

City Colleges of Chicago Job Order Contracting Overview

Low Voltage – MWJ2101

Michael Judd



Agenda

- JOC Program/Overview
- The Contract Documents
 - Understanding the Construction Task Catalog® (CTC)
- Bidding the Contract
 - Calculating the Adjustment Factors
 - Bid Considerations
- Questions

What is JOC?



Job Order Contracts are: Firm, fixed price, competitively bid, indefinite quantity, delivery method designed to produce a large number of multi-traded, repair and rehabilitation projects, as well as minor new construction projects quickly.

- Firm, Fixed Price:** Construction Task Catalog[®] of pre-priced work tasks.

- Competitively Bid:** all bidders submit a set of adjustment factors to the fixed prices in the Construction Task Catalog[®].

- Indefinite Quantity:** no projects are identified at the time of bidding. Contract is for a fixed term and has potential maximum dollar value.

JOC Overview: The JOC Process



Umbrella Contract

Part 1 Bidding the Umbrella Job Order Contract

Owner
Advertises
Job Order
Contract

Contractors
Submit
Bids

Owner
Awards
Umbrella
Job Order
Contract

Part 2 Procuring Individual Projects From Owner

Owner
Project A

Subcontracting
Opportunities

Owner
Project B

Subcontracting
Opportunities

Owner
Project C

Subcontracting
Opportunities

JOC Overview: Why JOC Works For Contractors

- Good work is rewarded with more work
- Long-term relationship with CCC
- Ability to leverage Subcontractor and Supplier relationships
- Ability to sell value, not just compete to be the lowest price
- Reduced Risk
- Build bond capacity
- Larger presence and enhanced reputation in the local community



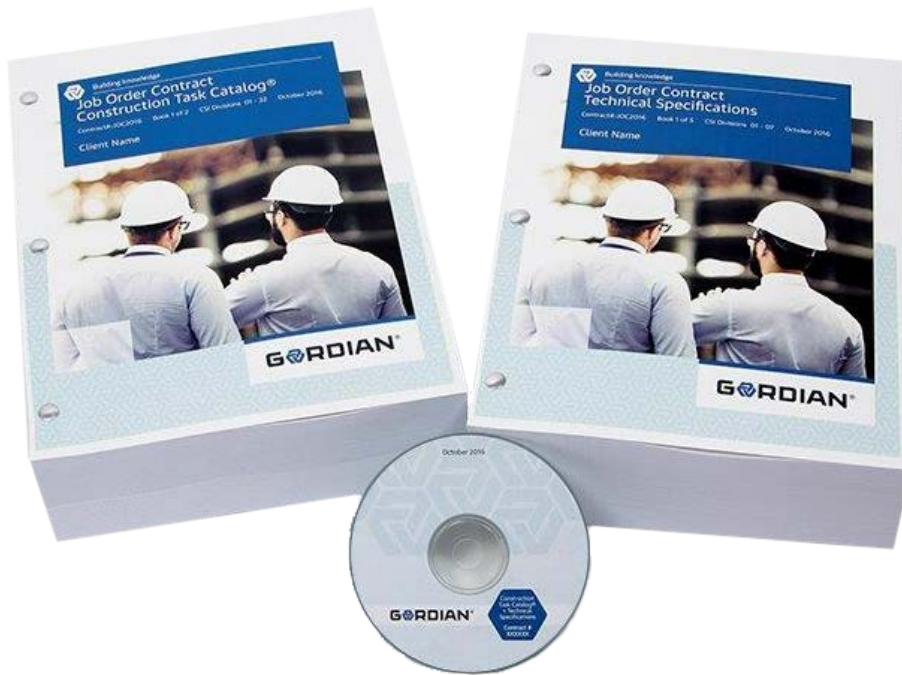
JOC Overview: Why JOC Works For Facility Owners



- A Fixed Priced, Fast Track Procurement Process
- Job Orders are Lump Sum
- The Ability to Accomplish Multiple Projects with a Single Competitively Bid Contract
- Future Purchase Orders Tied to Contractor Performance
 - No Obligation To Award Specific Projects
 - CCC can Use All Other Methods For Accomplishing Projects
- Increases use of local M/WBE businesses
- Increases Transparency
- Schedule Flexibility

The Contract Documents

The Contract Documents



- **Volume II: Job Order Contracting (JOC) – Standard Terms and Conditions**
- **Volume III: The Construction Task Catalog®**
- **Volume IV: The Technical Specifications®**
- **Volume V: CCC Cabling Standards**

The Contract Documents

Volume II: Job Order Contracting (JOC) – Standard Terms and Conditions

- Terms and Conditions for Construction
- Instructions and Execution Documents

Volume V: CCC Cabling Standards

- Cabling Standards specified by CCC
- *Procurement to review Volume II & Volume V in more detail*

Bid #MWJ2101 - Electrical Low Voltage Services - JOC

City Colleges of Chicago

VOLUME I

REQUEST FOR SEALED BID

NO. MWJ2101
ELECTRICAL LOW VOLTAGE SERVICES
JOB ORDER CONTRACTING (JOC)

ISSUED BY

CITY COLLEGES OF CHICAGO
BOARD OF TRUSTEES OF COMMUNITY COLLEGE DISTRICT NO. 508
180 N. WABASH AVENUE
CHICAGO, IL 60601

JANUARY 12, 2021

Juan Salgado, Chancellor
Jacinta Epting, Associate Vice Chancellor – Business & Procurement Services

NOTICE

SEALED BIDS ARE DUE FRIDAY, FEBRUARY 5, 2021, BY 12:00 P.M.
TO: DAWSON TECHNICAL INSTITUTE
DEPARTMENT OF PROCUREMENT AND BUSINESS SERVICES
3901 S. STATE STREET, ROOM 102
CHICAGO, IL 60609
AND WILL BE OPENED AND READ PROMPTLY
AT 12:15 P.M. VIA ZOOM

(Delivery/drop-off of bids are accepted at the rear parking lot building entrance from 9am – 3pm
Monday thru Friday. Bids are due by the due date deadline and time.)

The Contract Documents

Volume III: The Construction Task Catalog®

- 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



The Contract Documents

Volume III: The Construction Task Catalog®

- Contractor must review and understand “Using the Construction Task Catalog®”
- Rules of the game
- Make sure you get paid for all appropriate tasks
- Pages 00 – 1 to 00-7 of the CTC

GORDIAN®

Using The Construction Task Catalog®

About the CTC:

- ❑ This Construction Task Catalog® (CTC) was developed and customized by The Gordian Group, Inc. specifically for **Owner**, priced locally using current labor, material and equipment costs, and published in Month 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 **Owner**. 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.

MasterFormat™

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

CSI MasterFormat is produced jointly by CSI and Construction Specifications Canada (CSC). It is a registered trademark of Construction Specifications Canada (CSC). All Rights Reserved. For more information on MasterFormat visit www.MasterFormat.com

The Unit Prices Include:

LABOR COSTS:

- ❑ 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 employee benefits.
- ❑ 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.

EQUIPMENT COSTS:

- ❑ Equipment costs include all equipment required to accomplish the task.
- ❑ Mobilization is included for all equipment except large equipment (e.g. cranes, 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.
- ❑ 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.
- ❑ Insurance and bonding.
- ❑ Profit.

Month 2017
Owner

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The Contract Documents: Construction Task Catalog®

			Exterior Improvements	32	32
			Bases, Ballasts, And Paving	32 10	
			Unit Paving	32 14	
MINOR	UOM	DESCRIPTION	TOTAL DIRECT UNIT COST	DEMOLITION UNIT COST	
<div> <div>CSI MasterFormat</div> <div>Full description of task</div> <div>Price includes labor, material + equipment for your location</div> <div>Demolition price</div> </div>					
32 16		Curbs, Gutters, Sidewalks, And Driveways (32 10)			
32 16 13		Curbs And Gutters (32 16)			
		Note: Includes transitions. Demolition Includes two saw cuts (each end) of curbs and gutters for lengths up to 100'. See CSI section 02 41 19 13-00-3 for additional saw cuts within the 100'.			
32 16 13 13		Cast-In-Place Concrete Curbs And Gutters (32 16 13)			
		Note: Includes concrete, forms, rebar, chairs (where necessary), expansion joints, finish and curing.			
32 16 13 13-0001		Concrete Curb, Cast In Place (32 16 13 13)			
		Note: Includes delivered concrete, forms, rebar, chairs (where necessary), expansion joints, finish and curing.			
32 16 13 13-0002	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		
32 16 13 13-0003	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		

The Contract Documents: Construction Task Catalog®

Understanding the Construction Task Catalog®: Include All Appropriate Tasks in Sample Projects

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

The Contract Documents: Construction Task Catalog®

Understanding the General Rules of the Construction Task Catalog®:

- Unit Prices are for Complete and In-Place Construction
- Unit Prices Include Labor, Material and Equipment. Do Not Add Labor to Repointing Task.
- Unit Prices Include the Cost of Delivery to Project Site, Unloading, Storage and Handling. Delivery Height is up to 2 ½ Stories
- Unit Prices Include Testing, Calibration, Balancing Etc. for New Work
- Unit Prices Include all Fasteners, Bolts, Anchors, Adhesives Etc. For New Work
- Unit Prices for Tasks Such as Windows, Doors, Frames, Countertops Etc. Include Sealant and Caulk

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Using The Construction Task Catalog®

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The Unit Prices Include:

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The Adjustment Factors Include:

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BUSINESS COSTS:

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Owner

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The Contract Documents: Construction Task Catalog®

Understanding the General Rules of the Construction Task Catalog®:

- Demo Price Includes Loading into Truck or Dumpster.
- If Item Demolished as Part of Different Task, It will Not be Paid for Separately
- Contractor Paid for Installed Quantities Only. Waste is Included in Unit Price
- Assembly Prices take Precedence over Component Pricing
- 14' Working Height for All Work Except Masonry
- 4' Working Height for Masonry
- Dumpsters are a Separate Task

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The Contract Documents: Construction Task Catalog®

Understanding the General Rules of the Construction Task Catalog®: Contractors Never Get Paid Separately For the Following

- Moving and Returning Furniture Occupying Less than 55% of Floor Area. For Example, Moving Classroom Furniture to Paint
- Labor for Protecting Work in Place. For Example, a Laborer to Stay After a Concrete Pour
- Minor Barricades and Signage
- Portable Toilet, Field Office, Field Office Equipment for Contractor's Use
- Layout, Site Engineering for the Work Itself

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The Contract Documents: Non Pre-Priced Tasks (NPP)

- Contractor must have permission from CCC to use 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:

For Work Performed with the Contractor's Own Forces:

A = Direct Labor Cost (Up through the foreman level and Fringe Benefits per Davis Bacon Rates plus payroll taxes and insurance)

B = Direct Material Costs (supported by three quotes from material suppliers)

C = Direct Equipment Costs

Total Cost for Unspecified Services that are self-performed = $(A+B+C) \times 110\%$

For Work Performed by subcontractors:

D = subcontractor Costs (supported by three quotes from subcontractors)

Total Cost for Unspecified Services that are subcontracted = $D \times 110\%$

The Contract Documents

Volume IV – The Technical Specifications[®]

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



Bidding on the Contract Adjustment Factor

Calculating the Adjustment Factors: Method to Calculate

- **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
- Replace Existing Cameras
 - Demo existing exterior (1) and interior (1) camera. Replace with model XXXX. Use existing wiring.
 - **Normal Working Hours Apply**



Calculating the Adjustment Factors:

Sample Price: CTC vs. Quote

Direct Cost of Work from CTC

- Replace Camera(s) \$ 9,755.73

TOTAL = \$ 9,755.73

Direct Cost of Work from Quotes or Estimates

- Replace Camera(s) \$ 9,500.00

TOTAL = \$ 9,500.00

Calculating the Adjustment Factors: Sample Price: Putting it all together

• A.	Direct Cost of Work from Quotes	\$ 9,500.00
• B.	Overhead 10%*	<u>\$ 950.00</u>
• C.	Subtotal (Cost & O/H)	\$10,450.00
• D.	Profit 10%*	<u>\$ 1,0450.00</u>
• E.	Subtotal (Cost & O/H & Profit)	\$11,900.00
• F.	Price From CTC	\$ 9,055.73
•	Adjustment Factor (= E / F) = 1.2198	

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

Prepare this calculation for more than one sample project.

Bid Considerations

- Annual Price Adjustment
 - Applied annually on the anniversary of the Award Date
 - Based on CCI (City of Chicago) published by Engineering News Record
 - Calculation (Based on Month of Solicitation Bid Due Date)
$$\frac{\text{Average CCI for Current Year}}{\text{Average CCI for Base Year}} = \frac{\text{The \% Increase or Decrease in Construction Costs}}{\text{Construction Costs}}$$
 - Percentage x Original Adjustment Factors = New Adjustment Factors for Next Year
 - Applies to the Normal Working Hours Adjustment Factor
 - Applies to the Other than Normal Working Hours Adjustment Factor

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 Might be Canceled
 - Margins on CTC Tasks Vary
 - Some Projects are More Profitable than Others
 - Maintain a Fully Functioning Local Office
 - Hold Required Licenses

Bid Considerations

Importance of Contractor's Adjustment Factors

- Determines Lowest Bidder AND
- Used to Price Individual Work Orders
- Price Proposal Total Becomes the Lump Sum Job Order Price

	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

Bid Considerations

Risks of Low Adjustment Factors

- 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 your Margin





Questions