



---

**Job Order Contracting (JOC) Facilities Program  
Pre-Bid Vendor Conference and  
Networking Event**

September 9, 2015

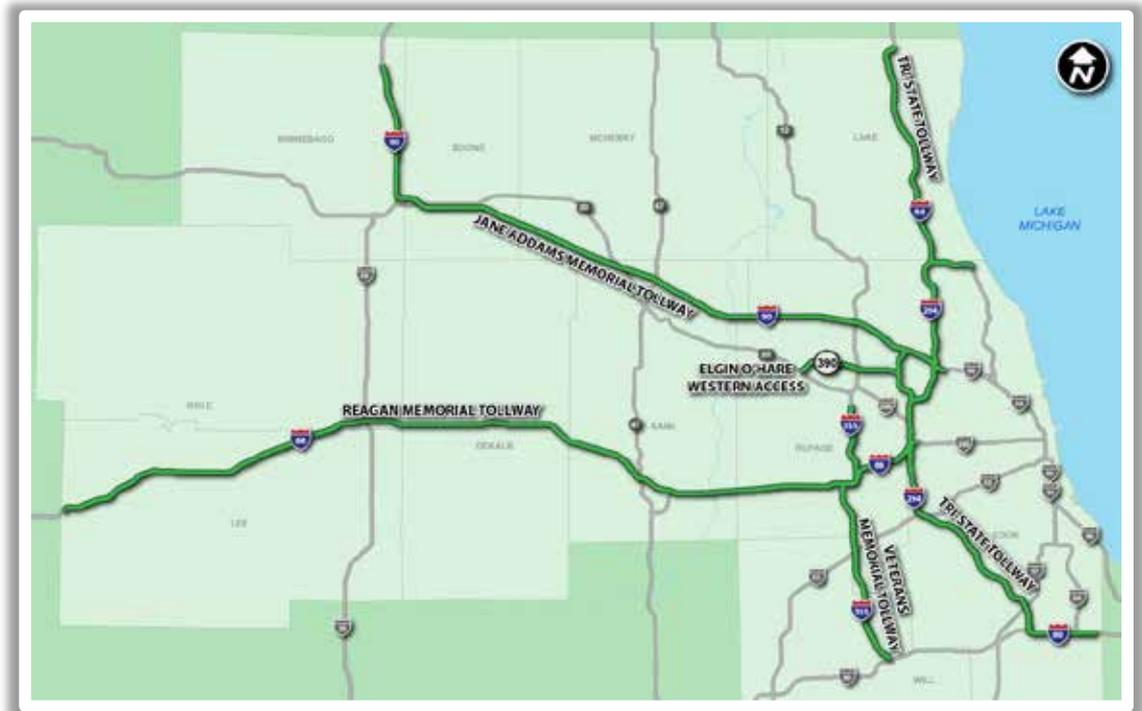
---

# Agenda

- n Illinois Tollway overview
- n Job Order Contracting (JOC) Facilities Program process
- n Tollway JOC diversity requirements
- n Questions
- n Networking

# Illinois Tollway – Key Statistics

- n 286-mile system comprised of four tollways
- n Opened in 1958 as a bypass around Chicago to connect Indiana and Wisconsin
- n Carries more than 1.5 million vehicles per day
- n User-fee system
  - q No state or federal gas tax dollars used for maintenance and operations



# About Tollway Facilities Maintenance

n Facilities Maintenance responsible for 107 facilities

- q 11 maintenance sites

- q 20 miscellaneous structures

  - n Tollway headquarters

  - n Central warehouse

  - n Sign shop

  - n Disaster recovery building

  - n Central support complex

- q 24 attended mainline toll plazas

- q 52 unattended ramp toll plazas

n **Projects will include heating, air conditioning and ventilation system replacement, electrical, plumbing, sewers, roofing and other facility improvements**

---

# JOC Facilities Program

- n Allows Tollway to complete facilities-related projects in timely and cost-effective manner
- n Invites general contractors to bid competitively for opportunities to perform tasks related to facility construction and repair
- n Allows agency to complete work on facilities including headquarters, maintenance sites and toll plazas
- n Awards contracts to perform work as needed outside traditional design and procurement process
- n Includes smaller projects for subcontractors that will provide opportunities for small and diverse firms



# Pre-Bid Vendor Meeting Agenda

- n JOC overview
- n JOC contract documents
- n JOC process
- n Solicitation details
- n Understanding the Construction Task Catalog® (CTC)
- n Calculating the bid
- n Bid considerations and review
- n Contractor adjustment factors
- n Risk of low adjustment factors
- n Gordian Group closing comments



# The JOC Process

n JOC is an umbrella contract



# Why JOC Works for the Tollway

- n Why JOC works for the Tollway
  - q Fixed-priced, fast-track procurement process
  - q Job orders are lump sum
  - q Ability to accomplish substantial number of individual projects with single competitively bid contract
  - q On-call contractors ready to perform series of projects at different locations for competitively bid prices
  - q Contractor has continuing financial incentive to provide
    - n Responsive services
    - n Accurate proposals
    - n Quality work on time
    - n Timely close out
  - q Future purchase orders tied to contractor performance
    - n No obligation to award specific projects
    - n Tollway can use all other methods for accomplishing projects



# Contractor Benefits

## n Why JOC works for contractors

- q Profit is a function of volume
- q Volume is driven by performance and quality
- q JOC provides a steady flow of work
- q Long-term relationship with the owner helps develop a partnership
- q Reduced risk by having the ability to provide input during project scope development

# Subcontractor Benefits

## n Why JOC works for subcontractors

- q Quick responsiveness requires multiple local subcontractors
- q Wide range of projects means variety of subcontractors
- q Results in greater number of subcontractor opportunities
- q Multiple projects on multiple sites simultaneously

# JOC Overview – Additional Benefits

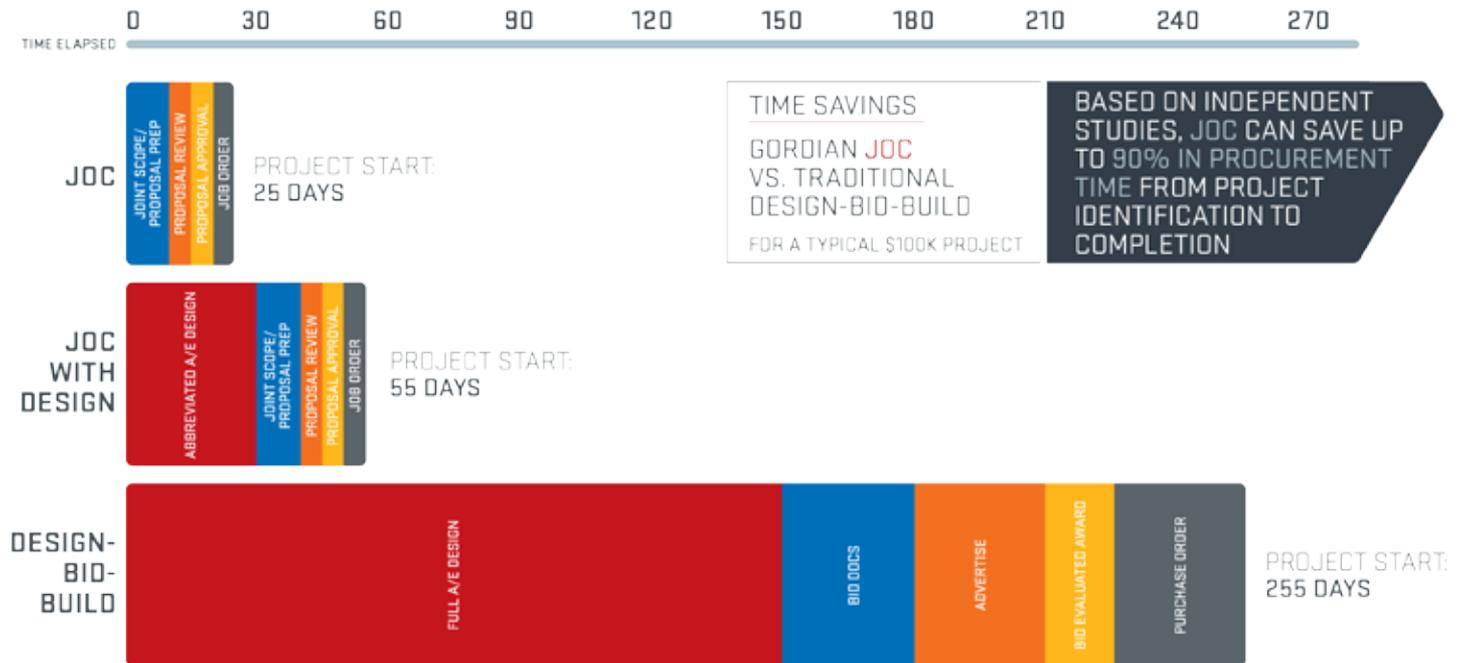
- n Tollway also uses JOC to
  - q Increase use of Business Enterprise Program and veteran-owned businesses
    - n Absence of pre-established quantities inhibits trade staffing by prime contractor
    - n Responsiveness requires prime to use multiple local subcontractors
    - n No bonding requirement for subcontractor, faster payment and less red tape, thereby expanding business opportunities for small businesses
    - n Tollway reviews and approves all subcontractors prior to issuing job orders to ensure compliance with goals
    - n All Tollway contracts have subcontractor participation goals
  - q Increase transparency
    - n Tollway has ability to see and review back-up pricing details
  - q Schedule flexibility
    - n No shelf life for prices or job orders
    - n Fast procurement cycle is good for end-of-fiscal-year projects



# JOC Benefits – Efficiency

## n Time savings

- q Faster procurement = weeks instead of months
- q Based on owner-contractor partnership = non-adversarial relationship



# JOC Contract Documents

## n Invitation for Bid

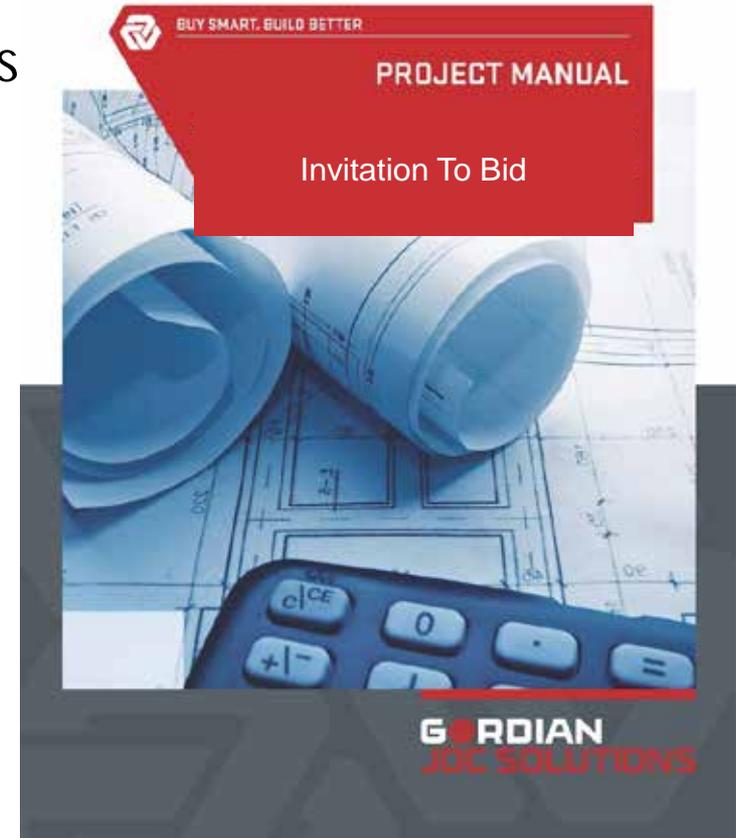
- q Section 1 – Instructions and general Information
- q Section 2 – Offer to the state of Illinois
- q Section 3 – Exceptions, references and comparable construction experience
- q State of Illinois contract
- q Special provisions
- q Attachments
- q Forms A
- q Forms B
- q BEP Utilization Plan



# JOC Contract Documents

## n State of Illinois contract

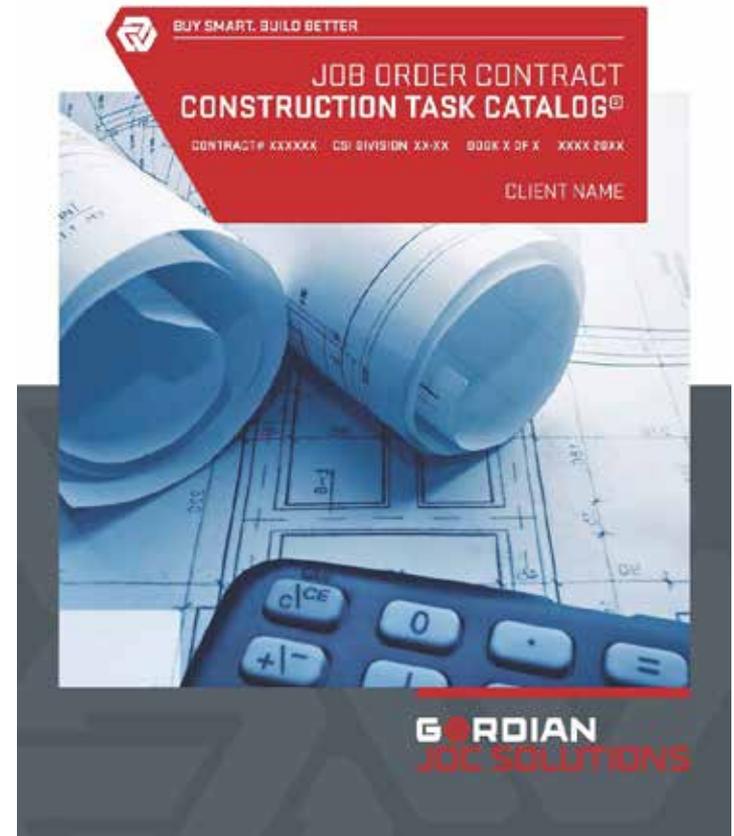
- q Description of supplies and services
- q Pricing
- q Term and termination
- q Standard business terms and conditions
- q State supplemental provisions
- q JOC supplemental conditions
- q JOC software and system license
- q Attachments



# JOC Contract Documents

## n Construction Task Catalog

- q Catalog of pre-priced construction tasks
- q Organized by Construction Specifications Institute
- q Based on local labor, material and equipment costs
- q Tasks represent the “scope of work” for the JOC contract



# JOC Contract Documents

## n Construction Task Catalog

### q Typical task

Exterior Improvements	32	32
Bases, Ballasts, And Paving	32 10	
Unit Paving	32 14	

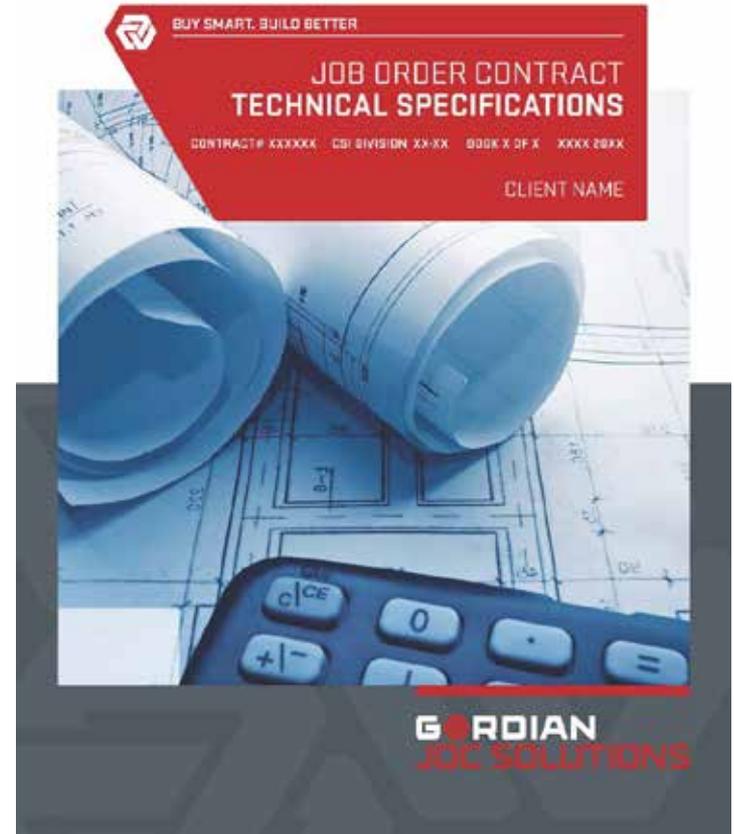
MINOR CSI UOM DESCRIPTION	TOTAL DIRECT UNIT COST	DEMOLITION UNIT COST
<b>32 16 Curbs, Gutters, Sidewalks, And Driveways</b> (32 16)		
<b>32 16 13 Curbs And Gutters</b> (32 16)		
Note: Includes transit. Demolition includes two saw cuts (each end) of curbs and gutters for lengths up to 100'. See CSI section 02 41 19 13-0043 for additional saw cuts within the 100'.		
<b>32 16 13 13 Cast-In-Place Concrete Curbs And Gutters</b> (32 16 13)		
Note: Includes concrete, forms, rebar, chairs (where necessary), expansion joints.		
<b>32 16 13 13-0001 Concrete Curb, Cast In Place</b> (32 16 13 13)		
Note: Includes delivered concrete, forms, rebar, chairs (where necessary), expansion joints, finish and curing.		
32 16 13 13-0002 LF 6" X 12" Cast In Place Concrete Curb.....	7.18	3.23
For Up To 20, Add	4.03	
For >20 To 50, Add	2.27	
For >50 To 100, Add	0.88	
For >500 To 1,000, Deduct	-0.88	
For >1,000, Deduct	-1.50	
32 16 13 13-0003 LF 6" X 12" Cast In Place Concrete Curb - Radius.....	8.18	3.72
For Up To 20, Add	4.63	
For >20 To 50, Add	2.61	
For >50 To 100, Add	1.01	
For >500 To 1,000, Deduct	-1.01	
For >1,000, Deduct	-1.72	



# JOC Contract Documents

## n Technical specifications

- q Specifies quality of materials and workmanship
- q Corresponds with tasks in the Construction Task Catalog<sup>®</sup>



# JOC Process – How is JOC Bid?

## n Award based on competitive bid

- q Must bid three adjustment factors
  - n Normal working hours: 7 a.m. to 4 p.m. Monday to Friday
  - n Other-than-normal working hours: 4:01 p.m. to 6:59 a.m. Monday to Friday and all day Saturday, Sunday and holidays
  - n Non-pre-priced adjustment factor
- q Two adjustment factors apply to all tasks in the CTC
- q One applies to tasks not in the CTC
- q Each adjustment factor is weighted to create an award criteria figure
- q Lowest award criteria figure from a responsive, responsible bidder(s) wins

# JOC Process – How is Work Done?

- n Joint scope meeting with owner, contractor and others to define detailed scope of work
- n Owner issues job order proposal request for agreed-upon, detailed scope of work
- n Proposal development
  - q Typical proposal due two weeks from job order proposal request
- n Proposal review



# Solicitation Details

## n Prior to bidding the Tollway cannot

- q Identify or commit to any specific project or location
- q Identify or commit to any specific CTC tasks or quantities

## n Contract specifics include

- q Estimated annual value of Tollway's JOC Facilities Program is \$10 million
- q Term of five years
- q One option term for up to four years
- q Bid bond = \$25,000
- q Performance bond = \$2 million
- q Payment bond = \$2 million
- q BEP goal = 25 percent
- q Veteran-owned business goal = 3 percent



# Solicitation Details

## n Differing site conditions or changes in scope

- q Priced from Construction Task Catalog®
- q Supplemental job order
- q No negotiated change orders

## n Filings and permits

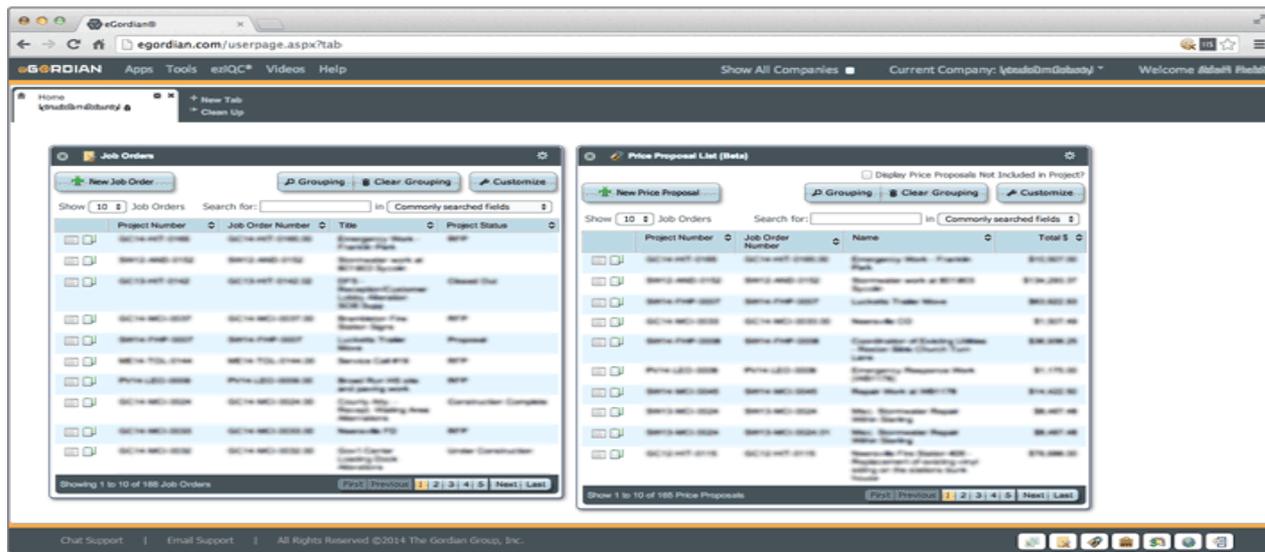
- q Fees paid for all permits reimbursed 100 percent – no markup

## n Liquidated damages

- q On a job-order-by-job-order basis

# Solicitation Details

Internet-based software provided with contract  
eGordian® software automates the proposal process



# Contractor License Fee

- n **Access to eGordian<sup>®</sup>, Construction Task Catalog<sup>®</sup>, other proprietary materials**
  - q Most advanced technology and data in the marketplace
  - q Paperless
  - q Efficient
  - q Tasks and prices input directly – no fishing through old files and estimating books for costs
- n **JOC process training**
- n **eGordian<sup>®</sup> software training**
- n **24-hour support software support**
- n **Included in the contractor's adjustment factor**
  - q Consider with the bid as an overhead cost
  - q 1 percent of job order price



# Understanding the Construction Task Catalog®

- n Contractor must review and understand “Using the Construction Task Catalog®”
- n Rules of the game
- n Make sure you get paid for all appropriate tasks
- n Pages 00–1 to 00-8 of the CTC



## CTC Information:

- ☑ This Construction Task Catalog® was developed and customized by The Gordian Group, Inc. specifically for New York State Department of Transportation, priced locally using current labor, material and equipment costs, and published in January 2013.
- ☑ 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 New York State Department of Transportation. Use of The Gordian Group's CTC and other proprietary information and software for any other purpose or any other entity is expressly prohibited without the express written consent of The Gordian Group, Inc.

## The Unit Prices Include:

### 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 and Medicare taxes, worker's compensation, unemployment insurance and employee benefits.
- ☑ Labor costs are based on workers familiar with and skilled in the performance of the task following OSHA requirements.
- ☑ Labor costs include time lost for normal work breaks, layout, measuring and cutting to fit, clean-up of regular construction debris, inspection, permit compliance, job meetings and start-up.

### EQUIPMENT COSTS:

- ☑ Equipment costs include all equipment required to accomplish the task including rigging and mobilization, except large equipment (e.g. cranes,

## Using The Construction Task Catalog®

- pile drivers, 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 being installed 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.

### Complete and In-Place Construction:

- ☑ Unit prices are for complete and in-place construction and include all labor, equipment and material required to complete the task as described in the CTC.
- ☑ Unit Prices include delivery, unloading and storing materials, tools and equipment on site; moving, materials, tools and equipment from storage area or truck up to 2 ½ stories (2 stories with an attic) and within 125' to reach the site.
- ☑ Unit prices exclude moving material and equipment greater than 2 ½ stories and handling material and equipment more than 125' (See 01660).
- ☑ Unit prices for imported materials (aggregate, sand, soil, etc.) include delivery up to 15 miles from the closest approved source.
- ☑ Unit prices include all fasteners such as anchor bolts, lag bolts, screws, adhesive, wedge anchors, expansion bolts, roofing clips (excluding hurricane clips) that are required. Fasteners listed separately in the CTC are for use with Owner furnished



# Non Pre-Priced Tasks

- n Contractor must have permission from Tollway to use non-pre-priced task prior to submission
- n Three quotes on vendors' or subcontractors' letterhead
- n Justification for less than three quotes
- n Contractor is paid the amount in the following formula
  - q Final price submitted for non-pre-priced tasks shall be according to the following formula
    - q **For non-pre-priced tasks performed with contractor's own workforce**
      - n A – Hourly rate for each trade classification not in the Construction Task Catalog multiplied by the quantity
      - n B – Rate for each piece of equipment not in the Construction Task Catalog multiplied by the quantity
      - n C – Lowest of three independent quotes for all materials
      - n Total for a non-pre-priced tasks performed with contractor's own workforce –  $(A+B+C) \times$  non-pre-priced task adjustment factor
    - q **For non-pre-priced tasks performed by subcontractors**
      - n If the non-pre-priced task is to be subcontracted, the contractor must submit three independent quotes
      - n D – Lowest of three subcontractor quotes
      - n Total cost for non-pre-priced tasks performed by subcontractors =  $D \times$  non-pre-priced task adjustment factor

# Methods to Calculate Bid – Adjustment Factors

## Recommended Method

- n **Use historical project data**
  - q Select a completed project
    - n You know scope and direct costs
  - q Price project from CTC
  - q Add on overhead and profit
  - q Calculate the adjustment factor

## Alternative Method

- n **Create a representative project**
  - q Create a scope of work
  - q Get sub quotes or estimate cost
  - q Price project from CTC
  - q Add on overhead and profit
  - q Calculate the adjustment factor

# Sample Project – CTC Price vs. Quotes.

## Direct cost of work from CTC

n Replace boiler	\$ 48,911.43
n Doors and hardware	\$ 9,748.46
n Lighting	\$ 15,845.00
n Plumbing	\$14,986.76
TOTAL =	\$ 89,491.65

## Direct cost of work from quotes or estimates

n Replace boiler	\$ 47,500.00
n Doors and hardware	\$ 9,250.00
n Lighting	\$ 16,750.00
n Plumbing	\$ 15,500.00
TOTAL =	\$ 89,000.00

# Sample Project – Putting It All Together

A. Direct cost of work from quotes	\$89,000.00
B. Overhead 10 percent*	<u>\$ 8,900.00</u>
C. Subtotal (cost and overhead)	\$97,900.00
D. Profit 10 percent*	<u>\$ 9,790.00</u>
E. Subtotal (cost, overhead and profit)	\$107,690.00
F. Price from CTC	\$89,491.65

Adjustment factor (= E/F) = 1.2034

\*Sample only. Contractor to determine overhead and profit.

Prepare this calculation for more than one sample project.

# Filling Out the Bid Form

**\*Sample Only**

	Adjustment Factor Name	Adjustment Factor Bid	X Multiplier	= Extended Total
1.	Adjustment Factor for Normal Working Hours	<u>1</u> . <u>2</u> <u>0</u> <u>3</u> <u>4</u>	X 0.60	= <u>0</u> . <u>7</u> <u>2</u> <u>2</u> <u>0</u>
2.	Adjustment Factor for Other Than Normal Working Hours <i>must be equal to or greater than the Normal Working Hours Adjustment Factor</i>	<u>1</u> . <u>2</u> <u>4</u> <u>8</u> <u>4</u>	X 0.30	= <u>0</u> . <u>3</u> <u>7</u> <u>4</u> <u>5</u>
3.	Adjustment Factor for Non Pre-priced Tasks <i>must be greater than or equal to 1.0000</i>	<u>1</u> . <u>1</u> <u>5</u> <u>0</u> <u>0</u>	X 0.10	= <u>0</u> . <u>1</u> <u>1</u> <u>5</u> <u>0</u>
<p>Add all the Total amounts in the right column.</p> <p>The Sum of these Total amounts is the Award Criteria Figure.</p>				= <u>1</u> . <u>2</u> <u>1</u> <u>1</u> <u>5</u>

# Bid Considerations

## n Contractors should expect to

- q Prepare incidental drawings or sketches for some projects
  - n Justify quantity calculations
  - n Explain detail of work
- q Prepare proposals for some projects that may be canceled
- q Understand margins on CTC tasks vary
- q Recognize some projects are more profitable than others
- q Maintain a fully functioning office
- q Maintain a fully functioning staff
- q Hold required licenses
- q Meet participation goals
- q Rebate 1 percent of each job order as a contractor license fee for eGordian® software access

# Contractor Adjustment Factor

## n Importance of adjustment factors

- q Determines lowest proposed price
- q Used to price individual job orders
- q Price proposal total becomes the lump-sum job order price

$$\begin{array}{rcccccc} \text{UNIT PRICE} & \times & \text{QUANTITY} & \times & \text{ADJUSTMENT FACTOR} & = & \text{TOTAL FOR TASK} \\ \text{UNIT PRICE} & \times & \text{QUANTITY} & \times & \text{ADJUSTMENT FACTOR} & = & \text{TOTAL FOR TASK} \\ \text{UNIT PRICE} & \times & \text{QUANTITY} & \times & \text{ADJUSTMENT FACTOR} & = & \text{TOTAL FOR TASK} \end{array}$$

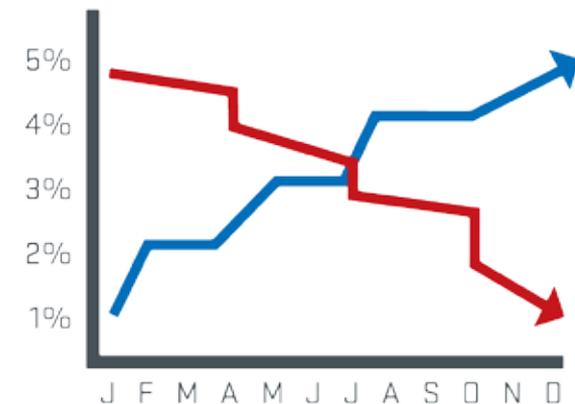
---

**TOTAL JOB ORDER PRICE**

# Contractor Adjustment Factor

## n Annual price adjustment

- q Applied annually on the contract award's anniversary date
- q Based on Construction Cost Index (CCI) for city of Chicago published by *Engineering News Record*
- q Calculation
  - n Average CCI for current year = the percent increase or decrease in average CCI for base year construction costs
  - n Percentage x original adjustment factors = new adjustment factors for next year
- q Normal working hours
- q Other-than-normal working hours
- q Non-pre-price adjustment factors are fixed for the duration of the contract



# Risks of Low Adjustment Factor

- n Leads to arguments in proposal review
  - q Unsupportable tasks
  - q Exaggerated quantities
- n Leads to delays in job order development
  - q Takes longer to review proposals
- n Creates an adversarial relationship
  - q Reduced volume of work
  - q Will shorten contract
  - q Lost profitability
- n No second chance to improve margin

# Review/Key Points

- n Focus on total potential value of the entire contract
- n Evaluate Construction Task Catalog®
  - q Analyze unit prices
  - q Know the general guidelines for using the CTC
- n **Contractor performance drives volume**
  - q Responsive service
  - q Accurate proposals
  - q Safe and clean project sites
  - q High-quality construction
  - q On-time completion
  - q On-time close-out



# Bids

## n Sealed bids due 10:30 a.m. on October 9, 2015

**A.8 SUBMISSION OF BIDS:** The Bid must be submitted in separately sealed packets as indicated below and clearly labeled with the Invitation for Bid title, the IPB reference number, the packet number, the Bidder's name and the wording: "Sealed Bid – Do Not Open." The separately sealed packets may be submitted together in one mailing/shipping box or may be submitted separately in individual/shipping boxes. Do not put the entire Bid on one CD or USB flash drive.

Subject Matter	# of Originals	# of Hard Copies	# of CDs or USB flash drives
Contract and if applicable a Redacted copy AND COMPARABLE CONSTRUCTION EXPERIENCE AND INSURANCE LETTER IDENTIFYING VENDOR'S EMR FOR PAST THREE (3) YEARS – PACKET 1	1	3	1
SECTION 2 Part B (OFFER) and applicable forms in SECTION 3 Part C– PACKET 2	1	3	1
FORMS A or FORMS B– PACKET 3	1	3	1
MINORITIES, FEMALES, AND PERSONS WITH DISABILITIES PARTICIPATION AND UTILIZATION PLAN– PACKET 4	1	1	1
VETERAN SMALL BUSINESS PARTICIPATION AND UTILIZATION PLAN– PACKET 5	1	1	1



# Bids

## n Location to submit sealed bids

Illinois Tollway  
Attn: Procurement  
2700 Ogden Avenue  
Downers Grove, IL 60515

## n Labeling Information

- q Mark the envelope "Sealed Bid – Do Not Open"
- q Enter project title and IPB reference #22036427 Job Order Contracting for General Construction Services #15-0081
- q Enter due date and time
- q Enter vendor name and address



# Bids

## n Complete and submit the following as your bid

**A.7 ORGANIZATION REQUIRED:** Bids may be submitted in as few as three and as many as five (5) packets. Please follow these instructions carefully.

A.7.1. Packet 1 shall contain the Contract section and if applicable a Redacted copy (Section 1, Part A.15).

A.7.1.1 Shall contain the Vendor's comparable construction forms and a letter from insurance carrier identifying the EMR for the past three (3) calendar years. The comparable construction experience must be submitted on the forms included in this contract and the letter from the insurance carrier must be on the carrier's letterhead.

A.7.2. Packet 2 shall contain the Offer (Section 2, Part B).

If applicable, the packet shall also contain Exceptions to Solicitation Contract Terms and Conditions (Section 3, Part C.1) and References (Section 3, Part C.2).

A.7.2.1. Exceptions must be provided on Tollway's Exceptions to Solicitation Contract Terms and Conditions form or must be in a substantially similar format. Agency discourages taking exceptions. State law shall not be circumvented by the exception process. Exceptions may result in rejection of the Bid.

A.7.2.2. Additional Bidder Provisions may be stated on this form and should not include exceptions to Tollway specifications, terms and conditions, or any other part of this solicitation. This is supplemental information that supports a Bidder's position or, for example, a Bidder's licensing agreement.

A.7.3. Packet 3 shall contain either Forms A or Forms B. Forms A contains eight forms and shall be returned by Bidders that are not registered in the Illinois Procurement Gateway (IPG).

Forms B contains three forms and is only returned by Bidders that have a valid IPG registration number with expiration date and elect to not use the forms found in Forms A.

A.7.4. Packet 4 shall contain the Minorities, Females, and Persons with Disabilities Participation and Utilization Plan (Attachment B). Packet 4 is only returned if a Business Enterprise Program goal is stated in instruction A.22.

A.7.5. Packet 5 shall contain the Veteran Small Business (VSB) Participation and Utilization Plan (Attachment C). Packet 5 is only returned if a VSB goal is stated in instruction A.23.



# Gordian Group Closing Comments

- n Make sure you signed the pre-bid sign-in sheet
- n All questions concerning this solicitation must be received via email no later than
  - q Noon (CDT) on September 21, 2015
- n Submit questions to
  - Desiree Liberti
  - Illinois Tollway, Purchasing Supervisor
  - [Desiree.Liberti@getipass.com](mailto:Desiree.Liberti@getipass.com)
  - Fax: 630-505-9270





---

## Tollway Diversity Requirements

# Helping Small and Diverse Businesses

## Goal programs

- n Disadvantaged Business Enterprise Program
- n Business Enterprise Program (BEP)
- n Small Business Set-Aside Program
- n Veterans Business Program

## Technical assistance programs

- n Construction Business Development Center
- n Coaching for Growth Program
- n Small Contractor Bridge Program
- n Enhanced technical assistance program – coming soon



---

# Goal Structure

- n **Invitation for Bid 15-0081 diversity goals**
  - q 25 percent BEP goal
  - q 3 percent VOSB goal
- n **Must be state of Illinois Department of Central Management Services certified as BEP or VOSB**
  - q BEP reciprocity if current disadvantaged, minority- or woman-owned business enterprise

---

# Diversity Compliance

- n Utilization plan approval
- n Good-faith effort
- n Commitment form
- n Letter of intent
- n Quarterly reporting

---

# Contact Information

## n Illinois Department of Central Management Services Business Enterprise Program

q 100 W. Randolph St., Suite 4-100  
Chicago, IL 60601-3218

[http://www.illinois.gov/cms/business/sell2/bep/Pages/Vendor\\_Registration.aspx](http://www.illinois.gov/cms/business/sell2/bep/Pages/<u>Vendor_Registration.aspx</u>)

## n Contact a BEP representative

q 312-814-4190 or 1-800-356-9206

q Email [BEPCMS@Illinois.gov](mailto:BEPCMS@Illinois.gov)



---

# Illinois Tollway Contact Information

## n **David Wilson, Chief of Toll Operations**

q 630-241-6800, ext. 1580

q Email: [dwilson@getipass.com](mailto:dwilson@getipass.com)

## n **Gustavo Giraldo, Chief of Diversity and Strategic Development**

q 630-241-6800, ext. 3226

q Email: [ggiraldo@getipass.com](mailto:ggiraldo@getipass.com)



---

# Questions and Discussion

---

THANK YOU

