

County of San Mateo  
Engineering, Construction, Roads  
and Utilities  
Job Order Contracting  
Pre-bid Conference  
JOC -1708, 1709, 1710

February 2, 2017





# Pre-Bid Meeting Agenda

## Part I: The Job Order Contract (JOC) Program

- Introduction
- JOC Background
- JOC Contract Documents & Software
- JOC Process
- County of San Mateo JOC Program

## Part II: Analyzing the Bid Process

- CTC Structure
- Sample Project
- Adjustment Factor Calculation & Considerations
- Expected Events & Rewards
- Bidding Information



# Introduction

County of San Mateo Has Advertised:

- Three (3), 'A' License, JOC Contracts for General Construction with a potential maximum value of \$4,550,000 each

Work Will Be Issued Under the Job Order Contracting Program

Work Will Be Administered Through DPW

The Gordian Group<sup>®</sup> Trains and Supports the County of San Mateo and JOC Contractors



# 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
- JOC Is a Series of Individual Projects Issued As Job Orders Under the Base Contract
- A Fundamentally Different Construction Procurement Relationship
  - Contractors are subject to different motivations and behaviors
  - Non-adversarial relationship between Owner & Contractor

## **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**



# JOC is an Umbrella Contract

## Part 1 Bidding the Umbrella Job Order Contracting Contract

Owner Advertizes Job Order Contracting Contract



Contractors Submit Bids



Owner Awards Umbrella Job Order Contracting Contract

## Part 2 Procuring Individual Projects From Owner



Owner Project A



Subcontracting Opportunities



Owner Project B



Subcontracting Opportunities



Owner Project C



Subcontracting Opportunities



# JOC Contract Documents

## Front End Documents Construction Task Catalog<sup>®</sup> Technical Specifications

- 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



		Exterior Improvements		32	
		Bases, Ballasts, And Paving		32 10	
		Unit Paving		32 14	
				32	
MINOR	CSI	UOM	DESCRIPTION	TOTAL DIRECT UNIT COST	DEMOLITION UNIT COST
			<b>32 16 Curbs, Gutters, Sidewalks, And Driveways</b> (02 10)		
			<b>32 16 13 Curbs And Gutters</b> (02 16)		
			Note: Includes transition. Demolition includes two saw cuts (each end) of curbs and gutters for lengths up to 100'. See CSI section 02 41 19 13-00 for additional saw cuts within the 100'.		
			<b>32 16 13 13 Cast-In-Place Concrete Curbs And Gutters</b> (02 16 13)		
			Note: Includes concrete, forms, rebar, chairs (where necessary), expansion joint.		
			<b>32 16 13 13-0001 Concrete Curb, Cast In Place</b> (02 16 13 13)		
			Note: Includes delivered concrete, forms, rebar, chairs (where necessary), expansion joints, finish and curing.		
		LF	6" X 12" Cast In Place Concrete Curb.....	7.18	3.23
			For Up To 20, Add	4.03	
			For >20 To 50, Add	2.27	
			For >50 To 100, Add	0.88	
			For >500 To 1,000, Deduct	-0.88	
			For >1,000, Deduct	-1.50	
		LF	6" X 12" Cast In Place Concrete Curb - Radius.....	8.18	3.72
			For Up To 20, Add	4.63	
			For >20 To 50, Add	2.61	
			For >50 To 100, Add	1.01	
			For >500 To 1,000, Deduct	-1.01	
			For >1,000, Deduct	-1.72	

# JOC Contract Documents



## Contract Documents

- Notice to Contractors
- Instruction to Bidders
- General Conditions
- Supplementary Conditions
- Appendices
- Bid Forms
- Etc.

COUNTY OF SAN MATEO  
STATE OF CALIFORNIA

CONTRACT DOCUMENTS  
AND  
SPECIFICATIONS  
FOR

JOB ORDER CONTRACT FOR  
ENGINEERING, CONSTRUCTION, ROADS AND UTILITIES  
PROJECT NO. JOC- 1708  
PROJECT NO. JOC- 1709  
PROJECT NO. JOC- 1710


WITH WORK  
IN SAN MATEO COUNTY

APPROVED: \_\_\_\_\_ January 20 \_\_\_\_\_, 2017

\_\_\_\_\_  
JAMES C. PORTER  
(R.C.E. No. 48056)  
Director of Public Works

\*\*\*\*\*

Department of Public Works  
County of San Mateo  
555 County Center, 5<sup>th</sup> Floor  
Redwood City, California 94063-1665





# Bid Requirements

## Award Based on Competitive Bid

- Must Bid 2 Adjustment Factors:
  - Normal Working Hours: 8:00 am to 4:30 pm Monday to Friday
  - Other Than Normal Working Hours: 4:31 pm to 7:59 am Monday to Friday, and all day Saturday, Sunday and County Holidays
- Adjustment Factors Apply to All Tasks in the CTC
- Each Adjustment Factor is Weighted to Create an Award Criteria Figure
- Lowest Award Criteria Figure From a Responsive, Responsible Bidder Wins!





# Solicitation Details

## 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

Contract	Contract Type	Minimum Contract Value	Maximum Contract Value	Contract Term	Initial Payment & Performance Bonding (Each)	Payment & Performance Bonding Increased by (Each)
JOC-1708	Engineering "A" License	\$0	\$4,550,000	1 Year	\$1,000,000	\$500,000 increments to \$4,550,000
JOC-1709	Engineering "A" License	\$0	\$4,550,000	1 Year	\$1,000,000	\$500,000 increments to \$4,550,000
JOC-1710	Engineering "A" License	\$0	\$4,550,000	1 Year	\$1,000,000	\$500,000 increments to \$4,550,000



# Solicitation Details

## Internet Based Software Provided with Contract

- eGordian Software Automates the Proposal Process

The screenshot displays the eGordian web application interface. The browser address bar shows 'egordian.com/userpage.aspx?tab'. The navigation menu includes 'Home', 'New Tab', and 'Clean Up'. The main content area is divided into two panels:

- Job Orders Panel:** Features a 'New Job Order' button, 'Grouping', 'Clear Grouping', and 'Customize' options. It displays a table with columns for Project Number, Job Order Number, Title, and Project Status. The table lists various projects such as 'Emergency Work - Francis Park', 'Stormwater work at 811-822 Sports', and 'Service Call #10'. A status indicator at the bottom shows 'Showing 1 to 10 of 105 Job Orders'.
- Price Proposal List (Beta) Panel:** Features a 'New Price Proposal' button, 'Grouping', 'Clear Grouping', and 'Customize' options. It includes a checkbox for 'Display Price Proposals Not Included in Project?'. The table has columns for Project Number, Job Order Number, Name, and Total \$. It lists proposals for projects like 'Emergency Work - Francis Park' and 'Stormwater work at 811-822 Sports'. A status indicator at the bottom shows 'Showing 1 to 10 of 105 Price Proposals'.

The footer of the application includes 'Chat Support', 'Email Support', 'All Rights Reserved ©2014 The Gordian Group, Inc.', and a set of utility icons.



# Contractor License Fee

Access to eGordian<sup>®</sup>, Construction Task Catalog<sup>®</sup>, other proprietary materials

- Paperless
- Efficient
- Tasks and prices input directly

JOC process training

eGordian<sup>®</sup> software training

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



# Process - How is Work Done?



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

The Client 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



# San Mateo JOC Program

## CTC Based on the County of San Mateo Prevailing Wages

- Contractors Must Pay Prevailing Wages

## Provide Bonds in the Following Amounts:

- Bid Bond - \$25,000
- Payment Bond - \$1 Million initial – Extended to \$4.55M
- Performance Bond - \$1 Million initial – Extended to \$4.55M

## Insurance Held On Overall Contract

## Differing Site Conditions / Scope Changes

- Treated As Additional/Supplemental Job Orders

## Liquidated Damages

- Determined on Each Job Order
- Defined on the Request for Proposal

# San Mateo JOC Program



## ANALYZING THE BID PROCESS

# Understanding the Construction Task Catalog®



## Bidders Must Read: Using The Construction Task Catalog®

- The Unit Prices Include
- Complete and In-place Construction
- 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



### CTC Information:

- ☑ This Construction Task Catalog® was developed and customized by The Gordian Group, Inc. specifically for County of San Mateo, priced locally using current labor, material and equipment costs, and published in January 2017.
- ☑ 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 County of San Mateo. Use of The Gordian Group's CTC and other proprietary information and software for any other purpose or any other entity is expressly prohibited without the express written consent of The Gordian Group, Inc.

### MasterFormat™

- ☑ The tasks in this Construction Task Catalog are organized using CSI's MasterFormat.



### The Unit Prices Include:

#### LABOR COSTS:

- ☑ 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 cutting to fit; performing the task; disposal of excess material; and time for lunch and breaks.
- ☑ 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.

January 2017

### Using The Construction Task Catalog®

- ☑ Labor costs are based on workers familiar with and skilled in the performance of the task following OSHA requirements.

#### EQUIPMENT COSTS:

- ☑ Equipment costs include all equipment required to accomplish the task. Mobilization is included for all equipment 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, 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 sold in standard lengths, sizes and weights.

### 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.
- ☑ If the Contractor uses a crane or other lifting equipment (except a truck mounted boom lift or other equipment as part of the delivery process) to lift material onto a roof, even if that roof is less than 2 1/2 stories, the contractor will be paid for such crane or lifting equipment as a separate task.

January 2017

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County of San Mateo, Engineering, Construction, Roads and Utilities

Page 00 - 1



# 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=direct labor cost and fringe benefits per prevailing wage rates
- B=direct material costs (supported by quotes)
- C=direct equipment costs (supported by official posted state rental rates)
- D=allowable overhead costs =  $A \times 25\%$  (i.e. workers compensation insurance)
- E=allowable profit =  $(A + B + C) \times 10\%$

**The final price submitted for Non Pre-priced Tasks which are performed by a subcontractor is according to the following formula:**

- F=subcontractor costs (supported by quotes)
- G=Contractor allowance for subcontractor costs =  $F \times 15\%$
- Total cost of Non Pre-priced Task =  $A + B + C + D + E + F + G$





# 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



## 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 – Putting It All Together

A.	Direct Cost of Work from Quotes	\$89,000.00
B.	Overhead 10%*	<u>\$ 8,900.00</u>
C.	Subtotal (Cost & O/H)	\$97,900.00
D.	Profit 10%*	<u>\$ 9,790.00</u>
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

**Normal Working Hours:** Work performed during Normal Working Hours in the quantities specified in individual Job Orders for the Unit Price sum specified in the Construction Task Catalog® multiplied by the Adjustment Factor of:

1 . 2 0 3 4

**Other than Normal Working Hours\*:** Work performed during Other Than Normal Working Hours in the quantities specified in individual Job Orders for the Unit Price sum specified in the Construction Task Catalog® multiplied by the Adjustment Factor of:

1 . 2 6 8 5

\* Bids will be rejected as non-responsive if the ‘Other than Normal Working Hours’ Adjustment Factor is not equal to or greater than the ‘Normal Working Hours’ Adjustment Factor.

## Award Criteria Figure Formula

Line 1.	Normal Working Hours Adjustment Factor	1. 1 . 2 0 3 4
Line 2.	Multiply Line 1 by 80%	2. 0 . 9 6 2 7
Line 3.	Other than Normal Working Hours Adjustment Factor	3. 1 . 2 6 8 5
Line 4.	Multiply Line 3 by 20%	4. 0 . 2 5 3 7
Line 5.	Add Lines 2 and 4 (This is the Award Criteria Figure)	ACF = 1 . 2 1 6 4

\* Sample only



# 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	x	Quantity	x	Adjustment Factor	=	Total for Task
+	Unit Price	x	Quantity	x	Adjustment Factor	=	Total for Task
+	Unit Price	x	Quantity	x	Adjustment Factor	=	Total for Task
							<hr/>
							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



# 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





# Review / Key Points

## Focus on Total Potential Value of Contract

- \$4,550,000

## Evaluate Construction Task Catalog<sup>®</sup>

- 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

**Sealed bids due: Monday, February 13, 2017 at 2:30 PM**

**County Manager/Clerk of the Board of Supervisors**

**Hall of Justice and Records**

**400 County Center**

**Redwood City, CA**

**Contract Documents including the Construction Task Catalog<sup>®</sup>, Technical Specifications, and forms of Proposal and Contract may be seen and obtained at the office of the Director of Public Works, 555 County Center, 5th Floor, Redwood City, California, 94063-1665. Contract Documents may be obtained for a: NON-REFUNDABLE FEE OF \$25.00 PER SET**

**Sealed Bids: ONE (1) fully executed paper bid document**

**The bid 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.**



# Questions?

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

All questions concerning this solicitation must be received via email no later than:

- February 6, 2017

## Submit questions to:

Office of the Director of Public Works  
555 County Center, 5<sup>th</sup> Floor  
Redwood City, CA 94063-1655  
(650) 363-4100