

# Public Building Commission of Chicago Job Order Contracting Pre-Bid Meeting

For

Abatement and Demolition, Site Preparation and Site Development

Contract No. 1505

Chicago, Illinois

**11 February 2010** 



- What is a Job Order Contract?
- What are the Contract Documents?
- The Contract Specifics
- How is JOC Bid?
- The JOC Bid Forms
- The JOC Procurement Process



## What is a Job Order Contract?

### The PBC Job Order Contract is a:

- Firm, Fix Priced, Fast Track, Competitively Bid, Indefinite Quantity Contract Designed Specifically to Accomplish:
  - \* Abatement of Buildings
  - \* Demolition of Buildings
  - \* Remediation and Site Preparation for New Construction
  - \* Site Development
- <u>Firm, Fixed Price</u>: Construction Task Catalog® of Pre-Priced Work Task
- <u>Fast Track</u>: 15 30 Day Procurement Time
- <u>Competitively Bid</u>: All Bidders Submit a Set of Adjustment Factors to the fixed prices in the CTC®
- <u>Indefinite Quantity:</u> Contract is for Fixed Term and a Potential Maximum Dollar Value. No Projects are Identified at the Time of Bidding
- Once the Master (Umbrella) Contract is Awarded, Job Orders are Issued for Individual Projects, Potentially up to the Maximum Value of the Contract.



## What is a Job Order Contract?

# A Job Order Contract is a Performance Based System

- Future Work is Dependent Upon Contractor Performance
  - Responsiveness of the Contractor
    - During the Project Development Phase
    - During Construction Start-up to Close-out
  - Quality Price Proposals
    - Timely
    - Accurate
  - Quality of Construction
    - Timely Start-Up
    - Effective Management of Subcontractors
    - Ensuring That the Project is Constructed According to the Specifications
  - Success in Developing a Partnership Relationship with the PBC
  - · To achieve this Performance you must assure
    - Accurate Adjustment Factors (bid correctly)
    - Quality Price Proposals
    - Quality Staff





## What is a Job Order Contract?

# A Job Order Contract is a Performance Based System

## **Book 2, JOC General Conditions, Article 26 VII: Standards of Performance**

- 1. Job Order Contracting is a performance based contracting system. Once the Contractor has been issued Work Orders and follows the standard of performance the Commission may continue to issue Work Orders up to the potential Maximum Contract Amount. The continuation of the Contract to the end of the term will depend upon the Contractor's performance with the following performance standards.
- a. <u>Timely Submission of the Contractor's Price Proposal and Work Order Proposal</u>
- b. Quality of the Contractor's Price Proposal
- c. Achievement of M/WBE Goals (24% / 4%)
- d. <u>Local Business Subcontracting Participation and Community Hiring</u>
- c. Quality of Construction (According to the Work Order Specifications)



- Book 1 Project Information, Instructions and Execution Documents
  - Document Submittal Checklist
  - Project Information
  - Instructions to Bidders
  - Bid Forms (To Be Discussed Later)
- Book 2 Standard Terms and Conditions for Construction
  - · Commission's General Conditions
  - JOC General Conditions
- Book 2A Standard Terms and Conditions Procedures Manual (CD-ROM)
- Book 3 Construction Task Catalog® (CTC®) (CD-ROM)
- Book 4 JOC Technical Specifications and Standard Drawings (CD-ROM)



Document Submittal Checklist

#### DOCUMENT SUBMITTAL CHECKLIST

Two originals of the following documents are required at the time of bid opening. Please ensure that you have completed the forms and indicate such by placing an "X" next to each completed item:

1.	 Bid Form 1 and Bid Form 2 (Section Five)
2.	 Acceptance of the Bid (Section Five)
3.	 Proposal to be Executed by a Corporation (Section Five)
4.	 Affidavit of Uncompleted Work (Book 1, Section Six)
5.	 Affidavit of Non-Collusion (Book 1, Section Six)
6.	 Disclosure of Retained Parties (Book 1, Section Six)
7.	 Schedule B – Affidavit of Joint Venture (if applicable) (Book 1, Section Six)
8.	 Bid Guarantee (To Be Inserted By the Bidder) (Book 1, Section Two)
Current ve	the following documents must be on file with the Commission at the time of
1.	 Statement of Bidder's Qualifications (Book 1, Section Seven)
2.	 Disclosure Affidavit (Book 1, Section Two, Book 1 Section Seven and Article 16 and Book 2, Section 21.13)
3.	 Financial Statement (Book 1, Section Two, Article 15)



Book 1: Project Information, Instructions and Execution Documents

**Section One – Project Information** 

Section Two – Instructions to Bidders

**Section Three – Contract Insurance Requirements** 

**Section Four – Illinois Department of Labor Prevailing Wage Rates** 

**Section Five - Proposal and Execution Documents** 

- Bid Form 1 Schedule of Prices
- · Bid Form 2 Award Criteria Calculation

Section Six – Additional Documents to Be Submitted with the Bid

Bid Forms A through E

Section Seven – Documents to Be on File with the Commission at the Time of Bidding

**Section Eight - Exhibits** 



Book 2: Standard Terms and Conditions for Construction Contracts

#### **Commission's General Conditions**

- General Provisions
- Contractor's Obligations
- Subcontracting & Assignment
- Permits and Licensing
- Contractor's Practices at Site
- Schedule
- Quality of Workmanship, Materials and Equipment
- Shop Drawings, Product Data, Records and Samples
- Payments
- Events of Default and Termination
- Environmental Requirements
- Compliance with All Laws
- M/WBE Special Conditions

#### **JOC General Conditions**

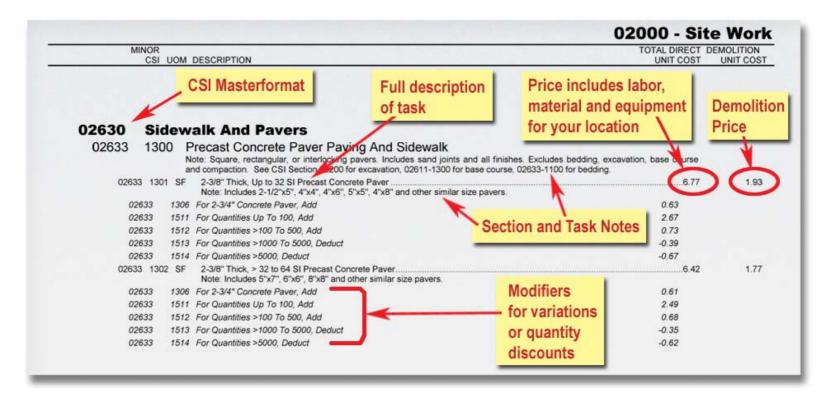
- General Provisions
- Scope of Work and Procedure for Ordering Work
- Changes in Work
- Personnel
- Price Adjustment
- Extensions of Contract Performance
- Standards of Performance



Book 3: Construction Task Catalog®

## Book 3 - Construction Task Catalog® (CTC®) (CD-ROM)

- Catalog of Pre-Priced Construction Tasks
- Organized by CSI Format
- Prices Include Local Labor, Equipment and Material (LEM) Costs
- · Customized for Owner's Tasks and Standards





Book 3: Construction Task Catalog®

# **Guide Lines for Using and Interpreting the CTC®**

- Pages 00-1 thru 00-5 of Book 3
  - Description of What the Unit Prices Include
  - Description of What the Adjustment Factors Include
  - General Interpretations



Book 2: JOC General Conditions

# **Book 2, JOC General Conditions, Article VI: Price Adjustment**

- Applied Annually
- CCI Based on Local L, E & M

# Calculation:

**CCI Current Year Index** = The % Increase or Decrease in Construction Costs

**CCI Base Year Index** 

% Increase x Current Adj. Factors = New Adj. Factors for Next 12 Months



Book 2: JOC General Conditions

	%		Rate	Weighted	
LABOR (47% of total cost)	Distribution	<u>Hours</u>	(Base+Fringes)	Value	Source
Asbestos Abt - GEN	15%	1	\$53.10	7.97	Α
Carpenter	1%	1	\$60.89	0.61	Α
Electrician	3%	1	\$61.91	1.86	Α
Laborer	18%	1	\$53.10	9.56	Α
Operating Engineer Hwy Class 1	38%	1	\$65.10	24.74	Α
Ornamental Iron Worker	1%	1	\$63.44	0.63	Α
Truck Driver Class 1 E	24%	1	\$43.05	10.33	Α
TOTAL	100%			55.69	
Weighted Value (47%x55.69)	= 26.1759				
EQUIPMENT (15% of total cost)		Units	Rate	Weighted Value	
Dozer	6%	1	\$2,015.00	3.02	В
Excavator	21%	1	\$2,053.00	10.78	В
Track Loader	12%	1	\$2,250.00	6.75	В
Bobcat	22%	1	\$883.00	4.86	В
Roller	8%	1	\$1,638.00	3.28	В
Combination Back-Hoe	2%	1	\$833.00	0.42	В
Semi Dump	23%	1	\$1,758.00	10.11	В
Six Wheeler Dump	6%	1	\$1,385.00	2.08	В
TOTAL	100%		φ1,363.00	41.29	В
Weighted Value (15%X41.29)	= 6.1929			41.29	
Weighted Value (15%A41.29)	- 0.1929			Weighted	
MATERIALS (38% of total cost)		<u>Units</u>	<u>Rate</u>	Rate	
CA-1 (ton)	17%	1	\$11.33	1.93	C
CA-6 (ton)	42%	1	\$9.03	3.79	С
CA-7 (ton)	10%	1	\$12.45	1.25	С
Concrete (CY)	11%	1	\$85.67	9.42	С
Sod (SF)	5%	1	\$0.17	0.01	С
Top Soil (CY)	6%	1	\$5.83	0.35	С
2" PVC Schedule 40	2%	1	\$0.95	0.02	С
8" sewer pipe	5%	1	\$9.34	0.47	С
#4 Rebar	2%	1	\$7.84	0.16	С
TOTAL	100%			17.39	
Weighted Value (38%X17.39)	= 6.6076				

## **The Contract Details**



## Key Features

- The Solicitation is for the Award of one (1) or more Contract(s)
- Performance Bond & Payment Bond: \$2,000,000
- Amount of Bid Deposit: \$25,000
- · Base Term of 1 Year with (2) Additional 1 Year Option Terms
- Base Term Estimated Value = \$6,000,000
- Potential Contract Maximum Value = \$18,000,000
- Bids Good for 210 Days
- Bids Due February 23, 2010 at 2:00 pm.
- M/WBE PARTICIPATION IS TO BE MET ON EACH WORK ORDER OVER \$100K (24% / 4%)
- Local Business Subcontracting Participation and Community Hiring



# **Performance and Payment Bond**

The bonds will cover the base term of the contract, 12 months, plus the one year guarantee period. In the event the parties agree to exercise the option term(s), the contractor shall deliver either: 1) new payment and performance bonds, or 2) a renewal of the original bonds meeting the required penal sum. The contractor must immediately provide additional bonding if the total value of all outstanding Work Orders exceed the penal sum of the bonds. The surety or sureties issuing the bond must be acceptable to the Commission and the bond must be in the form provided by the Commission. The bond must cover the warranty period required by the Contract



## •Prior to Bidding PBC Does Not:

- Identify or Commit to any Specific Project or Location
- Identify or Commit to Any Specific Quantities or Tasks in the CTC®

# Scope of Work

- Scope of Work is defined by the tasks in the Construction Task Catalog®
- This Contract is be used primarily for project Abatement, Demolition, Site Preparation and Site Development.
- PBC JOC has a Fixed Base Term of 12 Months, with (2) additional 1-year Option Terms
- The Contract has Fixed Base Term with an Estimated Maximum Value of \$6,000,000. Each Optional Term has a Potential Maximum Value of \$6,000,000.
- The Potential Maximum Contract = \$18,000,000





- Step 1: Determine Your Direct Costs
  - Analyze the CTC ® and Specifications
    - Completeness and Clarity
    - Review the CTC ® Price against Direct Cost for Accomplishing the Work
    - Prices in the CTC® do not include Subcontractor OH & P
- Step 2: Determine Overhead Costs & Profit Expectations
  - Bonding, Insurance, etc...
  - Main Overhead is Staffing
    - How Much Will It Cost to Employ the Required Staff?
- Step 3: Bid a Regular Time and Overtime Adjustment Factor for Three Different Project Values to the Prices Quoted in the CTC®: <\$300K: \$300K \$1M: >\$1 M
  - Applied to All Work Tasks in the CTC®
  - Must Cover Direct Costs, Overhead and Profit
  - Cannot Exclude Any Tasks
- Step 4: Bid a Non Pre-Priced Factor

WORK PERFORMED DURING NORMAL WORKING HOURS



WORK PERFORMED
AFTER NORMAL
WORKING HOURS



**Award Based on Lowest Award Criteria Factor** 



## The JOC Bid Forms

#### **BID FORM 1 - SCHEDULE OF PRICES**

The Contractor shall perform all Work required, necessary, proper for or incidental to completing the Work called for in each individual Work Order issued under this Job Order Contract using the Construction Task Catalog® (CTC®) and Technical Specifications incorporated herein with the following adjustment factors:

#### FOR WORK ORDER VALUE \$0 - \$300,000

 Normal Working Hours Adjustment Factor: Contractor shall perform any or all functions called for in the Contract Documents during normal working hours in the quantities specified in individual Work Orders against this Contract for the unit price sum specified in the Construction Task Catalog<sup>®</sup> (CTC<sup>®</sup>) multiplied by the adjustment factor of:

(Specify to four (4) decimal places)

Other Than Normal Working Hours Adjustment Factor: Contractor shall perform any or all functions called for in the Contract Documents during other than normal working hours in the quantities specified in individual Work Orders against his Contract for the unit price sum specified in the Construction Task Catalog® (CTC®) multiplied by the adjustment factor of:

(Specify to four (4) decimal places)

#### FOR WORK ORDER VALUE \$300,001 - \$1,000,000

 Normal Working Hours Adjustment Factor: Contractor shall perform any or all functions called for in the Contract Documents during normal working hours in the quantities specified in individual Work Orders against this Contract for the unit price sum specified in the Construction Task Catalog® (CTC®) multiplied by the adjustment factor of:

(Specify to four (4) decimal places)

4. Other Than Normal Working Hours Adjustment Factor: Contractor shall perform any or all functions called for in the Contract Documents during other than normal working hours in the quantities specified in individual Work Orders against his Contract for the unit price sum specified in the Construction Task Catalog<sup>®</sup> (CTC<sup>®</sup>) multiplied by the adjustment factor of:



## The JOC Bid Forms

#### FOR WORK ORDER VALUE >\$1,000,001

5.	Normal Working Hours Adjustment Factor: Contractor shall perform any or all
	functions called for in the Contract Documents during normal working hours in
	the quantities specified in individual Work Orders against this Contract for the
	unit price sum specified in the Construction Task Catalog® (CTC®) multiplied by
	the adjustment factor of:

(Specify to four (4) decimal places)

6. Other Than Normal Working Hours Adjustment Factor: Contractor shall perform any or all functions called for in the Contract Documents during other than normal working hours in the quantities specified in individual Work Orders against his Contract for the unit price sum specified in the Construction Task Catalog® (CTC®) multiplied by the adjustment factor of:

(Specify to four (4) decimal places)

7. <u>Non Pre-priced Adjustment Factor:</u> Contractor shall multiply this factor times the cost of the non pre-priced task as determined in Article III.B.5, JOC General Conditions Book 2

(Specify to four (4) decimal places)

 Award Criteria Figure: Contractor shall include, in the space provided below, the Award Criteria Figure calculated below,

Award Criteria Figure =

(words)



# For Bid Evaluation Purposes Only

WORK ORDER VALUE	WORK ORDER DISTRIBUTION	NORMAL WORKING HOURS	OTHER THAN NORMAL WORKING HOURS
\$0 - \$300,000	10%	70%	30%
\$300,001 - \$1,000,000	30%	90%	10%
>\$1,000,001	50%	90%	10%
Non Pre-priced	10%		



# The JOC Bid Forms

## Bid Form 2 - Basis of Contract Award

#### "Award Criteria" Determination

FOR WORK ORDER VALUE \$0 - \$300 000

## For Bid Evaluation Purposes Only

- 10% of Work is estimated to be in the range of \$0 = \$300k
- 70% of Work is estimated to be accomplished in Normal Working Hours

FOR WORK	ORDER VALUE \$0 - \$300,000			
Line 1.	Normal Working Hours Adjustment Factor			
Line 2.	Multiply Line 1 by (.10 X .70) = .070			
Line 3.	Other Than Normal Working Hours Adjustment Factor			
Line 4.	Multiply Line 3 by (.10 X .30) = .030			
FOR WORK	ORDER VALUE \$300,001 - \$1,000,000			
Line 5.	Normal Working Hours Adjustment Factor			
Line 6.	Multiply Line 5 by (.30 X .90) = .270			
Line 7.	Other Than Normal Working Hours Adjustment Factor			
Line 8.	Multiply Line 7 by (.30 X .10) = .030			
FOR WORK ORDER VALUE >\$1,000,001				
Line 9.	Normal Working Hours Adjustment Factor			
Line 10.	Multiply Line 9 by (.50 X .90) = .450			
Line 11.	Other Than Normal Working Hours Adjustment Factor			
Line 12.	Multiply Line 11 by (.50 X .10) = .05			



## The JOC Bid Forms

Line 13.	Non Pre-priced Adjustment Factor	
Line 14.	Multiply Line 13 by .10	
Line 15.	Add lines 2, 4, 6 8, 10,12 and 14	
Line 16.	Maximum Value of Contract, Base Contract Term	\$6,000,000
Line 17.	Multiply Line 15 by Line 16	
Line 18.	% of the total Journeyworker hours that the Contractor proposes to be worked by minority Journeyworkers during the term of the Contract (Maximum Figure .50)	
Line 19.	Multiply Line 17 by Line 18 by 0.04	
Line 30.	Summation of lines 19,21,23,25, 27 and 29	
Line 31.	Subtract line 30 from Line 17	(Award Criteria Figure)

The bidder shall complete the Canvassing Formula and transfer the final Award Criteria Figure (Line 31) to the space provided on Bid Form 1 of this proposal. A Contract may be awarded to the responsive and responsible bidder with the lowest Award Criteria Figure. The Commission reserves the right to revise all arithmetic calculations for correctness.



## The JOC Procurement Process

# Develop Scope of Work

# Conduct Joint Scope Meeting

- Visit the Project Site
- Finalize Outstanding Issues

# Request for Proposal

# Contractor Develops Proposal

- Prepares a Material Take Off
- Selects Tasks and Quantities from CTC
- · Submits to the PBC for Review

# Contractor's Proposal Reviewed & Approved

- Contractor Prepares Final Package
- Includes a List of Subcontractors, MWBE Status and Certification Letters







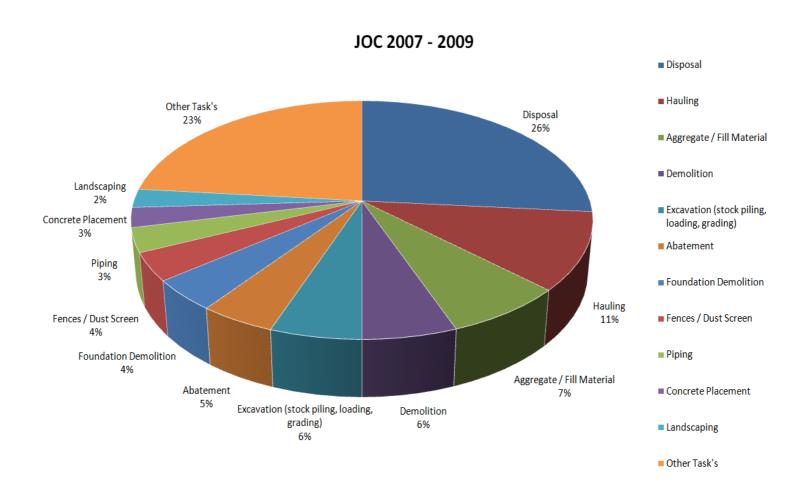
# **Past JOC Projects**

# Sample of Projects Under Previous Job Order Contracts

South Shore High School - Sewer Televising	\$2,743.71
Stewart Test Pits	\$3,835.02
Goudy Emergency Sod Replacement	\$5,209.14
EC 109 Emergency Fence Repair	\$8,221.06
Jesse Owens Fieldhouse - Borings	\$10,112.75
Cabrini Green Emergency Fence Repair	\$12,406.18
E121 Curb & Gutter Replacement	\$18,862.83
Grand Crossing Library (73rd & Ellis) - Fence Install	\$19,868.30
Lee Pastuer Hurley Elementary - Abatement & EM Survey	\$25,189.62
EC 102 - Additional Groundcover & Mulch	\$49,984.78
Belmont Cragin - Playlot	\$141,489.21
Lee Pastuer Hurley Elementary Site Security	\$155,526.47
PD-23 - Enviromental Work	\$210,393.14
South Shore UST Removal	\$228,391.91
Dever Playlot	\$375,807.87
Skinner School Demolition - Site Prep Work	\$439,837.44
Taylor-Lauridsen Park - Demo, Site Prep, & Parking Lot	\$501,522.37
West Humbolt Library Demolition	\$581,655.89
EC 109 Site Prep	\$747,298.19
Grand Crossing Library Site Prep	\$795,297.91
Bennett Campus Park	\$852,504.77
Stewart Campus Park	\$1,106,979.90
Skinner School Demolition - Demolition Work	\$1,303,007.82
Brighton Park II Elementary - Site Prep	\$2,356,598.26
Brighton Park I - Phase II - Site Prep	\$4,554,939.05
Kelly Currie High School	\$6,229,649.90



# **Past JOC Projects**





# **Bidding the JOC Contract**

Analyzing the Price in the CTC® Versus Your Costs

## PREFERRED METHOD

- Select a Comparable Project from Your Files (More Than One)
  - Example: Say the Project You Selected You Received a Price of \$580,323.00
- Price the Project From the CTC® at a Factor of 1.0000 (i.e. No Adjustment)
  - Direct Cost From the CTC® Say \$558,650.00
- Calculate the Adjustment Factor
  - If You Were Satisfied with the \$580,323. (i.e. Covers Your Direct Costs, OH & Profit)
  - You Would Need and Adjustment Factor of:
    - (\$580,323.00 / \$558,650.00) = 1.0387

## OTHER METHODS

- Evaluate a Sampling of the Anticipated Items
- Get Subs to Evaluate Their Section of the Book





## DON'T STOP THERE - SELECT MORE THAN ONE PROJECT!!

# Projects with Varying Types of Scope

- Site Development
- Site Preparations (Excavate, Haul, Dispose and Backfill with Imported Material)
- Scope Requires Demolition of an Existing Building (Including Asbestos)
- Scope Requires Removal of an Underground Storage Tank

# Projects of Varying Size

- Scope Requires Demolition of 1,500 LF of Foundation Walls and Footings as well as Install of 1,000 CY of CA 6 Stone
- What if the Scope Only Required the Demolition of 150 LF of Foundation Walls and Install of a 100 CY of CA 6 Stone?



# **Request for Information**

## Please submit all RFIs

To

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Public Building Commission Senior Contract Officer

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