

How to Use Job Order Contract (JOC) for Your Construction and Maintenance Projects

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What I hope You Get Out of this Session...

- Consider and determine how a district can use the Job Order Contracting (JOC) method strategically for their projects
- Minimizing the “blur” between construction versus maintenance
- The JOC process can cover both sides of such needs, specifically in “maintenance” situations
- How the JOC process will allow for the district to meet statutory requirements

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INTRODUCTION: Audience questions

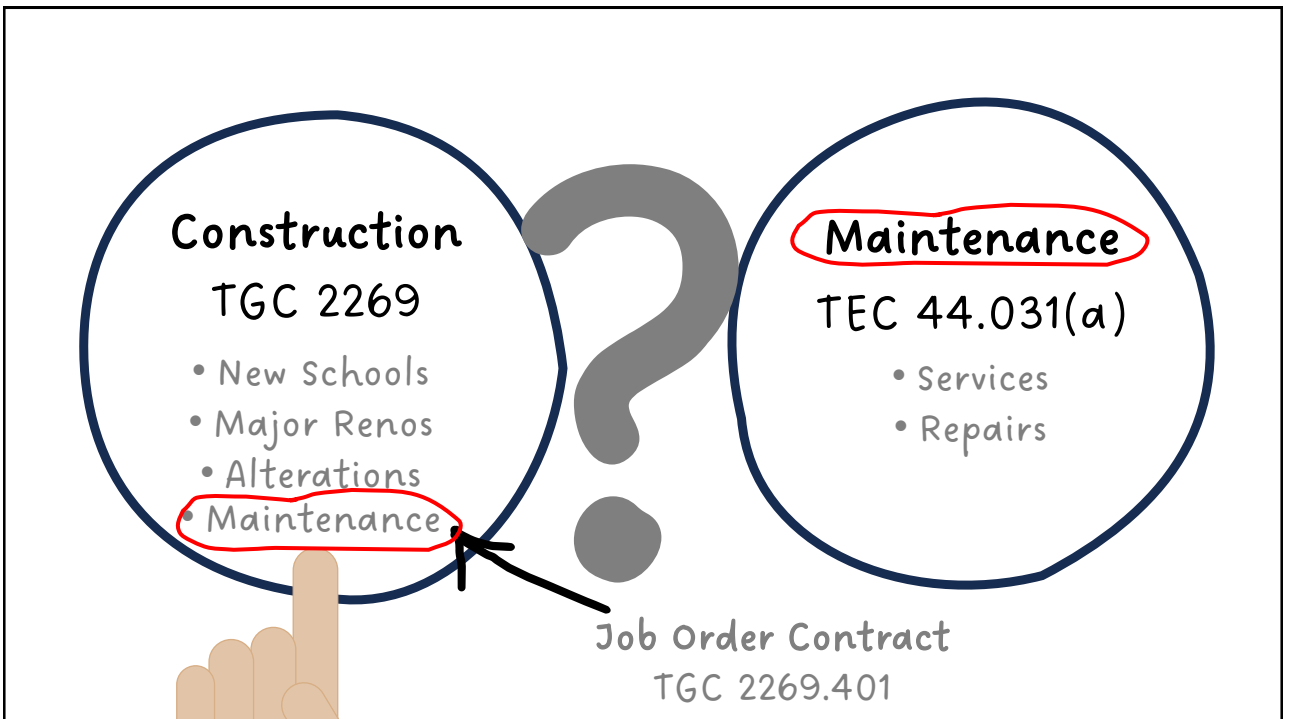
How many of you have an active JOC process in your district?

INTRODUCTION: Audience questions

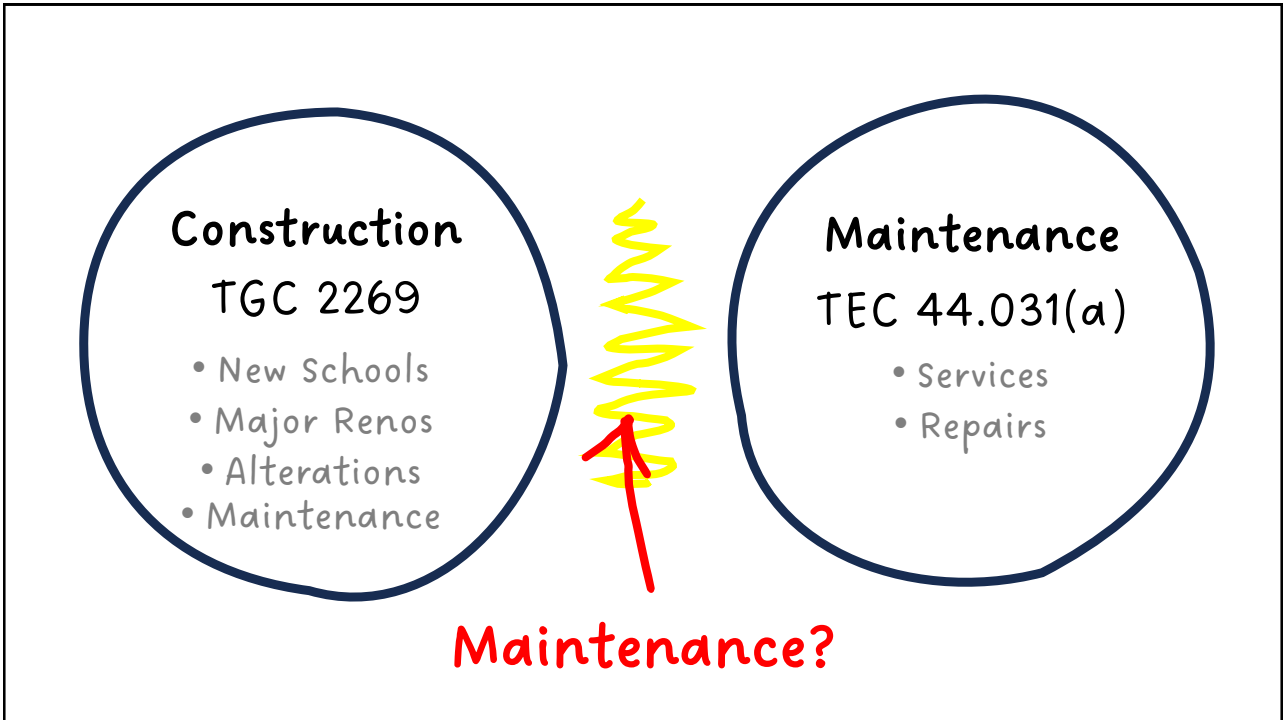
How many of you have a separate maintenance and construction department?

But First... the Overview

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So, how do I deal with “Maintenance”?

- The word “maintenance” appears only **twice** in TGC 2269 (only in the JOC subchapter) and only once in TEC 44.031 in reference to construction
- A simple **definition** (mine) of maintenance could be “a service to repair or maintain a facility or part of a facility to its current operation”
- **Historically...**
 - A vendor/contractor provides a **service** based on a time unit (e.g., hourly, daily, monthly, etc.)
 - **Parts** and/or **supplies** are at some cost to the owner, usually with a form of mark-up
 - This is commonly known as “**Time and Materials**” and works perfectly in TEC 44.031

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So, how do I deal with "Maintenance"?

What happens with the line is blurred?

Is it Maintenance(TEC 44.031) or
Construction (TGC 2269)?

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Why You Should Consider Using JOC

- JOC is **not just limited** to construction type projects
- JOCs are **not just "multi-trade"** contracts
- JOCs can be targeted at **individual trades...**
 - Electrical / Low Voltage
 - Plumbing
 - Roofing
 - HVAC
 - Concrete
 - Paving/Asphalt, Fencing, Irrigation, Playgrounds, Portable Moves, etc.

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Next Steps to Implement a Maintenance-Based JOC Contract(s)...

- Work with your purchasing office to determine best direction
- Determine which types of maintenance/trades to target
- Consider partnering with neighboring districts through an interlocal agreement to share in the contracts
- Come up with a plan
- Establish a process and procedures for use of the contracts, specifically workorders (project proposals)

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What must be considered...

- Meeting the **bidding requirements** found in TGC 2269.401-.411 / CV and CVF policies
- Make sure you include your **prevailing wage rates** in the solicitation
- Note that **bonding** will be required for all projects over \$25,000 (payment bond)
- How **pricing** will be based - either price index or pre-priced work items

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What to ask for in the bid...

- Hourly rates for the trade specific job classifications
 - Project Manager
 - Supervisor
 - Trade Standard Positions (e.g., Master Electrician)
 - Laborers
- Cover all other types of job possibilities by doing a coefficient for all prevailing wage rate trades
- Ask for a coefficient for materials for billing purposes
- Provide a general Scope of Work (SOW) to establish guidelines

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Doing it Yourself vs. a Cooperative

- **Your district**
 - Doing it yourself puts the contract under your **terms**
 - Requires your district does all the **bidding**, evaluations, awards, and contract management
- **Cooperatives**
 - Already **bid out** and awarded
 - Meets your **competitive bidding requirements**
 - Can be **adopted** further into your district's terms and requirements

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The Benefits of Using a JOC...

- Quicker than normal processes, specifically having to do bids for everything - especially in emergencies
- JOC allows for multiple awards
- Doing competition between awarded contractors will hopefully create better value for the district
- You can negotiate the proposal(s)
- Choice of contractors does not have to be the lowest offer

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The Not-so-Good of Using a JOC...

- Bonding
- Work Order agreements (a true best practice)
- More procedural requirements under TGC 2269 (not always a bad thing...)

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Questions...?

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