

JOB ORDER CONTRACTING: ROI and Potential Savings

How JOC saves costs and time on your facility's smaller building construction, repair, and maintenance costs

- 1 Building owners who utilize Job Order Contracting (JOC) instead of the traditional process save on average 24% on their total project costs, according to a 2015 study by Arizona State University.*
- 2 With JOC, all smaller construction projects for your facility (\$100,000 or less for each project) are assigned to a single budget with a single account manager to handle all projects. Each project is priced on a cost-plus-fee basis, according to a published schedule of all construction and trade costs provided to you by your account manager. If the project is completed for less than its original estimate, the difference is applied to other projects.
- 3 Compared to traditional delivery methods, JOC provides significant savings by eliminating these steps and associated costs:
 - Hiring an architect or engineer for complete project design and drawings;
 - Putting the project out to bid;
 - Reviewing bids and selecting a contractor;
 - Assigning internal staff to act as a general contractor to supervise the project.
- 4 By combining all your smaller annual facility construction, repair, and maintenance projects into one JOC, you'll save even more as compared to paying separately for each project that must be performed in your facility each year.
- 5 Your account manager, specifically assigned to your facility, manages every project from start to finish, freeing up your staff to focus on running your business.

* "JOB ORDER CONTRACTING PERFORMANCE 2015 INDUSTRY SURVEY," ARIZONA STATE UNIVERSITY PERFORMANCE BASED STUDIES RESEARCH GROUP (PBSRG)

What Is Job Order Contracting?

Job Order Contracting (JOC) is a construction contracting system developed to help streamline the process of purchasing, assigning, and completing smaller construction, repair, and renovation projects for a facility.

Using JOC, the building owner need only obtain approval for a single annual budget to cover construction projects. These typically include smaller building alterations, upgrades, repairs, and maintenance projects, and emergency building repairs as needed.

With JOC, the building owner works with a single construction services vendor, who bills for each project on a cost-plus-fee basis, based on a pricing transparency that details the vendor's cost for every type of construction project and trade work.

By eliminating the extra cost and time involved in bidding out each individual smaller project, hiring architects or engineers to complete full construction documents and getting design drawings done, and then obtaining approval for the the project budget, JOC provides substantial cost and time savings compared to the conventional construction bidding process.



JOC is ideal for handling these common smaller projects:

- Installing new dumpster pads
- Replacing or adding guardrails (for compliance)
- Replacing office doors and interior fixtures
- Repairing roof leaks
- Electrical repairs and upgrades
- New equipment installation preparation
- Repairing masonry
- New/replacement equipment pads
- New walls and partitions
- Security upgrades—guard house, gates, entry systems, etc.

ANNUAL SAVINGS COMPARISON: The Conventional Process vs. Job Order Contracting

	CONVENTIONAL PROCESS	JOB ORDER CONTRACTING (JOC)
STEPS FOR EACH PROJECT	<ol style="list-style-type: none"> 1. Define project 2. Hire architect or engineer to draft plan drawings for project 3. Put project out to bid 4. Review bids and assign project 5. Use internal staff to manage and supervise project to completion 6. Pay costs for complete architect/engineering drawings, and additional staff labor costs for bid review and ongoing project supervision 	<ol style="list-style-type: none"> 1. Contact Account Manager for estimate, based on pre-published cost schedule 2. Account Manager takes it from there
SAVINGS PER PROJECT		Average 24% savings compared to traditional process*
TOTAL ANNUAL PROJECT COST <small>(Example: 20 projects each year; each project costs \$100,000)</small>	\$2,000,000	\$1,520,000
TOTAL ANNUAL SAVINGS		\$480,000 (24%)

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