



INVITATION TO BID ("ITB") NO.: 15-16-033

JOB ORDER CONTRACTING ("JOC") FOR HORIZONTAL AND VERTICAL CONSTRUCTION SERVICES

April 6, 2017



Pre-Bid Conference Agenda

- City of Miami Job Order Contract History
- JOC Overview
- JOC Contract Documents
- JOC Process
- Solicitation Details
- Understanding the Construction Task Catalog® (CTC)
- Calculating the Bid
- Bid Considerations & Review
- Contractor Adjustment Factors
- Risk of Low Adjustment Factors
- Questions



Client JOC Overview

- Using Job Order Contracting since 2004
- Typically Uses JOC for:
 - Facility Repair and Renovation Projects
 - Straightforward Work Items
 - Replacements in Kind
- Client Has Trained and Dedicated Staff to Manage JOC
- Statistics:
 - Approximately \$200 Million +/- in work ordered since 2004
 - Average Job Order size is \$65,000
 - Includes Supplemental Job Orders



Job Order Contracting

Definition

- Indefinite delivery/indefinite quantity process (IDIQ)
- Enable contractors to complete a substantial number of individual projects with a single bid
- Tasks based on competitively-bid, preset prices

Value

- Saves time and money
- Provides transparency and auditability



Umbrella Contract

Part 1 Bidding the Umbrella Job Order Contracting Contract

Owner Advertizes Job Order Contracting Contract





Owner Awards Umbrella Job Order Contracting Contract

Procuring Individual Projects From Owner

- Owner Project A
- Owner Project B
- Owner Project C

- Subcontracting Opportunities
- Subcontracting Opportunities
- Subcontracting Opportunities



Why JOC Works For Contractors

- Successful completion of work is rewarded with more work
 - Profit is a function of volume
 - Volume is driven by performance
 - JOC provides a steady flow of work
 - Award a higher percentage of proposed projects
 - Streamlined process for project proposals
- Long-term relationship with the City
 - Rewarded with Re-occuring work
 - Develop partnership with the City
- Ability to leverage Subcontractor and Supplier relationships
- Ability to sell value, not just compete to be the lowest price



Why JOC Works For Contractors

- Reduces Risk
 - Fixed prices
 - No negotiations
 - Payment for every element of work performed
 - Ability to provide input during scope development/definition
 - Eliminates quibbling over change orders
 - Reduced chance of claims
- Build bond capacity
- Larger presence and enhanced reputation in the local community



Why JOC Works For Facility Owners

- A Fixed Priced, Fast Track Procurement Process
- Job Orders are Lump Sum
- The Ability to Accomplish a Substantial Number of Individual Projects with a Single Competitively Bid Contract
 - Contractor Has A Continuing Financial Incentive To Provide
 - Responsive Services
 - Accurate Proposals
 - Quality Work on Time
 - Timely Close Out
 - Future Purchase Orders Tied to Contractor Performance
 - No Obligation To Award Specific Projects
 - The City can Use All Other Methods For Accomplishing Projects



Why JOC Works For Facility Owners

- Increases use of CSBF businesses and Local Workforce
 - The absence of pre-established quantities inhibits trade staffing by the prime contractor.
 - Responsiveness requires the prime to use multiple local subcontractors.
 - No bonding requirement for the sub, faster payment, and less red tape, thereby expanding business opportunities for small businesses
 - The City reviews and approves all Subcontractors prior to issuing Job Orders to ensure compliance with goals
 - All City JOC contracts have subcontractor participation goals
- Increases Transparency
 - The City Has the Ability to See and Review the Back-Up Pricing Details
- Schedule Flexibility
 - No Shelf Life for Prices or Job Orders
 - Fast procurement cycle is good for end of fiscal year projects



The Process





Contract Documents



- Front end documents
- Construction Task Catalog®
- Technical Specifications



Front End Documents

Invitation To Bid

- Instructions To Bidders
- Bid Forms
- General Terms & Conditions
- Supplemental Terms & Conditions
- CSBE Participation & Local Workforce Participation

INVITATION TO BID ("ITB") NO.: 15-16-033

JOB ORDER CONTRACT ING ("JOC") FOR HORIZONTAL AND VERTICAL CONSTRUCTIO N SERVICES

OFFICE OF CAPITAL IMPROVEMENTS

Bid Due Date: May 1, 2017

Bid Due Time: 2:00 P.M.



Mayor Tomas P. Regalado

Commissioner Wifredo "Willy" Gort, District 1
Commissioner Ken Russell , District 2
Commissioner Frank Carollo, District 3
Commissioner Francis Suarez , District 4
Commissioner Keon Hardemon , District 5

City Manager, Daniel J. Alfonso

Issued By: City of Miami Department of Procurement 444 SW 2nd Avenue , 6th Floor Miami, FL 33130



Construction Task Catalog®

- Catalog of Pre-Priced Construction Tasks
- Organized by Construction Specifications Institute (CSI)
- Based on Responsible wages, Material & Equipment Costs
- The tasks represent the "Scope of Work" for the contract





Understanding the **Construction Cost 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 00-6 of the CTC

G@RDIAN

- ☑ 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.



The Unit Prices Includ

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 BUSINESS COSTS: 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:

 Insurance and bonding disposal of excess material; and time for lunch and

Using The Construction Task Catalog®

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:

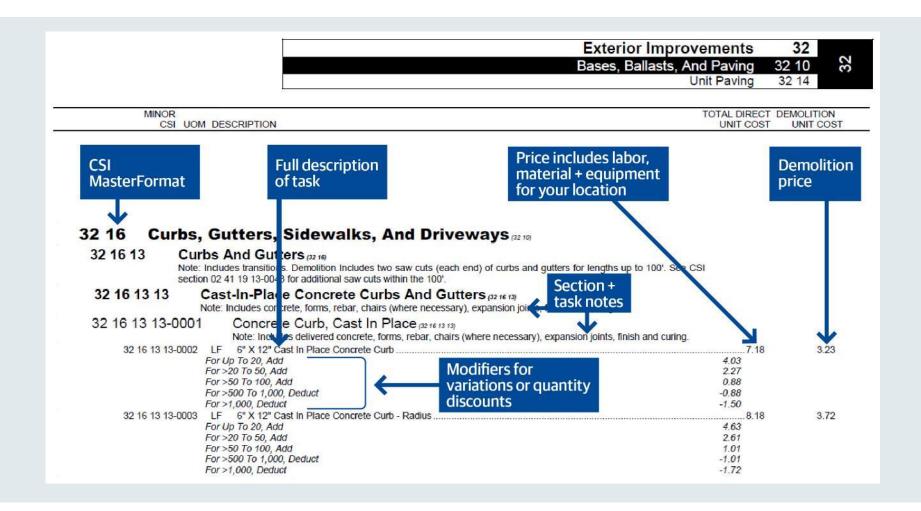
The Adjustment Factors include the following costs unless specifically excluded by the terms of the

- Office overhead, including, but not limited to, office space, office equipment, office and management personnel, office supplies, and employee

Page 00 - 1



Construction Task Catalog®





Understanding the Construction Cost Catalog®

Include All Appropriate Tasks:

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



Non Pre-Priced Tasks

- Contractor must have permission from the City to use a 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:
 - A = Hourly Labor Rate (for Trades not in the CTC®) x the Quantity required
 - B = Direct Material Costs (supported by three quotes)
 - C = Direct Equipment Costs (for Equipment not in the CTC®) x the Quantity required
 - D = Subcontractor Costs (supported by three quotes)
 - E = Allowable Overhead and Profit = (A + B + C) x 15%
 - F = Subcontractor Allowance = D x 10%

Total Cost of Non-Prepriced Task = A + B + C + D + E + F



Technical Specifications

- Specifies Quality of Materials and Workmanship
- Corresponds with Tasks in the Construction Task Catalog®



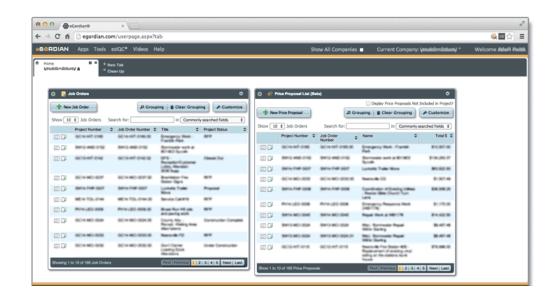


Bidding Process

- Award Based on Competitive Bid
 - Must Bid 2 Adjustment Factors:
 - Normal Working Hours: 7:00 am to 4:00 pm Monday to Friday
 - Other Than Normal Working Hours: 4:00 pm to 7:00 am Monday to Friday, and all day Saturday, Sunday and Holidays
 - Non Pre-priced Tasks (Not in the CTC)
 - Adjustment Factors Apply to All Tasks in the CTC
 - Each Adjustment Factor is Weighted to Create an Award Criteria Figure
 - 80% Normal Working Hours
 - 20% Other Than Normal Working Hours
 - Lowest Award Criteria Figure from a Responsive, Responsible Bidder is Determined to be the Lowest Price



Solicitation Details



Internet Based Software Provided with Contract

- eGordian® Software Expedites the Job Order Process
 - Price Proposals
 - Subcontractor Lists
 - Tracking Dates
 - Required Job Order Forms
- Training provided



1% Contractor License Fee

- Access to eGordian®, Construction Task Catalog®, other proprietary materials
 - Most advanced technology and data in the marketplace.
 - Paperless
 - Efficient
 - Tasks and prices input directly... no fishing through old files and estimating books for costs
- JOC process training
- eGordian[®] software training
- 24-hour support software support.
- Included in the Contractor's Adjustment Factor
 - Consider with the Bid as an Overhead cost
 - 1% of Job Order Price



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



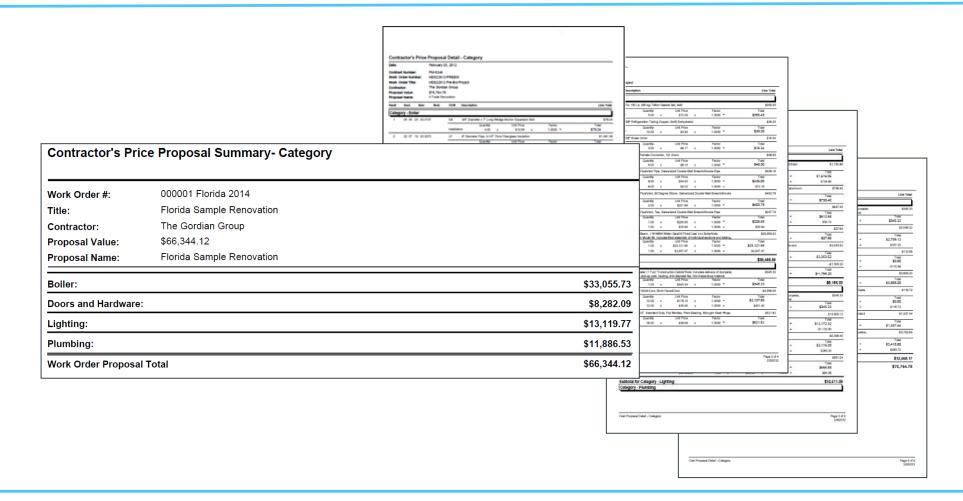
Sample Project: Detailed Scope of Work

Interior Renovation

- Doors and Hardware
 - Replace 12 interior doors, hinges and hardware
 - Doors shall be 3x7, solid core wood doors
 - Grade 2 locksets with knobs
 - Replace 2 push bar exist devices and door closers on exit doors
- Interior Lighting
 - Replace all lay-in troffer fixtures on first and second floors. 48 in total
 - Replace 4 exit fixtures
 - Replace 12 industrial fixtures in shop area
- Plumbing Fixtures
 - Replace 8 bathroom sinks, 8 faucets, and 8 toilets in men's and women's bathroom in admin building and shop area
 - Replace 4 water fountains
- Replace Boiler
 - Demo existing boiler and as much piping and venting to accommodate new boiler. Install a new 1028 mbh oil fired cast iron boiler. No access for packaged boiler. Must field assemble sections. Provide new piping as required.
- Normal Working Hours Apply



Sample Project: Price Proposal





Sample Price: CTC vs. Quote

Direct Cost of Work from CTC

•	Replace Boiler	\$ 33,055.73
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Doors/Hardware \$ 8,282.09

• Lighting \$ 13,119.77

• Plumbing \$ 11,886.53

TOTAL = \$66,344.12

Direct Cost of Work from Quotes or Estimates

• Replace Boller \$ 34,500.00	•	Replace Boiler	\$ 34,500.00
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• Plumbing \$ 10,500.00

TOTAL = \$65,000.00



Sample Price: Putting it all together

• A. Direct Cost of Work from Quotes \$65,000.00

• B. Overhead 10%* \$ 6,500.00

• C. Subtotal (Cost & O/H) \$71,500.00

• D. Profit 10%* \$ 7,150.00

• E. Subtotal (Cost & O/H & Profit) \$78,650.00

• F. Price From CTC \$66,344.12

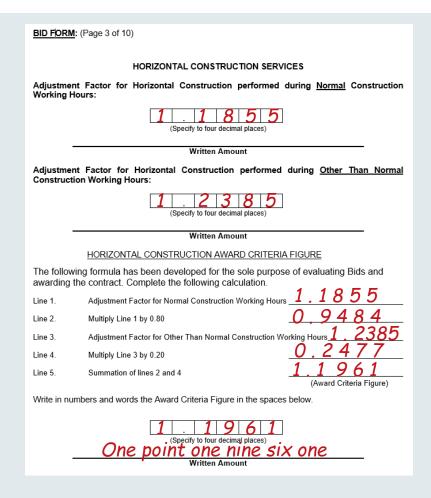
Adjustment Factor (= E / F) = 1.1855

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

Prepare this calculation for more than one sample project.



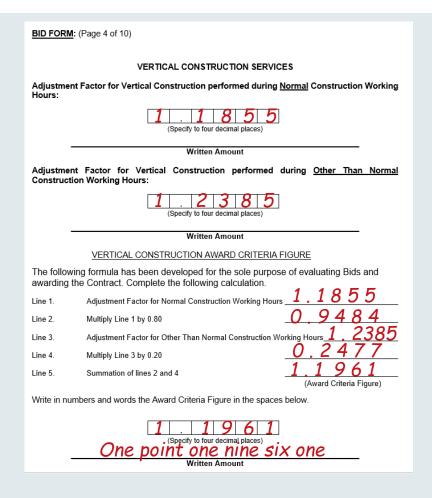
Filling Out the Bid Form – Page 3



* Sample only



Filling Out the Bid Form – Page 4



* Sample only



Annual Adjustment Factor Update

- Annual Price Adjustment
 - Applied annually on the anniversary of the Award Date
 - Each February 1st, a new Construction Task Catalog[®] will be issued





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 to be considered for Best and Final Bid Offer, if Bid Submitted is within 15% of Non-Local Lowest Bidder.
 - Hold Required Licenses
 - Rebate 1% of each Job Order as a Contractor License Fee for eGordian® software access



Contractor Adjustment Factor

Importance of Adjustment Factors

- Determines Lowest Bidder AND
- Used to Price Individual Work Orders
- Price Proposal Total Becomes the <u>Lump Sum Job Order Amount</u>

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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
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Total Job Order Price



Risks of Low Adjustment Factor

- Leads to Arguments in Proposal Review
 - Unsupportable Tasks
 - Exaggerated Quantities
- Leads to Delays in Work 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



Review of Key Points

- Focus on Total Potential Value of Contract
 - Estimated Annual Value x 4
- Evaluate Construction Task Catalog®
 - Analyze Unit Prices
 - Know the General Guidelines for Using the CTC
- Contractor Performance Drives Volume
 - Ability to Market Program and Services
 - Responsive Service
 - Accurate Proposals
 - Safe and Clean Project Sites
 - High Quality Construction
 - On-Time Completion
 - On Time Close Out



Questions

- Make Sure you Signed the Pre-bid Sign-In Sheet
- All questions concerning this solicitation must be received via email no later than:
 - April 3 April 17, 2017 at 5:00 P.M.
- Submit questions to:
 - schaney@miamigov.com
 - with copy to: rcastillo@miamigov.com
- Bids due:
 - April 17 May 1, 2017 at 2:00 P.M

