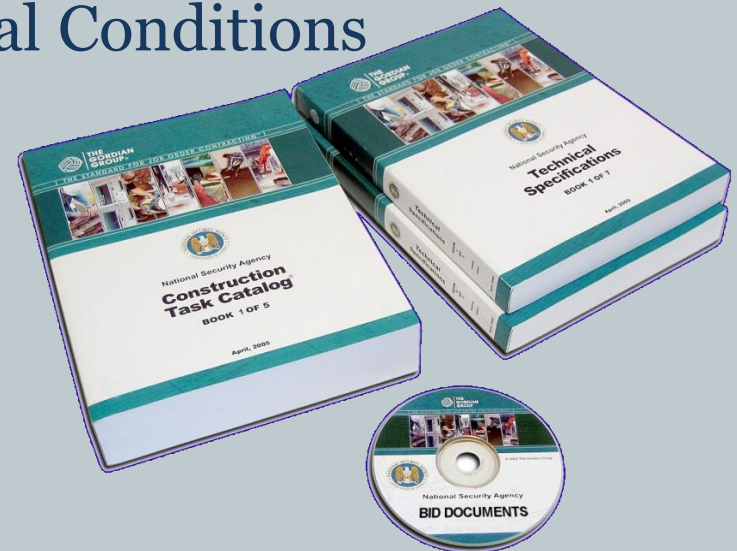
- **Firm, fixed price:** all tasks are listed in a CTC® (Construction Task Catalog) with descriptions, unit of measure, and a price to install or demolish the task
- **Competitively bid:** all bidders submit a set of adjustment factors to the fixed prices in the CTC®.
- **Indefinite quantity:** the contract is for fixed term and has a guaranteed minimum dollar value and an estimated maximum dollar value. No projects are identified at the time of bidding
- **Contract:** The Agreement between owner and contractor inclusive of all contract documents, CTC®, and Technical Specifications.



Contract Documents

A Job Order Contract Consists of three Main Documents:

- Construction Task Catalog
- Technical Specifications for Each Task (2004 Master Format)
- General Conditions and JOC Special Conditions



Construction Task Catalog®

- A Catalog of over 250,000 Prepriced Construction Tasks
- A Price Established for Each Task
- Price Only Includes Prevailing Labor Rates, Local Material & Equipment Prices for Fresno County
- The Tasks Represent the “Scope of Work” for the Contract

08000 - Doors And Windows

MINOR CSI UOM DESCRIPTION	TOTAL DIRECT UNIT COST	DEMOLITION UNIT COST
08000 Doors And Windows		
08700 Hardware And Specialties		
Note: Demolition Of Doors And Windows Include All Associated Hardware And Devices. For Individual Hardware Removal/Replacement Use The Appropriate Demolition Line Items. Includes Preparing Door For Hardware.		
08710 Finish Hardware		
Note: All Hardware Is Grade 1 Complying With BHMA Hardware Quality: Standard: Light gauge metal, chrome or brass plated with little or no pattern. High: Brass, chrome over brass, or nickel over brass with minimal detail, or plated with ornate detail. Deluxe: Brass, chrome over brass, or nickel over brass with moderate detail. Custom: Brass, chrome over brass, or nickel over brass with ornate detail.		
08710 2500 Door Closers		
08710 2505 EA Surface Mounted Heavy Duty Door Closer Modern Type Parallel Arm	143.02	8.69
08710 2019 For Oxidized Bronze, Oil Rubbed, Add	29.00	
08710 2039 For Stainless Steel, Add	53.31	
08710 2041 For Delayed Action, Add	22.25	
08710 2042 For AVB (5# Per Push), Add	28.00	
08710 2043 For Extra Heavy Duty Parallel Bracket, Add	20.00	
08710 2044 For Fusible Link Arm, Add	8.75	
08710 2045 For Shock Absorbing Arm, Add	20.00	
08710 2058 For Satin Brass Plated Clear Coated Finish Deduct	-11.63	
08710 2068 For Chrome Plated Finish Add	14.54	

CSi Masterformat

Full description of task

Price includes labor, material and equipment for your location

Demolition Price

Picture of item listed

08710 2505 EA Surface Mounted Heavy Duty Door Closer Modern Type Parallel Arm

Modifiers for variations or quantity discounts

Technical Specifications

- Coordinated Construction Task Catalog and Technical Specifications Gives Bidders Confidence in the Pricing Structure of the JOC Process

CRITICAL POINT!

- To realize optimum savings and control, it is essential that each construction task be tied to a concise technical specification!!!

			08000 - Doors And Windows	
MINOR	CSI	UOM DESCRIPTION	TOTAL DIRECT UNIT COST	DEMOLITION UNIT COST
08000 Doors And Windows				
08700 Hardware And Specialties				
Note: Demolition Of Doors And Windows Include All Associated Hardware And Devices. For Individual Hardware Removal/Replacement Use The Appropriate Demolition Line Items. Includes Preparing Door For Hardware.				
08710 Finish Hardware				
Note: All Hardware Is Grade 1 Complying With BHMA. Hardware Quality: Standard: Light gauge metal, chrome or brass plated with little or no pattern. High: Brass, chrome over brass, or nickel over brass with minimal detail, or plated with ornate detail. Deluxe: Brass, chrome over brass, or nickel over brass with moderate detail. Custom: Brass, chrome over brass, or nickel over brass with ornate detail.				
08710	2500	Door Closers		
08710	2505	EA Surface Mounted Heavy Duty Door Closer Modern Type Parallel Arm.....	143.02	8.89
08710	2019	For Ovoidized Bronze, Oil Rubbed, Add	29.08	
08710	2039	For Stainless Steel, Add	53.31	
08710	2041	For Delayed Action, Add	28.25	
08710	2042	For AYB (\$# Per Push), Add	28.00	
08710	2043	For Extra Heavy Duty Parallel Bracket, Add	26.00	
08710	2044	For Fusible Link Arm, Add	6.75	
08710	2045	For Shock Absorbing Arm, Add	20.00	
08710	2058	For Satin Brass Plated Clear Coated Finish Deduct	-11.63	
08710	2068	For Chrome Plated Finish Add	14.54	

Construction Task Catalog and Technical Specifications have coordinated numbering system for easy reference.

SECTION 08710 - FINISH HARDWARE

1.1 DESCRIPTION OF WORK

- A. This specification covers the furnishing and installation of material for door hardware.

1.2 GENERAL

- A. Submittals
1. Product Data: Include installation details, material descriptions, dimensions of individual components and profiles, and finishes.

1.3 PRODUCTS

- A. Scheduled Door Hardware: Provide door hardware for each door to comply with requirements in this Section.

B. Closers, General

1. Standards: Comply with the following:
a. Closers: BHMA A156.4.
a. Surface Closers: BHMA
a. Grade 1, unless Grade 2 is indicated.

C. Closers

1. Modern-Type-with-Cover Surface Closers: Rack-and-pinion hydraulic type; with adjustable sweep and latch speeds controlled by key-operated valves; with forged-steel main arm; enclosed in cover indicated; complying with the following:
a. Mounting:
1) Hinge side.
2) Opposite hinge side.
3) Parallel arm.
4) Bracket.
b. Type: Regular arm.
c. Backcheck: Effective between 60 and 85 degrees of door opening.
1) Factory-preset.
d. Cover Material: Aluminum.
e. Closing Power Adjustment: At least 50 percent, unless directed otherwise to be 35 percent, OR 15 percent, more than minimum tested value.

Contract Terms, Conditions & Bid Documents

- Project Manual

- ✦ Bidding Requirements

- + Notice to Bidders
- + Instruction to Bidders
- + Bid Form

- ✦ Contract Requirements

- + Agreement
- + Bonds/Insurance
- + General Conditions
- + Supplementary Conditions

- ✦ General Requirements

- + Quality Control
- + Close-out Procedures

JOC Specific Clauses

- ✓ Overview of Contract
- ✓ Procedure for Ordering Work
- ✓ Proposal Preparation
- ✓ Updating Adjustment Factors

Modified Standard Clauses

- ✓ Scope of Work
- ✓ Extra Work
- ✓ Time Extensions
- ✓ Liquidated Damages
- ✓ Substantial Completion
- ✓ Payment
- ✓ Close Out

Pre-Bid Guidance to Bidders

- This Solicitation is for **Two (2) General Contractors**
 - ✦ Work is to be Performed in Fresno County
 - ✦ Each Bidder may be Awarded only One (1) of the Contracts
- Prior to bidding Fresno County cannot:
 - ✦ Identify or commit to any specific project or location
 - ✦ Identify or commit to any specific quantities or tasks in the catalog of construction tasks
- Job Order Contracts have a One (1) Year Fixed Term
- County established a guaranteed minimum dollar value
 - ✦ \$25,000
- County established a potential maximum contract value
 - ✦ \$2,000,000 (Option up to Max Allowable by PCC 20128.5)



Bid Requirements

- Award Based Upon Competitive Bid
- Must Bid Four Adjustment Factors -
 - ✦ Normal Working Hours; 7:00 AM to 5:00 PM Monday-Friday (Non-Federally Funded)
 - ✦ Other than Normal Working Hours; after Hours Monday-Friday; All Day Saturday, Sunday and County Holidays (Non-Federally Funded)
 - ✦ Normal Working Hours; 7:00 AM to 5:00 PM Monday-Friday (Federally Funded)
 - ✦ Other than Normal Working Hours; after Hours Monday-Friday; All Day Saturday, Sunday and County Holidays (Federally Funded)
- Same Adjustment Factors Apply to All Tasks in the CTC
 - ✦ Adjustment Factors Must Include All Indirect Costs and Profit
 - ✦ Adjustment Factors Fixed for the Duration of Contract Term
- Lowest Combined Adjustment Factor From **(Separate)** Responsive, Responsible Bidders, Wins

JOC Execution Procedures

- Joint Scope Meeting
 - ✦ Owner & contractor jointly develop Detailed Scope of Work
 - ✦ Owner determines final scope and level of documentation required
 - ✦ A/E & subcontractors may also be part of scoping team
- Proposal
 - ✦ Contractor prepares Price Proposal
 - ✦ Cost of each project = unit prices x quantities x adjustment factor
 - ✦ Price is fixed, always based on unit prices, never negotiated
 - ✦ Contractor also develops schedule, list of subcontractors, subcontractor compliance, submittals
- Review
 - ✦ Contractor's price proposal & other information is reviewed & approved
- Lump Sum Job Order
 - ✦ Issued by owner
 - ✦ Risk of performance remains with Contractor
 - ✦ No adjustment of quantities after Job Order issued



JOC - Why It Works

- The Job Order Contract is a series of individual projects or job orders
 - ✦ Contractor is guaranteed only a minimum amount of work
 - ✦ If minimum value is met, no further work has to be given to a failing contractor
- Contractor has a continuing financial incentive to provide:
 - ✦ Responsive services
 - ✦ Quality work
 - ✦ Lower cost
- Future job orders tied to contractor performance
 - ✦ No obligation to give a specific project to JOC contractor
 - ✦ Key point - profit for prime JOC is a function of volume
- JOC is truly a performance based contract
- JOC is not exclusive, and projects can be bid out by the County.
JOC does not replace traditional methods of accomplishing work



Fresno County JOC Program

- CTC Based on Fresno County Prevailing Wages
 - ✦ Contractors Must Pay Prevailing Wages
- Provide Bonds in the Following Amounts:
 - ✦ Bid Bond - \$25,000
 - ✦ Payment Bond- \$2 Million
 - ✦ Performance Bond - \$2 Million
- Insurance Held On Overall Contract
 - ✦ In Accordance with Article 2.17 of General Conditions
 - ✦ **Contractor Shall Maintain Builder's Risk Insurance**
- Differing Site Conditions
 - ✦ Treated As Additional Job Order
- No Right of Refusal to Perform Work
 - ✦ Element of Default



Fresno County JOC Program

- Retention
 - ✦ Normally Released After Final Acceptance of All Work and All Other Required Documentation for Each Job Order Has Been Received.
- Liquidated Damages
 - ✦ Determined on Each Job Order
 - ✦ Defined on the Request for Proposal
- Payment
 - ✦ One Payment for Projects Completed Within 45 Days
 - ✦ Partial Payment for Other Projects



Fresno County JOC Program

- Federally Funded Projects



- ✦ Applicable FAR and other Governing Regulations shall be adhered to
- ✦ The County Has Established a DBE Goal of 14.9% to be Applied to Each Federally Funded Job Order
- ✦ Subcontractors Reviewed On A Job Order Basis
- ✦ Community Development Block Grant (CDBG) Funds May be Used and Are Subject to the Requirements of Section 3 of the Housing and Urban Development Act of 1968



**THE
GORDIAN
GROUP®**

Part II: Analyzing the Bid Process



The Construction Task Catalog®

- Brief Overview of the Construction Task Catalog®
- Analyzing the Construction Task Catalog®



CTC Structure

- CTC Is Divided Into the New Master Format™ 2004 Sections 1 through 49 in Accordance With the Construction Specifications Institute (CSI)
- Two Unit Costs
 - ✦ One for Installed Costs
 - ✦ One for Demolition Costs (if Applicable)
- Some Unit Costs Have Modifiers Which Qualify the Task and Alter the Unit Price
 - ✦ Quantity Adjustments
 - ✦ Position of Work-confined or Restricted Working Space
 - ✦ Associated Items
 - ✦ Owner Supplied Material - Carpet

What Is or Is Not Allowed ?

- The CTC states the “rules” for proposal development in “Using the Construction Task Catalog”
 - ✦ What is Included in Unit Prices
 - ✦ What is Included in Contractor's Adjustment Factors
 - ✦ General Interpretations
- Give Owner and Contractor a clear understanding on how to procure construction work from the CTC
- Notes throughout book detail what is included in given task
- Modifiers are used to account for changes to tasks
 - ✦ Large or Small quantities, Roof Warranties, etc.
- Reducing unknowns for Contractor results in lower prices for Owner



Using The Construction Task Catalog®

CTC Information:

- ☑ This catalog was created specifically for Washington Metropolitan Area Transit Authority, and published in October 2010 by The Gordian Group Inc.

- ☑ Material costs include manufacturer's and/or fabricator's shop drawings.
- ☑ Material costs for roofing, drywall, VCT, carpet, wall covering, ceiling tile, pipe, conduit, concrete, etc. include an allowance for waste. This list is not intended to be all inclusive, but descriptive of the types of construction materials that are typically sold in standard lengths, sizes and weights.

The Unit Prices Include:

LABOR COSTS:

- ☑ Labor costs include direct labor through the working foreperson level at straight-time prevailing wage rates including fringe benefits and an allowance for Social Security and Medicare taxes, worker's compensation, unemployment insurance and employee benefits.
- ☑ Labor costs are based on workers familiar with and skilled in the performance of the task following OSHA requirements.
- ☑ Labor costs include time lost for normal work breaks, layout, measuring and cutting to fit, clean-up of regular construction debris, inspection, permit compliance, job meetings and start-up.

EQUIPMENT COSTS:

- ☑ Equipment costs include all equipment required to accomplish the task including rigging and mobilization, except large equipment (e.g. cranes, pile drivers, bulldozers, excavators, backhoes, bobcats etc.) which exclude mobilization.
- ☑ Equipment costs include all operating expenses such as fuel, electricity, lubricants, etc.

MATERIAL COSTS:

- ☑ Material costs include the cost of the material being installed and all incidentals and accessories integral to the installation.

Complete and In-Place Construction:

- ☑ Unit prices are for complete and in-place construction and include all labor, equipment and material required to complete the task as described in the CTC.
- ☑ Unit Prices include delivery, unloading and storing materials, tools and equipment on site; moving, materials, tools and equipment from storage area or truck up to 2 1/4 stories (2 stories with an attic) and within 125' to reach the site.
- ☑ Unit prices exclude moving material and equipment greater than 2 1/4 stories and handling material and equipment more than 125' (See 01660).
- ☑ Unit prices for imported materials (aggregate, sand, soil, etc.) include delivery up to 15 miles from the closest approved source.
- ☑ Unit prices include all fasteners such as anchor bolts, lag bolts, screws, adhesive, wedge anchors, expansion bolts, roofing clips (excluding hurricane clips) that are required. Fasteners listed separately in the CTC are for use with Owner furnished material and equipment or relocating or reinstalling existing material and equipment.
- ☑ Unit prices exclude more substantial mounting material such as threaded rod or angle iron unless the task description states otherwise.
- ☑ Unit prices for doors and windows, duct work, plumbing fixtures, seamless floors, countertops, flashing, pitch pockets, skylights, curbs, roofing, etc. include sealant and caulking.
- ☑ Unit prices include testing, calibration, balancing and the like required to ensure proper installation.

October 2010

Washington Metropolitan Area Transit Authority

copyright © 2010 The Gordian Group, Inc.

Page 00 - 1

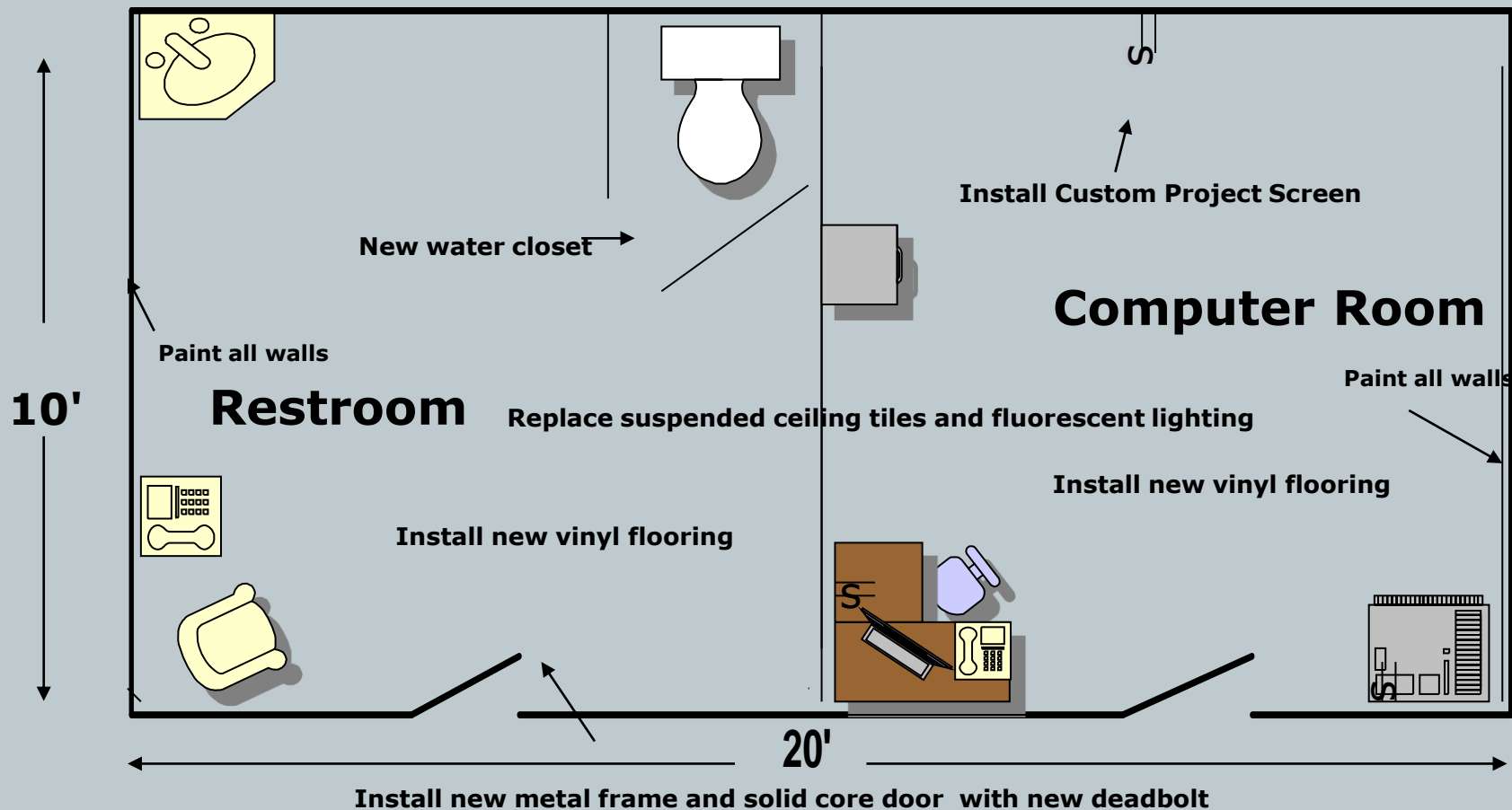


Analyzing the CTC

- Preferred Method
 - ✦ Develop a Representative Project
 - ✦ Get Sub Quotes
 - ✦ Add Overhead and Profit
 - ✦ Compare With Price From the CTC
- Other Methods
 - ✦ Evaluate a Sampling of the Anticipated Items
 - ✦ Get Subs to Evaluate Their Section of the CTC
- Do Not Rely Upon Evaluations of Other CTC's
 - ✦ This Is a New Contract and a New Construction Task Catalog®



Preferred Method – Scope of Work





Preferred Method – Scope of Work

- Prime/Paint All Interior Walls & Doors
- Provide & Install New Water Closet
- Remove & Replace Vinyl Flooring With New 4" Cove Base (Floor Tile Does Not Contain Asbestos)
- Provide & Install Electrical As Per Plan
- Remove/Replace Suspended Ceiling Tiles
- New Lay-in Fluorescent Light Fixtures-4 Tube
- Remove/Replace Solid Core Door w/Metal Frame in Restroom w/New Deadbolt & Door Closure
- Provide & Install Loniflex Automatic Roll-up Projection Screen & Projector



Calculating the Adjustment Factor

- Cost From the CTC=\$13,614.67
- Actual Direct Costs (Sub or In-house)
 - ✦ General Conditions = \$ 387.89
 - ✦ Doors/hardware = \$ 900.98
 - ✦ Finishes = \$3,234.62
 - ✦ Mechanical = \$1,012.13
 - ✦ Electrical = \$5,132.78
 - ✦ Projector = \$3,562.30
 - \$14,230.70**
- CTC Value = $\$13,614.67 / 14,230.70 = 0.9567$
- This Means the CTC Provides Only 95.67% of YOUR DIRECT COSTS



Calculating the Adjustment Factor

- Overhead Costs - 6% to 12%
 - ✦ Scoping
 - ✦ Proposal Development
 - ✦ Site Supervision and Management
 - ✦ Bonds
 - ✦ Insurance
 - ✦ Vehicles
 - ✦ Home Office Support



Calculating the Adjustment Factor

- Cost
 - ✦ Direct Cost = \$ 14,230.70
 - ✦ CM Costs @ 12% = \$ 1,707.68
- Profit
 - ✦ @ 6% (of Direct Cost) = \$ 853.84
- Total Value \$ 16,792.22
- CTC Cost \$13,614.67
- Total Value Divided by CTC Cost
 - ✦ $(16,792.22 / 13,614.67 = 1.2333)$
- Adjustment Factor = 1.2333
 - ✦ **For This Project Only**

Evaluating the Adjustment Factor

Line 1.	Normal Working Hours (Non-Federal Funds)	1. 1.2333
Line 2.	Multiply Line 1 by 65%	2. 0.7995
Line 3.	Other than Normal Working Hours (Non-Federal Funds)	3. 1.3500
Line 4.	Multiply Line 3 by 20%	4. 0.2700
Line 5.	Normal Working Hours (Federal Funds)	5. 1.3000
Line 6.	Multiply Line 5 by 10%	6. 0.1300
Line 7.	Other than Normal Working Hours (Federal Funds)	7. 1.4200
Line 8.	Multiply Line 7 by 5%	8. 0.0710
Line 9.	Add Lines 2, 4, 6, and 8 (This is the Award Criteria Figure)	ACF = 1.2705



Adjustment Factor Considerations

- Contractor Performance Directly Related to Volume of Work:
 - ✦ Quality, Timely Completion
 - ✦ Responsive, Defendable Proposals
 - ✦ Demonstrated Performance
- Capacity of Subcontractors
- Pay Higher Prices for Workmanship
 - ✦ Better Quality
 - ✦ Timely Completion
- Cost to 'Bail Out' And/or Finance Subs
- JOC Is a Performance Based Contract
 - ✦ Maximize Maximum Value of the Contract by Performing at a High Level



Adjustment Factor Considerations

- Price Escalations During Contract Term
- Evaluating the CTC
 - ✦ Is the Book Balanced - Minimize the Risk of Losers
 - ✦ Accuracy of Evaluation?
- A Low Adjustment Factor Leads To
 - ✦ Adversarial Relationship
 - ✦ Reduced Volume
 - ✦ No Option Period
 - ✦ Lost Profitability
- There Are NO Change Orders to Improve the Margin
- Prepare Defendable and Complete Proposals
 - ✦ Price Proposal, Schedule, Drawings/sketches, Complete Submittal Packages and Subcontractor Listing



Adjustment Factor Considerations

- Staff to Match Volume
 - ✦ Must Be Responsive to Fresno County
 - ✦ Professionally Competent
 - ✦ Management Skills
 - ✦ Problem Solvers With People Skills
 - ✦ Team Members
- Staff for Procedures
 - ✦ Scoping
 - ✦ Proposal Development and Review
 - ✦ Construction
- Be Knowledgeable in Computer Operations
 - ✦ Electronic Transfer of Data and Drawings
- Must Be Able to Develop a Non-adversarial Partnership



Possible Events

- Preparation of Proposals for Some Projects That Will Be Canceled
- Variable Profit Margins on CTC Items and Projects
- Long Lead Time Before Receiving a Positive Cash Flow
- Interruptions in Work Flow
- Delays in Job Order Issuance due to Budget Procedures

The Rewards

- JOC Can Be Profitable
 - ✦ Correlated to Contractor's Performance
- Continuing Relationship
 - ✦ Partnership
 - ✦ Don't Have to Chase Work
- Professionally Rewarding
 - ✦ Partner in Project Development
 - ✦ Opportunity to Apply Construction Expertise





How to Obtain Bid Package

- The Bid Packet May **be Downloaded At:**
 - ✦ <http://www2.co.fresno.ca.us/0440/Bidshome2.asp>
- Must Be 'B' Licensed Contractor
- The Bid Package Contains:
 - ✦ RFQ Document
 - ✦ CTC and Technical Specifications on CD Rom



Questions

Bid Closing

January 24, 2012
2:00 PM

County of Fresno Purchasing
2nd Floor
4525 East Hamilton Avenue
Fresno, CA 93702-4599



**THE
GORDIAN
GROUP**

Questions & Answers

**The Gordian Group
Paul Burns
(805)423-4062
p.burns@thegordiangroup.com**

