

Is Job Order Contracting In Your Procurement Toolbox?

As procurement officials and facility and infrastructure owners to look more efficient ways of completing construction projects, an alternative procurement method has proven successful. The Job Order Contracting (JOC) construction procurement method has been added to the procurement toolbox for those who are in need of a timesaving, high quality alternative to the traditional bidding process. With JOC, facility and infrastructure owners get a competitively bid tool that saves time, produces quality results due to performance-based contracts, reduces disputes and change orders and, when well-managed, saves money.

Job Order Contracting (JOC) is an indefinite delivery, indefinite quantity procurement method that has been used by hundreds of facility and infrastructure owners throughout North America to expedite repair, renovation and minor new construction projects. This alternative construction procurement method allows owners immediate access to skilled, local contractors, who are already competitively bid, for the completion of a large number of projects under a single contract.

JOC was invented in the 1980s by Lt. Colonel Harry H. Mellon to simplify the process of completing numerous repair and renovation projects at U.S. Army facilities in Europe. It has proven to drastically reduce the procurement time by eliminating the expense, burden and time of having to bid and award multiple individual projects. Now, state and local public agencies, schools and universities, hospitals, transit authorities and others use JOC to rapidly complete their construction schedule. Educational facilities and state and local agencies have found success due to the timesaving benefits and budgetary control that comes with using the JOC process. Public agencies use their JOC experts to help supplement diminished resources. Schools and universities have found JOC to be flexible to fit their unique scheduling needs, by identifying and pricing projects during the school year, and then completing them when the school calendar allows. Typical projects include ADA upgrades, energy efficiency retrofits, renovations of offices, classrooms or laboratories, and replacement-in-kind projects, such as replacing all of the doors or hardware in a facility.

Contractors bid JOC projects by using an adjustment factor applied to a unit price book, containing unit prices for a variety of construction tasks, such as a square foot of painting, a square foot of ceiling tile, doors, hardware, etc. The JOC contract is generally awarded to the lowest responsible bidder, or, depending on the structure of the bid and the organization's bidding options, the contractor deemed to offer the best value.

Once the contract is awarded, the organization or agency can ask the contractor to perform a series of projects. For each project, the contractor is paid the preset unit prices, multiplied by the quantity, multiplied by the competitively bid adjustment factor. There is no additional charge for time and materials, and the negotiation of change

orders and price disputes are eliminated. After the initial bid of the JOC contract, there is no need to enter the bid and award cycle for each new project that arises.

The City of Richmond, BC struggled for years to complete facility and infrastructure construction projects in a timely manner. This came to a head in 1998, when Project Planning & Facilities Services for the City received a zero budget because there was not enough time in which to complete the work needed. The City turned to JOC as an alternative to the time-consuming traditional bid procurement method. Once it implemented the JOC process, the City was able to complete the budget year worth of projects in 7-8 months, as opposed to the typical 18-22 months using traditional methods of procurement. In its first year, the City of Richmond procured 34 projects, including long overdue interior renovations at a nature park facility, and replacing floors and lighting at a community center. Overall, projects have saved an average of 8% over budgetary estimates and construction duration averages only 42 days.

With budgets and staff shrinking, organizations and agencies are finding that the JOC construction procurement method is a useful tool in their procurement toolbox, as it achieves their desired results within their budgets and timeframes. The JOC process delivers timely, high quality projects, and properly managed programs can save money over traditional bidding methods.

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