

JOC KNOWLEDGE

Job Order Contracts & Unit Price Books

What UPB Should You Use?



The basic framework of a Job Order Contracting (JOC) program includes a pricing vehicle termed a Unit Price Book (UPB) or List. Simply stated, the UPB is a book, list, or catalog of construction unit prices. The data usually aligns with the CSI MasterFormat for ease of locating the categories and items. Most construction cost data resources are also provided in electronic format for incorporation into a cost estimating software to automate the program and integrate into a work order system if desired.

Accurately researched and objective line item cost data is critical to the success of any JOC Program. Utilizing the JOC pricing mechanism is considered to be the most effective, transparent, and compliant means of expediting construction projects when a high volume of small and recurring type work needs accomplishing. Following are the key elements of Unit Price Book (UPB), list, or catalog utilized in JOC programs.

FORMAT: MasterFormat (registered trademark of the Construction Specification Institute) is typically the basis used to organize the data when an entity is purchasing a data set. When an organization creates their own price list, based on their facility specifications, the list is often categorized with the MasterFormat for ease of use. Since the MasterFormat is industry standard, most UPBs align with the basics of data architecture. The systematic titles and descriptions are common terms in the industry making the transition for JOC program seamless.

QUANTITY: Number and type of unit prices or line items that will cover at least 90% of the construction tasks anticipated for the duration of the Job Order Contract is recommended but not required. Many unit price books or lists can range from under 15,000 line items to over 50,000 line items or prices. This varies based on the program's scope and depth. For instance, if the JOC program is designed for General Construction and a full array of project types, a larger and more encompassing UPB is typically utilized. If the program is a smaller program focused on a narrow or specific project type, the smaller set of relevant unit price list is utilized. The UPB or list needs to include the items specific to the parameters of your JOC program.

COST DETAIL: The level of cost detail should incorporate Material, Equipment, and Labor details as appropriate to the task. Labor is based upon prevailing wage rates or Davis-Bacon wage rates (for Federal Government projects). Demolition line items should also be incorporated and organized. Line item "modifiers" based upon quantity, type of material, and/or site/work location, etc., are often times included and listed as a subset to the Line Item or Task. This organization has become industry standard since the 1980's and simplifies locating similar items when preparing a construction cost estimate or proposal for a project or specific Job Order.

LOCALIZED DATA: All costs should be researched locally or utilize localized factors. This determination is based purely on the preference of the Owner and which type of data the owner prefers. Both types of UPBs are compliant.

NON-PREPRICED ITEMS: A non-prepriced line item is a unit price line item that is not included within the UPB or list and is required to accomplish a particular project. If certain non-prepriced items are found to be used repeatedly, these line items are often incorporated as agreed upon or allowed by the Contract and agreed upon between the owner/contractor as an addendum to the set of data in the originating bid.

UPDATES: The unit price book or list should be updated annually at a minimum to reflect the current cost data. If it is not updated, then the coefficients should adjust to the market conditions to ensure the initial multiplier remains the same percentage of construction cost data. The preferred structure should be clearly identified in the original solicitation documents and the framework contract.

TOOLS FOR IMPLEMENTATION: Today, many program management software platforms, or integrated project management platforms, work order programs, and technical software options are available for use across market sectors. Many of today's JOC programs have moved toward integrated project delivery platforms with robust interactive capabilities. These programs integrate with overall CIP programs creating reporting of expenditures for the public entity much more effective. Compliance with procurement and project management is no longer a challenge or issue with the advancement of technology.

REQUIREMENTS: Each public entity must comply with their procurement parameters or laws. In addition, each contractor must comply with the terms and conditions of their contracts so spending time getting the front-end documents tailored for the requirements of each JOC program is important and pays off in terms of long-term success over the life of the framework contract.

WHICH UPBs ARE UTILIZED? The Center for JOC Excellence recommends the use of unit price books, lists, or catalogs that best meet the needs of the specific public entity. Customized data can be utilized when it is identified as the most cost effective solution. Many public entities purchased commercial data sets and some create their own cost data specific to their needs. Many of the data resources are members of CJE, the industry organization, and can be found on the Resources directory within the JOCexcellence.org website. CJE updates the resources on an ongoing basis.

THE FRAMEWORK: The core values and benefits associated with Job Order Contracts mandate a collaborative and transparent process. The owner and contractor must work together as a team to realize the benefits of JOC. Poor performing programs are typically programs that are not utilizing the Best Practices as set forth by the industry. CJE recommends that each program establishes defined goals for success and expectations to ensure the team is working in collaboration as an integrated approach with a performance-based structure creating an incentive for program success.

Do you need help deciding what type of UPB is best for your organization?

Contact CJE and we can help you define the needs for your program.



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