

## How to Select a JOC Unit Price Book– WHITE PAPER

URL: [www.4bt.us](http://www.4bt.us)

### INTRODUCTION

A JOC Unit Price Book (JOC UPB) is very important to the quality, integrity, productivity, and transparency of a Job Order Contract.

That said, not all JOC Unit Price Books are the same, and the selection benefits greatly from a strategic review of the goals and objectives of your JOC Program.



A COMMON DATA ENVIRONMENT IN THE FORM OF A LOCALLY RESEARCHED DETAILED JOC UNIT PRICE BOOK, UPB, SIGNIFICANTLY IMPROVES RENOVATION, REPAIR, MAINTENANCE, AND NEW CONSTRUCTION OUTCOMES.

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Here is a listing of initial considerations when selecting a JOC Unit Price Book.

**Is the JOC UPB locally researched for the cities, counties, states, and/or regions for the JOC area, or does it depend upon location factors?** The use of location factors, even if applied separated for material, equipment, and labor, can introduced gross errors.

**What labor rates are being used and how detailed is the information?** All federal JOCs and a growing number of state/county/local JOCs require Davis-Bacon wage rates. Davis-Bacon wage rates are applied differently depending on the location, and the researcher. Some are dependent upon mileage from a central location, others by region, etc. The JOC UPB should incorporate the highest level of details available and the most recent cost data. Labor generally represents 60% of the total cost of construction project, thus accurate labor information is very important.

**Do crews represent real world construction practices?** Many of the commonly used commercial price books, even the "leading JOC cost books", do not have crews that represent current work practices. This easily leads to the wrong productivity rates and significant errors in construction costs.

**Are tasks described in plain English and are terms common to the trade used?** Using a JOC UPB can be extremely difficult if tasks are not easily and fully understood. Abbreviations should be limited to units of measure, and even then, used in a consistent manner.



**Is a common data architecture used for line item organization?** The use of CSI Masterformat data aggregation assures efficient distribution, modification/updating, and proper use of the JOC UPB in concert with JOC procedures and goals. The cost database and associated projects and estimates can only be effectively created, stored, maintained, and used within a common data environment and JOC-specific technology.

**Is the size of the JOC UPB manageable?** Some JOC UPB providers market hundreds of thousands of line items. An excessive number of JOC UPB line items can actually be a detriment. Most JOCs involve common renovation and repair tasks and consistently use less than 30,000 line items. Excessive numbers of line items can slow productivity, introduce errors, and cause confusion.

**Are line item modifiers used?** Modifiers are important as they add or deduct costs from the "parent" line item based upon variables such as quantity, material qualities, etc. Modifiers, on average, account for 30% of the cost in a JOC task order.

**Are demolition line items present?** As JOC involves renovation and repair, and demolition, line item costs are generally an important component of a JOC estimate.

**Are full training and support services available in multiple levels (introductory, advanced) and formats (on-site, regional, virtual)?** Ongoing training and support by senior JOC professionals are critical to program success.

**Is the JOC UPB vendor independent from your JOC program?** It is critical that any JOC consultant involved in approving individual JOC task orders be totally independent from any JOC products or services.

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#### Glossary and Supplementary Notes:

**Collaboration** - Collaboration among construction project participants and/or stakeholder is critical to assuring a proper definition of the scope of services, and thus mandatory if the estimate is to reflect the expectations of the owners, design, contractor, etc. Achieving the best possible outcome for the estimate and the overall construction project, is dependent upon the processes involved in gathering accurate information in a timely manner. Employing the actions and philosophies associated with continuous improvement and LEAN best management practices adds to the overall success as well.

**Contractors** - Detailed, unit price, line item estimates are used to bid jobs and also done by general contractors and construction managers to validate bids from sub-contractors.



Detailed cost estimate - A forecast of construction cost, prepared on the basis of a detailed analysis of materials and labor for all items of work.”- 13th edition of the Architect’s Handbook of Professional Practice

Material, Equipment, & Labor - A detailed, unit cost, line item construction cost estimate involves a review and understanding of the scope of work of the associated project, including all possible factors and risks. Materials, labor, and equipment costs are provided in the highest level of granularity.

Owners - Real property owners and/or facilities managers responsible for life-cycle management of the built environment. Detailed, unit price, line time estimates are required by public agencies for most JOC/IDIQ construction projects. If the project exceeds a specified dollar threshold, an independent owner estimate must also be created (also called an independent government estimate – IGE). Line item estimates are also used to create and validate construction budgets.

Productivity - Earned value work accomplished, generally represented as a percentage. Construction productivity can be affected by multiple variables; labor composition, skill level, weather, work flow, site access, materials availability, etc.

Required Skills – Field experience at construction sites is extremely important, as is the only way to gain a true appreciation of processes, risk factors, and other variables that can impact a construction project. The ability to review and interpret construction drawings, work with cost estimating formulas and technologies, and the ability to communicate information to disparate disciplines and audiences are also vital.

Process Tasks – Processes associated with creating a line item construction cost estimate include the following:

Full definition of the scope of services requires several considerations, such as:

- Estimate preparation
- Validation of contents and assumptions
- Estimate reconciliation (if multiple estimates are required for a project)
- Documenting and presenting the estimate
- Identifying inclusions and exclusions
- Defining the basis to be used for pricing (construction cost databases and/or JOC unit price books – UPB, unit price guides, subcontractor quotes)
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Technology, cost data, and services supporting the efficient renovation, repair, & sustainability of the built environment - buildings, transportation, utilities.



- Classification system to be used, i.e. CSI MasterFormat, Uniformat II, WBS, etc.
- Format of the estimate (summary level, detailed level, price vs. non pre-priced items, associated formulas, source of each line item).

The above information is via Four BT, LLC - Best value provider of JOC solutions: JOC Unit Price Books, Technology, support, training, and professional JOC services - 4BT.US

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