

White Paper From The JOC Education Committee

How to Review a JOC Estimate/Proposal

You've procured the Job Order Contractors via a master contract and now it's time to start issuing individual job orders. As the owner, you need to review the line item estimate and proposal package provided for each individual job order's scope of work. The following checklist is a guide for reviewing and approving the contractor's estimate/proposal submitted for the specific job order.

Job Order Review	Compliant Y or N	Reviewed
<p>Verify the correct coefficient is used and applied:</p> <p>The coefficient is applied to the Unit Price Book (UPB) line items. Review the coversheet to ensure only the divisions included in the contract are being used. In other words, some contracts exclude some items from Division 01. All costs should be itemized on the Schedule of Values for ease of review and compliance.</p>		
<p>Verify the correct price column is utilized if the unit price book has variations (e.g. Bare Cost vs. Total incl. O&P columns):</p> <p>Some UPB's contain one totaling column, so this section may or may not be applicable depending on the UPB you are utilizing. This is applicable on a case-by-case basis.</p>		
<p>Review the Proposal Summary:</p> <p>Math should be checked, and we recommend checking high quantity line items for correct quantities based on the scope. For instance, the SF of tile or SY of carpet is a quick way to cross check quantities.</p>		
<p>Check all overtime (non-standard) hours:</p> <p>This includes crew rates used and the specific application of what is being performed. In most cases overtime hours are represented and calculated utilizing a separate coefficient, so verify whether the appropriate coefficient for "standard" or "non-standard hours" is being applied.</p>		
<p>Check and review the line item details:</p> <p>Line items should clearly correspond to the scope of work and be categorized by the Construction Specifications Institute MasterFormat (CSI format). Any task not approved or not found in the UPB can be accomplished with non-prepriced (NPP) line items (see section below for more information on NPP).</p>		
<p>Look for duplication:</p> <p>Confirm that inter-related line items have the correct quantities and no duplications. Most estimators create estimates back-to-back and, on a rare occasion, a mistake in duplication is made.</p> <p>Some UPB's allow for additional labor adjustment factors (typically as a trade or crew, or as a percentage in Division 01)—ensure that they are applied correctly throughout the estimate.</p>		
<p>Review and confirm clarifications and notes:</p> <p>Clarifications and notes are important because they confirm specific requirements. Encourage the contractor to always apply notes for ease of review and to expedite the review.</p>		
<p>Confirm the Job Order duration / final completion:</p> <p>All projects require a schedule. It should be noted that the final approved schedule can be furnished at a mutually agreed upon date. It may or may not be attached as part of the initial proposal depending on your contract requirements. However, durations and schedule assumptions/clarifications should be included as part of the proposal package.</p>		
<p>Review the non-pre-priced (NPP) items if any - and make sure the correct coefficient/ adjustment factor is applied:</p> <p>Ensure you review the NPP contract details for accuracy (e.g. is a separate coefficient utilized for these items? Are backup quotes required? If so, how many are required? Review what is included in the allowable markup percentage. The total calculated value of NPP line items within any single proposal is typically very low.</p>		
<p>Note All Changes:</p> <p>If value engineering or adjustments to quantities occur during negotiations, note all changes to memorialize and ensure clarification among all parties.</p>		
<p>Verify the diversity requirements (SBE, DBE, etc.) if applicable:</p> <p>Verify compliance or good faith effort if required in the master contract. This requirement may or may not be included with the line item estimate, but should be included with the proposal package submission.</p>		
<p>Show Your Work!</p> <p>Include red lines, comments, add notes, and all measurement confirmations directly on the proposal to substantiate your review. This action is very important as it clearly demonstrates "due diligence" and leads to mutual understanding. The more notes, the better the communication.</p>		