



County of San Mateo Department of Public Works Job Order Contracting

Mandatory Pre-bid Conference

General Construction – JOC 1701-1704

Mechanical Works – JOC 1705-1707

November 18, 2016



Pre-Bid Meeting Agenda



JOC Overview

JOC Contract Documents

JOC Process

Solicitation Details

Benefits

Understanding the Construction Task Catalog® (CTC)

Calculating the Bid

Bid Considerations & Review

Contractor Adjustment Factors

Risk of Low Adjustment Factors

Questions



JOC Overview



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
- A Fundamentally Different Construction Procurement Relationship
 - Performance-Based Contract
 - Contractor is only guaranteed a minimum amount of work
 - Non-adversarial relationship between Owner & Contractor
 - Contractor has a continuing financial incentive to provide Responsive services and Quality work
- JOC does not replace traditional methods for construction procurement it is another tool the County can use to procure work



JOC is an Umbrella Contract



Part 1 Bidding the Umbrella Job Order Contracting Contract

Owner Advertizes Job Order Contracting Contract





Owner
Awards
Umbrella
Job Order
Contracting
Contract

Part 2 Procuring Individual Projects From Owner

- Owner Project A
- Owner Project B
- Owner Project C

- Subcontracting Opportunities
- Subcontracting Opportunities
- Subcontracting Opportunities





Project Manual
Construction Task Catalog®
Technical Specifications







Project Manual

Bidding Requirements

- Notice to Contractors
- Instruction to Bidders
- Bid Documents

Contract Requirements

- Agreement
- Bonds/Insurance
- General Conditions

Ordinances

- Equal Benefits
- Jury Service
- Recycling
- Ftc.

COUNTY OF SAN MATEO

STATE OF CALIFORNIA

PROJECT MANUAL

and

CONTRACT DOCUMENTS

for

JOB ORDER CONTRACT FOR GENERAL CONSTRUCTION

> Project No. JOC-1701 Project No. JOC-1702 Project No. JOC-1703 Project No. JOC-1704

APPROVED: October 2016

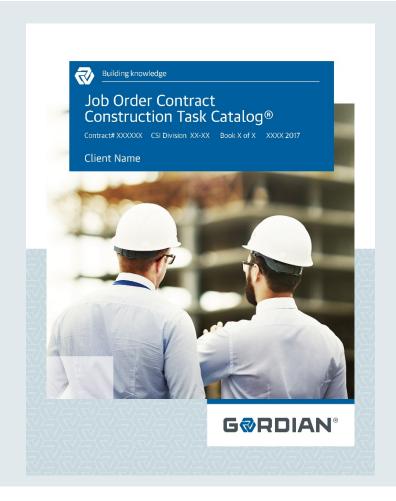
Department of Public Works
County of San Mateo
555 County Center, 5TH Floor
Redwood City, California 94063-1665





Construction Task Catalog® (CTC)

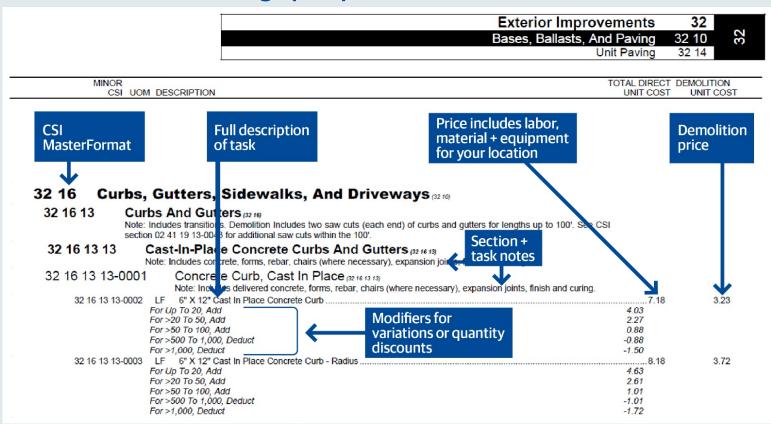
- Catalog of Pre-Priced Construction Tasks
- Organized by Construction Specifications Institute (CSI)
- Based on Local Labor, Material & Equipment Costs
- The tasks represent the "Scope of Work" for the contract







Construction Task Catalog® (CTC)







Technical Specifications

- Specifies Quality of Materials and Workmanship
- Corresponds with Tasks in the Construction Task Catalog[®]



Bid Requirements



Award Based Upon Competitive Bid

- Must Bid Six Adjustment Factors -
 - Normal Working Hours; Shift Work 6:00 AM to 6:00 PM Monday-Friday;
 - Other than Normal Working Hours; after Hours Monday-Friday; All Day Saturday, Sunday and Holidays
 - Normal Working Hours Detention Facilities
 - Other than Normal Hours Detention Facilities
 - Normal Working Hours OSHPD Facilities
 - Other than Normal Hours OSHPD Facilities
- 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 Adjustment Factor From a Responsive, Responsible Bidder Wins!

- 1 WORK PERFORMED DURING NORMAL WORKING HOURS
- 2 WORK PERFORMED DURING OTHER THAN NORMAL WORKING HOURS
- 3 DETENTION FACILITIES NORMAL WORKING HOURS
- 4 DETENTION FACILITIES OTHER THAN NORMAL
 WORKING HOURS
- 5 OSHPD FACILITIES NORMAL WORKING HOURS
- OSHPD FACILITIES –
 OTHER THAN NORMAL
 WORKING HOURS

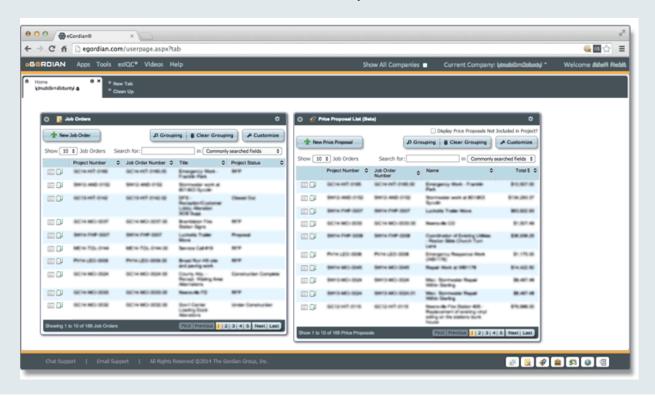


Solicitation Details



Internet Based Software Provided with Contract

eGordian Software Automates the Proposal Process





Contractor license fee



Access to eGordian®, Construction Task Catalog®, other proprietary materials

- Paperless
- Efficient
- Tasks and prices input directly... no fishing through old files and estimating books for costs

JOC process training

eGordian® software training

Follow-up process and/or software training as necessary

24-hour support software support.

Included in the Contractor's Adjustment Factor

- Consider with the Bid as an Overhead cost
- 1% of Job Order Price after NTP issued



JOC Process - How is Work Done?





Joint Scope Meeting (JSM) With County, Contractor, and Others to define the Detailed Scope of Work

County PM 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 (Notice to Proceed)

Total Time Goal: Average 3-5 weeks



Solicitation Details



Prior to Bidding County of San Mateo Cannot:

- Identify or Commit to any Specific Project or Location
- Identify or Commit to any Specific CTC Tasks or Quantities

Contract	Contract Type	Minimum Contract Value	Maximum Contract Value	Maximum Value may be increased to	Contract Term	Payment & Performance Bonding (Each)
1701-1704	General Construction	N/A	\$1,000,000	\$4,500,000	1 Year	\$1,000,000
1705-1707	Mechanical Works	N/A	\$1,000,000	\$4,500,000	1 Year	\$1,000,000



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

- On a Job Order by Job Order basis
- Defined on the request for proposal

Bid Security: \$25,000

CTC Based on the County of San Mateo Prevailing Wages

Contractors Must Pay Prevailing Wages

DIR Registration

 Bidders must be registered with DIR (Department of Industrial Relations) to bid public works projects



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



County Benefits



Why JOC Works for the County of San Mateo

- A Fixed Priced, Fast Track Procurement Process
- Job Orders are Lump Sum
- The Ability to Accomplish a Substantial Number of Individual Projects with a Single Competitively Bid Contract
- On-Call Contractors Ready to Perform a Series of Projects at Different Locations for Competitively Bid Prices
- Contractor Has A Continuing Financial Incentive To Provide
 - Responsive Services
 - Accurate Proposals
 - Quality Work on Time
 - Timely Close Out
- Future Job Orders Tied to Contractor Performance
 - No Obligation To Award Specific Projects
 - The County can Use All Other Methods For Accomplishing Projects



Understanding the Construction Task Catalog®



Using the Construction Task Catalog

Rules of the game

- The Unit Prices Include
- The Adjustment Factors Include: Overhead, Profit, Sub Costs, Taxes, Fringe Benefits, Financing, Business Risk, 1% CLF
- Construction Related Costs: Permit Services, Submittal Preparation, Incidental A&E, Vehicles, Temporary Utilities, Excess Waste, Daily & Final Clean-up, Etc.
- General Interpretations



About the CTC-

E This Construction Task Catalog® (CTC) was developed and oustomized by The Gordan Group, Inc. specifically for

priced locally using current labor, material and equipment costs, and III Mobilization is included for all equipment except published in July 2016.

The Gordian Group, Inc. licenses the use of this CTC and other proprietary information and software for the sole purpose of providing Job Order Contracting services to

Use of this CTC and other proprietary information and software for any other purpose, or for any other entity, is expressly prohibited without the express written consent of The Gordian Group, Inc.

MacterCormat 15

The tasks in this Construction Task Catalog are organized using CSTs MasterFormat.



Matterformeth is produced point to CNI and Construction Specifications Senate (SMS), 115 copyrights near by SNI and Consider copyright by CNI. At Rights Reserved. For Senate

One Heris Onice on Institute

LABOR COSTS:

- E 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, Medicare taxes, worker's compensation, unemployment insurance, and anniverse hearafits.
- Labor costs include unloading equipment, materials, and tools, and transporting the same up or down 2 1/2 stories and 125° to reach the project site, layout, measuring and outing to fit, performing the task;

County of Santa Clara Roads and Airports Department, RAD-2016-01

Using The Construction Task Catalog®

disposal of excess material; and time for lunch and breaks.

EQUIPMENT COSTS:

- Equipment costs include all equipment required to accomplish the task.
- Mobilization is included for all equipment except large equipment (e.g. cranes, buildozers, essavators, 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, delivery, and all incidentals and accessories integral to the installation.
- 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 solid in standard lengths, sizes and weights.
- Material costs for imported materials (e.g. aggregate, sand, soil, etc.) include delivery up to 15 miles from the closest approved source.

The Adjustment Factors Include:

The Adjustment Factors include the following costs, unless specifically excluded by the terms of the Contract Documents:

BUSINESS COSTS:

Office overhead, including, but not limited to, office space, office equipment, office and management personnel, office supplies, and employee transportation.

married & 2014 The Gentley Group, Inc.

Page 00 - 1



18

Understanding the Construction Task Catalog®



Include All Appropriate Tasks:

T T			T			
32 16 23 00-0002	4" Cast In Place Concrete Sidewalk	SF	\$5.06	400	\$2,024.00	
	For Quantities 100 to 500, Add	SF	\$2.04	400	\$816.00	
32 11 16 00-0015 4" Crushed Aggregate Base		SF	\$0.63	400	\$252.00	
	For Quantities Under 1000	SF	\$0.18	400	\$72.00	
01 71 13 00-0003	Mobilize Backhoe	EA	\$402.63	1	\$402.63	
31 23 16 36-0006 Excavation by Backhoe		CY	\$3.75	11	\$41.25	
	For Quantities Under 20 CY, Add	CY	\$3.75	11	\$41.25	
31 23 16 36-0028	Loading Excess Materials	CY	\$3.42	13.75	\$47.03	
	For Quantities Under 20 CY, Add	CY	\$3.42	13\75	\$47.03	
01 74 19 00-0029	Hauling to Dump Site	CYM	\$0.51	207	\$105.57	
01 74 19 00-0021 Landfill Dump Fee		CY	\$15.14	13.75	\$208.18	\$4,056.93
						/400
						\$10.14

Compare these prices

^{*} Sample only



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



Tenant Improvement

- 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	,50	0.	0	0

Doors/Hardware \$ 9,250.00

• Lighting \$ 16,750.00

• Plumbing \$ 12,500.00

TOTAL = \$89,000.00



Sample Project – Putting It All Together



A.	Direct Cost of Work from Quotes	\$89,000.00
В.	Overhead 10%*	\$ 8,900.00
C.	Subtotal (Cost & O/H)	\$97,900.00
D.	Profit 10%*	\$ 9,790.00
E.	Subtotal (Cost & O/H & Profit)	\$107,690.00
F.	Price From CTC	\$89,491.65

Adjustment Factor (= E / F) = 1.2034

^{*}Sample Only. Contractor to determine O/H & Profit.

Prepare this calculation for more than one sample project.



Filling Out the Bid Form



	Line 1.	General Facilities Normal Working Hours	1. 1.2034
	Line 2.	Multiply Line 1 by 40%	2. 0.4814
	Line 3.	General Facilities Other than Normal	3. 1.2300
	Line 4.	Multiply Line 3 by 10%	4. 0.1230
	Line 5.	Detention Facilities Normal Working Hours	5. 1.2400
	Line 6.	Multiply Line 5 by 15%	6. 0.1860
	Line 7.	Detention Facilities Other Than Normal	7. 1.3150
	Line 8.	Multiply Line 7 by 10%	8. 0.1315
	Line 9.	OSHPD Facilities Normal Working Hours	9. 1.2800
	Line 10.	Multiply Line 9 by 15%	10. 0.1920
	Line 11.	OSHPD Facilities Other Than Normal	11. 1.3500
	Line 12.	Multiply Line 11 by 10%	12. 0.1350
N®	Line 13.	Add Lines 2, 4, 6, 8, 10 & 12 (This is the Award Criteria Figure)	ACF = 1.2489



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
- Meet participation goals



Contractor Adjustment Factors



Importance of Adjustment Factors

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

```
UNIT PRICE × QUANTITY × ADJUSTMENT FACTOR = TOTAL FOR TASK
```

UNIT PRICE × QUANTITY × ADJUSTMENT FACTOR = TOTAL FOR TASK

UNIT PRICE × QUANTITY × ADJUSTMENT FACTOR = TOTAL FOR TASK

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

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



Bids



Download Bid package from

http://publicworks.smcgov.org/projects-out-bid

The Bid Package contains:

Project Manual, CTC and Technical Specifications

For General Construction contracts, Contractor must hold a 'B; License

For Mechanical Works contracts, Contractor must hold a 'C-20' License

Make sure you signed the pre-bid sign-in sheet



Questions?



Bids Due

December 9, 2016 2:00 PM

Clerk of the Board of Supervisors

Hall of Justice and Records,

400 County Center, (formerly 401 Marshall Street)

1st Floor,

Redwood City, California

