

Job Order Contracting

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Public Works Intensive
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Definition

RCW 39.10.210 provides the following definition:

- Job order contract means a contract in which the contractor agrees to a **fixed period, indefinite quantity delivery order contract** which provides for the **use of negotiated, definitive work orders** for public works



New Legislation

Substitute House Bill 1295 Section 7 made changes to RCW 39.10.420 through 39.10.450:

- Job order contracting may now be **used by all public bodies** in the State of Washington
- Unused annual **work order limit rolled over to next year** (2 year max)
- Maximum work order raised to **\$500K**



Authorized Use

RCW 39.10.420 defines owners justification to use JOC

- Public bodies may use JOC for public works when a **determination** is made that the use will **benefit the public** by:
 - **Reducing** total **lead-time** and **cost** for construction
 - **Eliminating** **time-consuming, costly** **aspects** of traditional PW process



JOC Selection

- JOC contracts shall be awarded through **competitive process**
- Published **Request for Proposals** to include
 - Detailed description of **scope & reasons** for using **JOC**
 - Description of **required proposer qualifications**
 - Identity of **specific unit price book** to be used
 - **Minimum contracted amount** to JOC



JOC Selection (cont'd)

- Protest procedures
- Evaluation process and scoring factors
- Form of Contract to be awarded
- Method for pricing renewals or extensions to JOC
- Proposals are open public records
- Other information relevant to project
- Evaluation committee to **select most qualified finalists**



JOC Award

- Selected finalists shall submit **final proposals and sealed bids** based on unit price book
- **Bids may be in the form of a coefficient (+ or -)** from the listed price book costs
- Owner shall **award contract to highest scored final proposal**
- **Owner administers protest procedure**



JOC Contracts

- **Maximum** dollar amount under JOC is **\$4 million per year**
- **Unused capacity** of previous year may be **carried over** to the following year
- Maximum **annual capacity shall not exceed** 2 year limit
- Maximum total dollar limits **exclude sales and use tax**
- Length of contract is **2 years** with 1 year extension



JOC Contracts (cont'd)

- Owner may only have **3 JOC contracts** in effect at one time
- At least **90% of work must be subcontracted**
- Distribute subcontracts **equitably** including **certified minority** and **women owned** subcontractors
- **Must pay prevailing wages** in effect at the time of work performance



JOC Contracts (cont'd)

- **Maximum** work order is **\$500K** excluding sales and use tax
- New stand alone **permanent structure** limited to **3,000 gsf**
- Any **work order over \$350K** including over **600 single trade hours** shall utilize **apprenticeship** program
- Owner may **adjust apprenticeship requirements** with justification

JOC Considerations

- When exact **scope of work** is not defined and **cost** can be **negotiated**
- Owner **not required** to establish **unit pricing** at the time of selection
- Strict **limits** on new **building construction**
- **Not** necessarily the **lowest construction cost**
- **Subcontractors** not required to be selected on **lowest price**

THANK YOU!

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