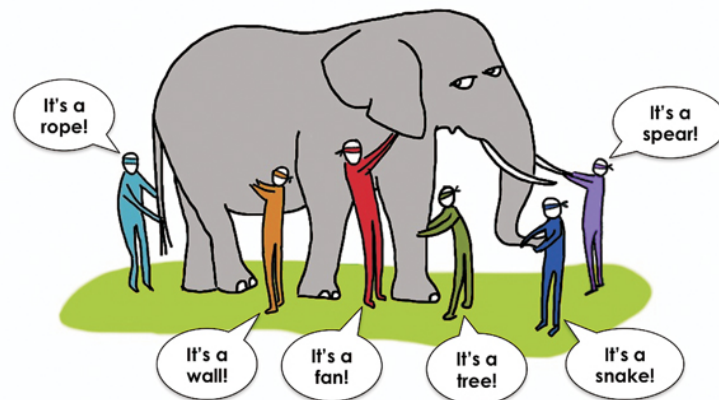


Today's Altered Landscape



JOC

The Efficient Construction Delivery Method



If you can't see the whole picture, you can't appreciate JOC.



4Clicks

By Estimators For Estimators™

March 2010

Today's Altered Landscape & JOC The Efficient Construction Delivery Method

"A Job Order Contract is a long-term, indefinite delivery-indefinite quantity contract for construction services delivered on an on-call basis through firm, fixed price delivery orders based on pre-established unit prices."

– Center for Job Order Contracting Excellence

Introduction

The landscape has changed.

The Construction and Facility Management sectors are faced with a new set of economic, environmental, and technological issues requiring a higher level of collaboration among all constituencies - owners, architects, engineers, contractors, regulatory bodies, and the general community. The ability to more efficiently conceptualize, create, cost, prioritize, start, and report on construction projects is needed to attain greater economic competitiveness and to address global climate change.

Organizations electing to remain with the *status quo* with respect to traditional construction planning and project delivery methods risk falling short on these goals and being left behind.

The process and workflow of JOC meets the demands for rapid project deployment, enhanced professionalism, efficiency, and transparency.

Whether meeting internal requirements to reduce costs, deploying economic stimulus projects more quickly, or accelerating repair and renovation projects to meet sustainability and green targets; JOC is a proven construction project delivery method.

JOC provides a much needed solution for most public institutions attempting to deal with large building portfolios, including but not limited to, DOD and non-DOD Federal Government, State and Local Governments, K-12 and Higher Education, Healthcare, and other public services.

Advanced knowledge-driven software technology, like that provided by 4Clicks Solutions, readily enables the deployment of JOC business processes while also assuring the consistent application of associated procedures, full documentation, compliance, and transparency.

A robust technology backbone enables widespread deployment of the collaborative JOC process.

The Basics of JOC

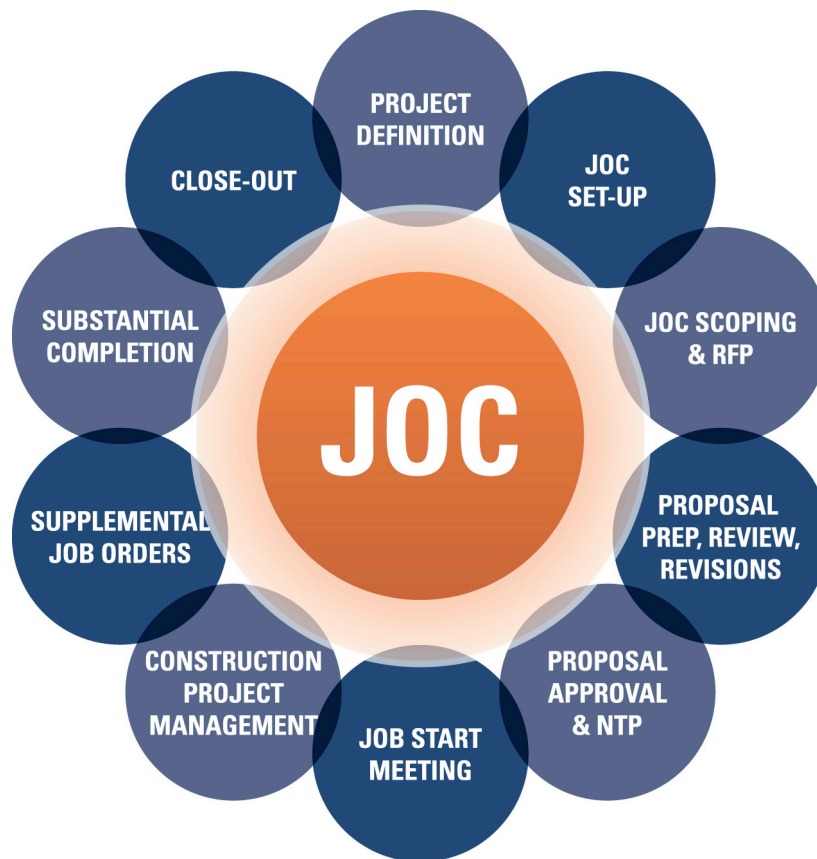
Job Order Contracting is a competitively negotiated, fixed unit price, indefinite quantity contract construction project procurement method. Public agencies negotiate and enter into a competitively bid contract with a JOC contractor for an amount it could potentially spend over a certain time period. Procurement processes are established when putting a JOC program in place.

Complete design and specifications may not be required; thus negotiations may be necessary to define processes required to accomplish a specific construction task.

A cost guide - a construction cost database of detailed priced tasks - includes a variety of facilities and physical infrastructure including construction, maintenance, repair, and renovation work items. The priced tasks form the basis for defining and negotiating task orders and projects.

Contracting methods similar to JOC include Simplified Acquisition of Base Engineering (SABER), Multiple Award Task Order Contract (MATOC), Multiple Award Construction Contract (MACC), Single Award Task Order Contract (SATOC), and Indefinite Delivery Order Indefinite Quantities (IDIQ).

The duration and value of JOC's vary from 3 to 5 years, with annual volumes from \$1M to \$100M.



The Benefits of JOC

Simply put, using Job Order Contract, saves time and money and improves overall quality by encouraging collaborative communication, expediting procurement processes, and enabling higher visibility into costs.

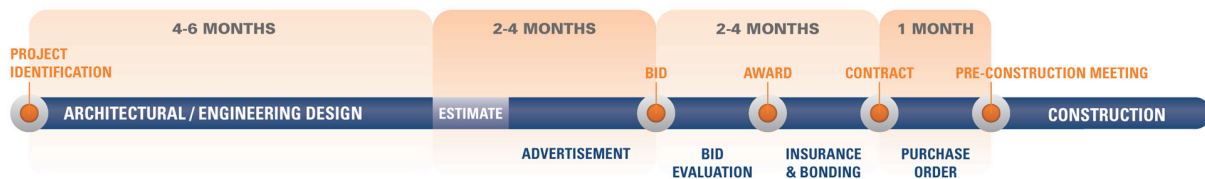
A professionally developed and managed JOC program saves from 8% to 15% or more in time, design, and procurement costs.

Expedited Project Starts

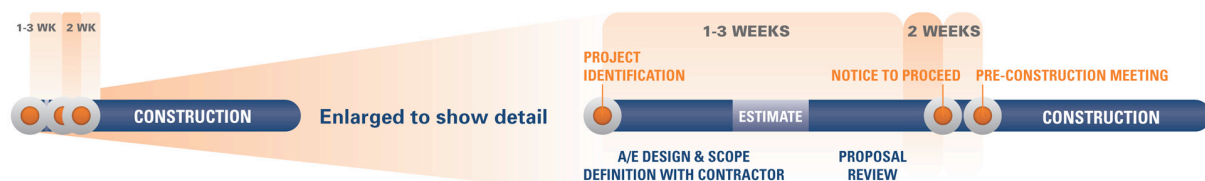
The JOC process allows public entities to begin construction projects in weeks rather than months. Project work orders can be assigned without bidding each project out. A higher percentage of construction funds are used for work projects vs. procurement costs.

As shown in the figure below, JOC requires less time to start a project than conventional methods such as design-bid-build, or design-build or CM at risk. Studies report 75% of the respondents stated that JOC requires less time to start a project than “traditional” methods.¹

Traditional Construction Procurement Process: 9 to 15 Months



JOC Construction Procurement Process: 3 to 5 Weeks



Standardized Cost Guides

Improper construction cost estimating is a primary source of construction project inefficiency. Mispriced or “missing” items drive notorious change orders. In JOC, construction costs are generated using standardized “cost guides” which are reference cost databases specifically established for the types and locations of construction projects included in the JOC contract. Industry experts regard the use of a reference cost database as a “best practice”, and its proper use cannot be under emphasized. The use of standardized price guides helps to assure that detailed unit price line items are included, and not “missed.”

¹ 2006, Northern Arizona University, JOC Center for Excellence

JOC takes an averaging approach, applying a coefficient equally to “unit price items” from established price guide, reference cost, and unit cost books. While at any point in time, some of the unit prices in the construction cost database may be higher or lower than “market”, JOC averaging provides a very accurate construction cost estimate.

Contractors can adjust for major variances using the coefficient, and owners can easily monitor and verify any changes.

Expedited Facility Management

The repair, renovation, maintenance, and renewal components of managing a facility portfolio represent a wide range and high frequency of construction projects. JOC expedites the facility management process by minimizing associated procurement costs and costly construction delays.

Accelerated Stimulus Package Projects

Federal, state, and private sectors receiving funds from the \$790 billion economic stimulus plan can begin their construction renovation and retrofit projects more quickly using JOC.

Green and Sustainability Projects

The need to address improved sustainability and high performance for Existing Buildings (EB) is well known. JOC can be readily applied to expedite the deployment of HVAC, exterior shell, lighting, building automation, and similar construction projects needed to achieve high performance building targets or mandates per LEED EB and similar guidelines.

Stimulate Local Economies

JOC readily enables local minority and small subcontractors to perform construction work.

Performance Based

On time and on budget performance can be more readily monitored and becomes the norm as contractors are motivated to meet and exceed owner expectations in order to receive additional task/delivery orders.

Higher Return on Investment (ROI)

Collaborative, predefined JOC processes and defined accountability better integrate all project participants and mitigate change orders and legal claims. A JOC contractor may assume full responsibility for errors, omissions, execution of the design, or the contractual relationship may be with an Architectural/Engineering firm. Projects also can be started more quickly which can lead to dramatic cost savings. Lower administration and procurement costs enable owners to focus scarce resources on projects. Design costs are also mitigated as the technical specifications are defined and included as part of the basic JOC contract, and a significant percentage of JOC projects can be scoped without full design documents. Economies of scale can also be achieved as grouping of multiple small or similar projects can spread out indirect costs, general conditions, and overhead costs.

Collaboration

Using JOC creates a long-term partnership between contractors and owners rather than a confrontational relationship. By design, JOC calls for open communication, cooperation, and teamwork.

Proven Approach

Job Order Contracting is a proven concept generally believed to have been originally created by the Army Corps of Engineers in the early 1980's. Thus, the acceptance of JOC in the DOD sector was experienced first. In fact, our 4Clicks JOC solution is currently used by over 60% of the United States Air Force Bases and numerous Army bases. But, in recent years, we've seen a rapid expansion of JOC use in non-DOD sectors including contractors, sub-contractors, and others such as:

- Non-DOD Federal Government
- State and County Governments
- Higher Education
- K-12 Education
- Healthcare

The JOC program is allowed under both the Federal Acquisition Regulations System (FARS) and Defense Federal Acquisition Regulations System (DFARS), and many States have established or are in the process of establishing JOC.

JOC Benefits

- Stimulates local economies
- Performance based
- Faster "time to build"
- 8%-15% lower costs*
- Full Transparency
- Defensible
- Reduce repair and renovation project backlog

** Administration and Procurement; Design; Construction; Change Orders & Claims.*

The Conclusion

The JOC construction estimating, project/document management, and procurement process more accurately estimates, starts, completes, and documents projects.

JOC cuts through the "red tape" and the inefficient components of "traditional" construction methods while adding a higher level of transparency and accountability.

JOC, like Integrated Project Delivery (IPD) and Building Information Modeling (BIM), emphasizes partnership and teamwork, and contractors are selected based on qualifications, performance, and best value, rather than low price or low bid alone.

JOC brings higher-level performance, reliability, dependability, and quality to construction projects with a focus on results, from initial project concept through final project close out.

JOC User Comments – www.4clicks.com

“e4Clicks is a tremendous asset to efficiently managing the SABER IDIQ program at Wright Patterson AFB. I have been managing Commercial Construction and Heavy Industrial Maintenance for nearly 25 years, and have had the pleasure of using your management and estimating software to construct over 800 projects during the last 6 years. e4Clicks management/estimating software ranks among the best in the business. Additionally, your support service is the finest in the industry.”

- Senior Project Manager, Wright Patterson AFB, OH
February 2010

“I just wanted to take a moment and tell you how awesome the comparison and tech evaluation reports are. After doing just a few using these e4Click tools, I have cut my technical evaluation times in half, not (to mention they) are more to the point. It has taken the work out of trying to write a word document explaining the differences in IGE’s and contractor proposals with just a quick few notes or just adding the global note explains it all. A high speed estimating software and project management tool!”

- Chief of SABER, United States Air Force
June 2009

“After using 4Clicks for four years we find that the ease of putting a proposal together is great. The search function gets us to where we want in the Means data base fast.”

- Project Manager, Keplin-Gracon JV
August 2009

“e4Clicks is fast. Quick does not adequately describe how rapidly a complete estimate can be compiled that is both accurate in scope and very informative to our clients of our intentions. Without e4Clicks, we could not support the work load per person that we currently achieve.”

- Program Manager AF IDIQ, DWG and Associates, Inc. August 2009

“Since 2004 our company, GEI Palmer Electric, has estimated more than 1,600 projects using e4Clicks software. The embedded integration with RSMeans cost data allows our estimators to build quick estimates without sacrificing precision or consistency. In many cases the time required to complete the estimating process is cut in half due to the ability to copy and paste items from previous projects within the software. With such a large database of estimates it is vital that the information for each project is organized and readily accessible to our staff. The powerful document management feature of e4Clicks software provides our entire staff fast access to vital project information. Using custom templates we generate project documents such as Statements of Work, Purchase Orders, or Requests for

Information within the software and every document related to a project is automatically stored in a central location that can be quickly accessed with a few clicks of the mouse. Since initial inception, e4Clicks software has significantly reduced our estimating costs by streamlining the entire process from initial job walk to project completion and has no doubt been well worth the investment.”

- Vice President, GEI Palmer Electric
August 2009