Facilities Director’s Roundtable Questions – November 22, 2010, with updates in March 2011

The Roundtable provides a forum where Facilities Services leaders and Unit Facilities Directors gather monthly to share initiative updates and gain consensus on various topics relating to facilities priorities on the Ithaca campus. In November 2010, each member of the group was invited to submit questions they had about specific topics. Answers were written by the subject matter experts and they are compiled here for your perusal. The last review of the document was done in March, 2011. If you have follow up questions to what is shared here, please feel free to contact the responder directly, or vice president, Kyu-Jung Whang in Facilities Services.

JOC’s (Job Order Contracting) – David Howe and Pat Redder

- Where are we with State JOC contract?

There are a series of State approvals that have to take place prior to bid and subsequent award of JOC contracts for State buildings. Pending favorable results from the approval process the contracts will be out for bid in the mid to late February time range.

- Will there be guidelines for its use?

Yes – similar to the endowed JOC contracts the state contracts will have defined criteria for use on state projects. Both state and endowed individual work orders will be limited to $150K.

- List of all options available for contractor procurement?

The campus community has a number of procurement options available to them. The choice in procurement method will depend on a number of variables including: complexity of project, schedule, cost, documents, and quality to name a few. The options include:

- Lump sum competitive bid through the Facilities Contracts Office
- Less than $50K self-bid process
- JOC contract via PSG
- GMAX through PSG
- Sole source procurement:
  - FM Shops – no written sole source justification required
  - Outside contractor – written sole source justification required on projects >$10K
  - Outside contractor – written sole source justification not required <$10K

Note all procurement options, with the exception of the FM Shops, require a contract through the Facilities Contracts Office.
• Are all the JOC contracts in place?

We have awarded two JOC contracts that are available for use on the endowed campus or University-owned SUNY occupied facilities. The contracts have been awarded to Ace Unlimited and Fahs Construction via the competitive bid process. Two additional contracts will be awarded in a similar manner to execute work on the state campus facilities.

• Why can’t campus users see the book?

Cornell agreed with Gordian not to publish the Construction Task Catalog (CTC). People are welcome to stop by the PSG office to see it. The (CTC) is a relatively complex document that establishes base prices for thousands of construction related tasks. Each task is somewhat generic in nature and is used as a basis for further price modification to best fit the specifics of individual projects. The interpretation of the tasks and related pricing in the CTC requires the skillset of an advanced construction professional that routinely engages in material takeoffs and possesses a broad understanding of construction pricing, project assembly and project execution.

• When will the OH rate go down?

Gordian will receive a 5% fee applied against the value of all JOC executed construction contracts until $6M in construction has been executed. When the initial $6M threshold has been reached the fee is then applied at a rate of 1.95%.

• How do we control JOC relating to design requirements? Are control points in place?

JOC is an alternative procurement option that is best applied to repair, replacement, alteration, and minor new construction projects. Repair and replacement applications will likely require little or no review. When applied to alteration and minor construction projects the responsibility of complying with all University and regulatory compliance falls on either the client requesting the work or PM acting on the client’s behalf. Both the Intake Interview and the Joint Scope Meeting will serve as control points for identifying potential building code implications, design requirements, and potential hazardous materials. JOC is intended to serve as an alternate construction delivery method, not a comprehensive project delivery tool.

• Does Gordian have a minimum dollar expectation?

To date, Gordian has invested significant time and professional resource in the assembly of the Cornell specific CTC, bid documents, and set-up of the JOC contract without compensation. Their compensation comes by way of fees assessed to projects executed using JOC. Gordian has not shared their breakeven point with us beyond establishing the aforementioned fee structure.
• Why PSG for administration of JOC?

The JOC implementation team, acting on the advice of the Gordian Group’s representative elected to administer the program by the Project Services Group. It was agreed that the most cost effective and consistent method of JOC administration could best be done by PSG. The group has in place the skillset that best matches the need as well as having adequate staff to implement the program. Future staffing needs will be assessed if the program gains momentum and requires application of resource beyond the current staffing level.

• Concerned that JOC will be used as a “budgeting” tool?

The JOC implementation team shared this concern as well. For JOC to be successful we need to safeguard against the misuse of its intent as a construction delivery tool. To that end the “Request for JOC Proposal” form requires the requestor to provide an account number and the name of the Financial Manager responsible for the account that will fund the proposed work.

How do we make sure we have qualified PM’s for JOC work?

The need to engage a PM for a specific project should occur well before the engagement with JOC. As previously mentioned, JOC is an alternative construction delivery method, not a comprehensive project delivery tool. Scope, complexity, and schedule should all be considered by the client during the initial planning stage of projects. If JOC is used for repair and replacement in kind, there may not be a need for a PM. For more complex projects, clients have the option of either self-managing the project or hiring their PM needs at fee through the central facilities organization.

• What are the dollar values for the contracts?

There is no upside limit to the total volume of work that can be executed using the JOC contractors. Individual projects are limited to $150K in construction cost.

• Can we use the endowed JOC contracts for State work in University owned buildings?

Yes, the JOC contracts that are in place now are applicable for work on the endowed campus and University-owned, SUNY program occupied facilities.

• How will we get estimates?

Prices for a broad range of maintenance and construction related work have been pre-negotiated via competitively bidding the CTC (Construction Task Catalog). The specific scope of work applied to the CTC will define the final cost of JOC executed work. If a client is seeking assistance with budget development that will inform their decision around moving forward with a project there are several options available. For JOC destined projects the client may engage the FM Shops estimating section and request an estimate be prepared at fee that aligns itself with the proposed scope of work. The
client may also engage estimate preparation from an outside agency that specializes in this service. This option would also carry a fee.

- **Will a college owned building renovation use state or endowed JOC contract?**

  Work in endowed facilities and University owned, SUNY program occupied facilities will utilize the endowed JOC contract. Work in state owned facilities will utilize the State JOC contract.

- **Will JOC change in the future?**

  JOC has been around for many years but is new to the University. As is the case with other new programs, we will periodically assess the performance of the initiative and if warranted, apply change in a way that benefits the University.

- **What types of obstacles have you run into?**

  As of mid-December there have been no requests for JOC contracts. We have received several requests for additional information about the program however none of these have resulted in a request being submitted.

- **What informs you that your communication strategy is working?**

  It is not clear whether the lack of JOC requests is an indication of poor communication or simply lack of interest from the campus community. Other factors may play a part in the reluctance of the campus community to request JOC including:

  - The Gordian fee may be perceived as being excessive
  - Clients relied heavily on FM Shops to prepare free budget estimates and now must seek alternative sources to formulate project budgets
  - Clients are unsure if the JOC program will actually save time or money
  - It may not have fully met the expectation of being a simple process

- **What defines the scope of the JOC contract?**

  Implementation of JOC work orders require a five step process that is usually accomplished within a two week timeframe. The steps are:

  1. Intake interview
  2. Joint Scope Meeting
  3. RFP
  4. Contractor price proposal
  5. PSG review and authorization to proceed

  The scope will be defined in steps one and two, confirmed in step five.

- **Does JOC work require a PAR if over $50K?**

  Yes, JOC work orders will be subject to the current PAR threshold