

## Key Features:

- + JOC is a Collaborative Construction Program utilizing LEAN Principles.
- + When Implemented correctly, the Owner and Contractor work as a team to accomplish the work efficiently.
- + Transparent pricing via the unit price book (UPB) or list for each project.

## JOC Research Study Results:

- 96% Client Satisfaction
- 91% of Project are delivered on budget
- 87% of JOC project are completed on time
- 24% budget savings for owner administrative costs

*Source: Job Order Contracting Performance Research Study Summary Report 2015, Arizona State University (ASU)*

Job Order Contracting (JOC) plays an important role for Real Property Owners managing facilities and infrastructures with the need to efficiently manage their numerous and ongoing renovation, repair, and maintenance construction projects. The Job Order Contract (JOC) serves as an "on call" or IDIQ contracting program that is procured through one umbrella or framework contract. The contract is competitively procured at the onset of the program using a unit price book (UPB), unit price list, construction catalog, or custom list of construction prices as a basis for pricing in the procurement process. Each individual job order is then priced from that UPB or list and allows for rapid deployment of projects with a transparent pricing mechanism.

The Federal Government first initiated this project delivery method in the 1980's. Since the mid 1990's, JOC has become a standard across the nation for many states local government entities, universities, and school districts in need of on-call general contractors for rapid deployment of small renovation and repair projects. JOC is most effective for projects in which multiple trades are necessary. The project delivery method is designed to meet the need to expedite multiple simultaneous projects to clear project backlog.

JOC also plays an important role for Contractors who wish to develop long-term, mutually beneficial relationships with Real Property Owners. The contractor has an incentive to perform well in order to gain more work. If they do not perform, the owner is not obligated to continue using their services.

It is important to note an aspect often overlooked when evaluating Job Order Contracting. JOC is important to the Community at large because the project delivery method is mindful of LEAN construction practices as integrated into the delivery method.

## Steps to a Successful Job Order Contracting Program

All JOC participants must be knowledgeable of their roles, responsibilities, tools, workflows, and associated supporting technology. Following are a few steps recommended for implementing a successful job order contracting program.

- **Fundamental Information:** Fully defined roles, responsibilities, and outcomes must be clear in the Job Order Contract documents, identification of the associated Unit Price Book or list (UPB), and any necessary program or construction specifications that support the overall program. Setting the foundation of expectations is a primary Best Practice. Defining these roles will help prevent any conflict of interest between the data vendors, software providers, contractors, owners, and any management stakeholders.
- **Early and Ongoing Communication:** From initial program implementation, to concept of each individual job order (or task order), through construction, close-out, and warranty. Communication requires the use of standardized terms, forms, processes, and information (such as unit price line items conforming to MasterFormat<sup>™</sup>)
- **Continuous Training and Support:** This includes process improvements, tracking key performance indicators, training and ongoing updates regarding scoping, scheduling, budgeting, advanced line item cost estimating from the unit price book, and submittals.
- **JOC Training for Participant Groups:** Procurement/contracting, facilities, engineering, management/oversight groups, contractors, subcontractors, etc. Get everyone on the "same page" with goals and performance expectations. This also help ensure the program is being properly managed and free of conflicts of interest.

**Typical JOC Projects:**

- "Minor" construction projects
- System upgrades
- Routine repairs
- Renovations
- Upgrades to ADA standards
- Emergency repairs
- Parks and playgrounds
- Classroom additions
- Recurring projects such as bathroom renovations, lobby upgrades,
- Federal and/or state compliance projects

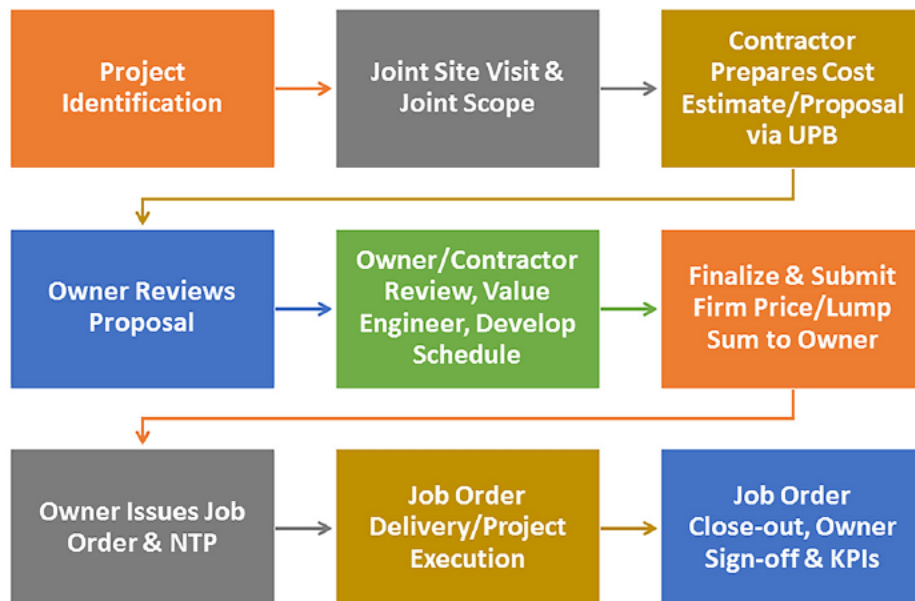
- **Supporting Technology:** This is utilized for cost estimating (developing individual project project proposals) in support of the associated contract. project phasing, and document management.
- **Define metrics and/or key performance indicators (KPIs):** Continuous improvement for all stakeholders creates mutual respect and trust and improves the bottom line. This includes tracking expenses related to the program to ensure best value is being realized. Is the cost data in the UBP or list appropriate? Is the JOC contractor meeting schedules and budgets? Is the internal program management point of contact communicating needs with stakeholders? Is the program streamlined to realize cost savings?
- **Understand the Shared risk/reward:** Value-based or best value contractor selection process based upon "total cost of ownership" vs. "first costs". Each public entity has a fiduciary responsibility to select qualified contractors in order to produce results.

Not all Owners or Contractors are well suited for JOC but participating in one of CJE's JOC certificate programs has proven to enhance success. JOC should only be used when an entity has evaluated the need and is willing to engage a program properly. As one might expect significant experience in JOC program construction, business, and construction cost estimating also ultimately impacts success.

**The Process for a Typical Job Order within the JOC Program**

Once a JOC program is in place each project is procurement via a purchase order or job order. The efficient process is demonstrated in the diagram below. If your JOC process is not LEAN, then streamlining the program is an opportunity to correct it. As you implement to correct process, the savings are realized.

## The Job Order Process



## Software & Technology

Software Technology plays a key role in the implementation and ongoing consistent implementation of any JOC program. The role of technology is to support best management practices, to enable information storage, sharing, retrieval, and reuse, and to monitor success via established quantitative metrics. Information should be accessible to all JOC participants (including the owner) and active collaboration should be enabled. Current technology allows for the contractor and owner to collaborate via technology and work simultaneously in the data to expedite the process. Should the Owner utilize their own unit price list instead of purchasing one, most estimating software providers can integrate the cost data into a collaborative platform.

Utilizing an existing cost data set from commercial resources such as RS Means, Sierra West, Craftsman, BNI, Xactimate, or Gordian can help expedite the front-end process. There are many resources available from which one can establish a UPB. The resources vary greatly in terms cost so evaluating specific needs and the best value is strongly recommended. CJE has published a summary paper titled "*Unit Price Books & Construction Cost Data - Choosing Your Best Option.*" It is updated frequently to reflect cost data and UPB resources reported as available for use. CJE does not endorse any specific set of data or UPB because each owner/public entity has their own unique program needs and one size does not fit all. More information can be found at <https://jocexcellence.org/education-center/research-publications>.

## JOC Consultants & Outsourced Programs

Management firms may be used to tailor and support JOC programs. They can also assist in marketing and training JOC with respect to owners, Contractors, and Subcontractors. Ensuring the management firm is free of conflicts of interest is critical. If an entity does not have staff or personnel with knowledge of construction and/or project management, the need for additional external management might be an option depending on the available budget for oversight.

Most experienced job order contractors work as an extension of staff in terms of managing the construction program but there are a few exceptions. In some cases, smaller public entities that don't have the necessary staff to oversee the program, often consider outsourcing JOC oversight and enabling third-party administration of JOC through an "owner's representative". As in any outsourcing initiatives, careful consideration must be given to the pros and cons. A typical program management firm may charge a flat fee to manage the JOC program to avoid conflicts of interest. This can be useful when an owner has a high volume of projects and needs supplemental project management/oversight to assist with program implementation. The relative importance of facilities to the organizational mission, the availability of in-house facility management staff and legal requirements/regulations are among the many considerations in deciding if this option offers value and cost savings. Management firms may be used to tailor and support JOC programs.

Lastly, one of the key benefits of JOC is the development and maintenance of long-term relationships between the Owner and the Contractor(s). This relationship must be maintained regardless of the JOC deployment method selected. It's the key ingredient to the LEAN principles and collaborative project delivery method. Job order contracting is not a procurement method. Rather, it is a project delivery method that utilized a unit cost book or list as the basis for procurement. The job order contract itself is the procurement vehicle. Many vendors and entities cross reference the two.

Additional Publications can be found at [jocexcellence.org](http://jocexcellence.org). Contact the Center for JOC Excellence™ to learn more at [info@jocexcellence.org](mailto:info@jocexcellence.org).