County of San Mateo

Job Order Contracting

Mandatory Pre-bid Conference


November 18, 2019
Pre-Bid Conference Agenda

Part I: Job Order Contracting
• JOC Overview
• JOC Contract Documents
• Understanding the Construction Task Catalog® (CTC)
• JOC Process

Part II: Bid Factors & Considerations
• Solicitation Details
• Calculating the Bid
• Bid Considerations & Review
• Contractor Adjustment Factors
• Risk of Low Adjustment Factors
# Job Order Contracting

**Definition**
- Fixed Priced, Indefinite Quantity, Competitively Bid Contract
- 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
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
Contract Documents

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

- Notice to Contractors
- Instructions to Bidders
- Proposal – Bid Forms
- Division I – General Requirements
- Forms
- General and Supplementary Conditions
Construction Task Catalog®

• Catalog of Pre-Priced Construction Tasks
• Based on Local Labor, Material & Equipment Costs
• Unit prices are for Direct Cost of Construction only
• The tasks represent the “Scope of Work” for the contract
• Items that list manufacturer and model number are to specify quality and must be used as equal instead of Non-Prepriced items
### Construction Task Catalog®

#### Table:

<table>
<thead>
<tr>
<th>CSI</th>
<th>Full description of task</th>
<th>Price includes labor, material + equipment for your location</th>
<th>Demolition price</th>
<th>Section + task notes</th>
<th>Modifiers for variations or quantity discounts</th>
</tr>
</thead>
<tbody>
<tr>
<td>32 16</td>
<td>Curbs, Gutters, Sidewalks, And Driveways</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>32 16 13</td>
<td>Curbs And Gutters</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>32 16 13 13</td>
<td>Cast-In-Place Concrete Curbs And Gutters</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>32 16 13 13-0001</td>
<td>Concrete Curb, Cast In Place</td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tbody>
</table>

Notes: Includes concrete forms, rebars, chairs (where necessary), expansion joints, finish and curing.

Modifiers for variations or quantity discounts:
Understanding the Construction Cost Catalog®

• Contractor should review “Using the Construction Task Catalog®”
• The Unit Prices Include
• Complete and In-place Construction
• The Adjustment Factors Include: Overhead, Profit, Subs Overhead and Profit, Taxes, Fringe Benefits, Financing, Business Risk, 1%CLF
• Construction Related Costs: Project Management, All Project Meetings (Joint Scope, Proposal Review, etc), Permit Services, Submittal Preparation, Incidental A&E, Vehicles, Temporary Utilities, Excess Waste, Daily & Final Clean-up, Etc.
• General Interpretations
## Understanding the Construction Cost Catalog®

### Include All Appropriate Tasks:

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>Unit</th>
<th>Quantity</th>
<th>Unit Price</th>
<th>Total Price</th>
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</thead>
<tbody>
<tr>
<td>32 16 23 00-0002</td>
<td>4&quot; Cast In Place Concrete Sidewalk</td>
<td>SF</td>
<td>400</td>
<td>$5.06</td>
<td>$2,024.00</td>
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<tr>
<td></td>
<td>For Quantities 100 to 500, Add</td>
<td>SF</td>
<td>400</td>
<td>$2.04</td>
<td>$816.00</td>
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<tr>
<td>32 11 16 00-0015</td>
<td>4&quot; Crushed Aggregate Base</td>
<td>SF</td>
<td>400</td>
<td>$0.63</td>
<td>$252.00</td>
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<tr>
<td></td>
<td>For Quantities Under 1000</td>
<td>SF</td>
<td>400</td>
<td>$0.18</td>
<td>$72.00</td>
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<tr>
<td>01 71 13 00-0003</td>
<td>Mobilize Backhoe</td>
<td>EA</td>
<td>1</td>
<td>$402.63</td>
<td>$402.63</td>
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<tr>
<td>31 23 16 36-0006</td>
<td>Excavation by Backhoe</td>
<td>CY</td>
<td>11</td>
<td>$3.75</td>
<td>$41.25</td>
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<tr>
<td></td>
<td>For Quantities Under 20 CY, Add</td>
<td>CY</td>
<td>11</td>
<td>$3.75</td>
<td>$41.25</td>
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<tr>
<td>31 23 16 36-0028</td>
<td>Loading Excess Materials</td>
<td>CY</td>
<td>13.75</td>
<td>$3.42</td>
<td>$47.03</td>
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<tr>
<td></td>
<td>For Quantities Under 20 CY, Add</td>
<td>CY</td>
<td>13.75</td>
<td>$3.42</td>
<td>$47.03</td>
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<tr>
<td>01 74 19 00-0029</td>
<td>Hauling to Dump Site</td>
<td>CYM</td>
<td>20</td>
<td>$0.51</td>
<td>$105.57</td>
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<tr>
<td>01 74 19 00-0021</td>
<td>Landfill Dump Fee</td>
<td>CY</td>
<td>13.75</td>
<td>$15.14</td>
<td>$208.18</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$4,056.93</td>
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</tbody>
</table>

*Sample only

**Note:** Compare these prices.
Non Pre-Priced (NPP) Tasks

- Contractor must have permission from the County of San Mateo 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:

  \[ \text{Total Cost for self-performed work} = (A + B + C) \times \text{Appropriate Adjustment Factor or 1.15 (Whichever is less and Only if A & B cannot be priced out of the CTC)} \]

- If the Work is to be subcontracted, the Contractor must submit three independent bids from Subcontractors.
- The final price submitted for Non Pre-priced Tasks which are performed by a subcontractor is according to the following formula:
  - \( D = \text{subcontractor costs (supported by quotes)} \)
  - \( \text{Total cost of Non Pre-priced Task} = D \times \text{Appropriate Adjustment Factor or 1.15 (whichever is less)} \)
Technical Specifications

• Specifies Quality of Materials and Workmanship
• Corresponds with Tasks in the Construction Task Catalog®
The Process

1. Joint Scope Meeting
2. Request for Proposal
3. Proposal Development
4. Proposal Review
5. Issue Job Order
eGordian Software

Internet Based Software Provided with Contract

- eGordian® Software Expedites the Task Order Process
  - Price Proposals
  - Subcontractor Lists
  - Tracking Dates
  - Required Task Order Forms
- Training provided
1% Contractor License Fee

- Access to eGordian®, Construction Task Catalog®, other proprietary materials
  - Paperless
  - Efficient
  - Tasks and prices input directly... no fishing through old files and estimating books for costs
- JOC process training
- eGordian® software training
- eGordian support
- Included in the Contractor’s Adjustment Factor
  - Consider with the Bid as an Overhead cost
  - 1% of Job Order Price
Why JOC Works For Contractors

- Good work is rewarded with more work
  - Profit is a function of volume
  - Volume is driven by performance
  - JOC provides a steady flow of work
  - Win a higher percentage of proposed projects
  - Easier process for project proposals
- Long-term relationship with County of San Mateo
  - Good work is rewarded with more work
  - Develop partnership with the County
- Ability to leverage Subcontractor and Supplier relationships
- Ability to sell value, not just compete to be the lowest price
Why JOC Works For Facility Owners

- A Fixed Priced, Fast Track Procurement Process
- Task Orders are Lump Sum
- Schedule Flexibility – No shelf life for prices or task orders
- 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 County can Use All Other Methods For Accomplishing Projects
Part II: Bid Factors & Consideration
## Solicitation Details

<table>
<thead>
<tr>
<th>Contract</th>
<th>Contract license required</th>
<th>Minimum Contract Value</th>
<th>Maximum Contract Value</th>
<th>Contract Term</th>
<th>Initial Payment &amp; Performance Bonding (Each)</th>
</tr>
</thead>
<tbody>
<tr>
<td>JOC-2005, 2006, 2007, 2008 &amp; 2009 B - General Building</td>
<td>$0</td>
<td>$5,000,000</td>
<td>1 Year</td>
<td>$1,000,000</td>
<td></td>
</tr>
<tr>
<td>JOC-2010, 2011 &amp; 2012 *C-20- Mechanical Works (HVAC)</td>
<td>$0</td>
<td>$5,000,000</td>
<td>1 Year</td>
<td>$1,000,000</td>
<td></td>
</tr>
<tr>
<td>JOC-2013 &amp; 2014 C-39 - Roofing</td>
<td>$0</td>
<td>$2,000,000</td>
<td>1 Year</td>
<td>$250,000</td>
<td></td>
</tr>
<tr>
<td>JOC-2015 &amp; 2016 C-15- Flooring</td>
<td>$0</td>
<td>$2,000,000</td>
<td>1 Year</td>
<td>$250,000</td>
<td></td>
</tr>
<tr>
<td>JOC-2017 &amp; 2018 C-36 - Plumbing</td>
<td>$0</td>
<td>$2,000,000</td>
<td>1 Year</td>
<td>$250,000</td>
<td></td>
</tr>
<tr>
<td>JOC-2019 &amp; 2020 C-10 - Electrical/ Lighting</td>
<td>$0</td>
<td>$2,000,000</td>
<td>1 Year</td>
<td>$250,000</td>
<td></td>
</tr>
</tbody>
</table>

*Mechanical Works Contract C-20 license mandatory with additional C-4, C-36, C-38, C-43 preferred*
Solicitation Details

• Payment and Performance Bonds will be increased to not less than 100% of the Max Contract Value if Collective Job Orders exceed $250,000

• Differing Site Conditions or Changes in Scope
  • Priced from Construction Task Catalog®
  • Supplemental Task Order
  • No Negotiated Change Orders

• Filings and Permits
  • Fees paid for all Permits reimbursed 100% - No Markup

• Liquidated Damages
  • On a Job Order by Job Order Basis
  • Typical range is, but not limited to, $300 - $1,000 per day

• Bid Security: $25,000

• In addition to the contract specific Payment and Performance bonds, a “Letter of Bondability” shall be provided by a Surety Corporation duly and legally licensed to transact business in the State of California, for the Maximum Contract Value.
Bid Factors

• Must Bid Six Adjustment Factors -
  - Normal Working Hours; Shift Work 6:00 AM to 6:00 PM Monday-Friday;
  - Other than Normal Working Hours; after Hours Monday-Friday; All Day Saturday, Sunday and Holidays
  - Normal Working Hours - Detention Facilities
  - Other than Normal Hours - Detention Facilities
  - Normal Working Hours - OSHPD Facilities
  - Other than Normal Hours - OSHPD Facilities

• Same Adjustment Factors Apply to All Tasks in the CTC
  - Adjustment Factors Must Include All Indirect Costs and Profit
  - Adjustment Factors Fixed for the Duration of Contract Term

• Lowest Adjustment Factor From a Responsive, Responsible Bidder Wins!

WORK PERFORMED DURING NORMAL WORKING HOURS

WORK PERFORMED DURING OTHER THAN NORMAL WORKING HOURS

DETENTION FACILITIES – NORMAL WORKING HOURS

DETENTION FACILITIES - OTHER THAN NORMAL WORKING HOURS

OSHPD FACILITIES – NORMAL WORKING HOURS

OSHPD FACILITIES – OTHER THAN NORMAL WORKING HOURS
Method to Calculate AF

• 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
### Direct Cost of Work from CTC

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost</th>
</tr>
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<tbody>
<tr>
<td>Replace Boiler</td>
<td>$33,055.73</td>
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<tr>
<td>Doors/Hardware</td>
<td>$8,282.09</td>
</tr>
<tr>
<td>Lighting</td>
<td>$13,119.77</td>
</tr>
<tr>
<td>Plumbing</td>
<td>$11,886.53</td>
</tr>
</tbody>
</table>

**TOTAL** = $66,344.12

### Direct Cost of Work from Quotes or Estimates

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Replace Boiler</td>
<td>$34,500.00</td>
</tr>
<tr>
<td>Doors/Hardware</td>
<td>$7,250.00</td>
</tr>
<tr>
<td>Lighting</td>
<td>$12,750.00</td>
</tr>
<tr>
<td>Plumbing</td>
<td>$10,500.00</td>
</tr>
</tbody>
</table>

**TOTAL** = $65,000.00
Sample Price: Putting it all together

<table>
<thead>
<tr>
<th></th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Direct Cost of Work from Quotes</td>
<td>$65,000.00</td>
</tr>
<tr>
<td>B</td>
<td>Overhead 10%*</td>
<td>$6,500.00</td>
</tr>
<tr>
<td>C</td>
<td>Subtotal (Cost &amp; O/H)</td>
<td>$71,500.00</td>
</tr>
<tr>
<td>D</td>
<td>Profit 10%*</td>
<td>$7,150.00</td>
</tr>
<tr>
<td>E</td>
<td>Subtotal (Cost &amp; O/H &amp; Profit)</td>
<td>$78,650.00</td>
</tr>
<tr>
<td>F</td>
<td>Price From CTC</td>
<td>$66,344.12</td>
</tr>
</tbody>
</table>

• **Adjustment Factor (= E / F) = 1.1855**

*Sample Only. Contractor to determine O/H & Profit.
Prepare this calculation for more than one sample project.*
Contractor Adjustment Factor

Importance of Adjustment Factors
• Determines Lowest Bidder AND
• Used to Price Individual Task Orders
• Price Proposal Total Becomes the **Lump Sum Task Order Amount**

\[
\text{Unit Price} \times \text{Quantity} \times \text{Adjustment Factor} = \text{Total for Task}
\]

\[
\text{Total Task Order Price}
\]
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
  • 1% of each Task Order as a Contractor License Fee for eGordian®
Risks of Low Adjustment Factor

- Leads to Arguments in Proposal Review
  - Unsupportable Tasks
  - Exaggerated Quantities
- Leads to Delays in Task 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 Value of each Contract

• 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
Bids

• Each bid must be submitted on the proposal bid forms provided in the Contract Documents.

• Also, each bid must be accompanied by security in the form of a bid bond issued by a corporate surety, a cashier’s check payable to the County of San Mateo for an amount not less than $25,000.

• Contractor shall not assign this Agreement or any portion of it to a third party to provide services required by Contractor under this Agreement without the prior written consent of the County, the Director of Public Works or his designee. Any such assignment or subcontract without County’s prior written consent shall give County the right to automatically and immediately terminate this Agreement without penalty or advance notice.
Filling Out the Bid Form

2. **BID SCHEDULE**:
   
   **General Facilities Normal Working Hours**: Work performed during Normal Working Hours, in General Facilities, in the quantities specified in Individual Job Orders for the Unit Price sum specified in the Construction Task Catalog® multiplied by the Adjustment Factor of:
   
   1.1 8 5 5 ONE POINT ONE SIX FOUR NINE

   **General Facilities Other than Normal Working Hours**: Work performed during Other Than Normal Working Hours, in General Facilities, in the quantities specified in individual Job Orders for the Unit Price sum specified in the Construction Task Catalog® multiplied by the Adjustment Factor of:
   
   1.2 3 0 0 ONE POINT TWO THREE ZERO ZERO

   **Detention Facilities Normal Working Hours**: Work performed during Normal Working Hours, in Detention Facilities, in the quantities specified in Individual Job Orders for the Unit Price sum specified in the Construction Task Catalog® multiplied by the Adjustment Factor of:
   
   1.2 4 0 0 ONE POINT TWO FOUR ZERO ZERO

   **Detention Facilities Other than Normal Working Hours**: Work performed during Other Than Normal Working Hours, in Detention Facilities, in the quantities specified in Individual Job Orders for the Unit Price sum specified in the Construction Task Catalog® multiplied by the Adjustment Factor of:
   
   1.3 1 5 0 ONE POINT THREE ONE FIVE ZERO

   **OSHPD Facilities Normal Working Hours**: Work performed during Normal Working Hours, in OSHPD Facilities, in the quantities specified in Individual Job Orders for the Unit Price sum specified in the Construction Task Catalog® multiplied by the Adjustment Factor of:
   
   1.2 8 0 0 ONE POINT TWO EIGHT ZERO ZERO

   **OSHPD Facilities Other than Normal Working Hours**: Work performed during Other Than Normal Working Hours, in OSHPD Facilities, in the quantities specified in Individual Job Orders for the Unit Price sum specified in the Construction Task Catalog® multiplied by the Adjustment Factor of:
   
   1.3 5 0 0 ONE POINT THREE FIVE ZERO ZERO
<table>
<thead>
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<tr>
<td>1.</td>
<td>1.1855</td>
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<td>0.1860</td>
<td>7.</td>
<td>1.3150</td>
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<td>9.</td>
<td>1.2800</td>
<td>10.</td>
<td>0.1920</td>
<td>11.</td>
<td>1.3500</td>
</tr>
</tbody>
</table>
Questions?

- Make Sure you Signed the Pre-bid Sign-In Sheet

- In instances where more than one contract is awarded per trade, one (1) contract will be awarded to the successful lowest bidder and one (1) to the second lowest bidder. Only one bid per Contractor shall be submitted for both contracts. The apparent lowest responsive and responsible bidder on one JOC contract will be excluded from consideration for the subsequent contract.

- Any questions regarding the Contract Documents may be submitted by email to Rana Naser at rnaser@smcgov.org. All bid questions are preferred in writing no later than four (4) business days prior to the bid date.

Bids Due: December 12, 2019 at 2:30pm