

CENTER FOR JOB CONTRACTING EXCELLENCE
QUARTERLY MEETING
08000, 6 FEBRUARY 1996
ARIZONA STATE UNIVERSITY
PERFORMANCE BASED STUDIES RESEARCH GROUP

MEETING MINUTES

Attendees:

1. Dean Kashiwagi, Performance Based Studies Research Group (Host, academic chair)
2. Ken Jayne , Brown & Root Services Corporation (Industry Chair)
3. Bennie Smith, BENEKO
4. Rex Shaver, Del-Jen, Inc
5. Mark Stuart, AEC Data Systems, Inc
6. Jim Freeman, MCC Construction.
7. Jim Anderson, Aspex Consulting Company, Inc
8. Ronald L. Geren , Facilities Planning and Construction, Arizona State University
9. Gene D. Oden, Graycon Corporation
10. Ziad Al Sharmani ,Performance Based Studies Research Group

Work Session:

1. The meeting was called to order at 9:00 AM by Dean Kashiwagi, Academic Chair.
2. Dean Kashiwagi welcomed all attendees and introductions were made.
3. Minutes of October 26, 1995 were approved by all committee members.
4. Ken Jayne talked about his letter to the FAR secretariat regarding the removal of the exclusion of all FAR part 36 construction and Architect- Engineer contracts from the “preference” for the multiple awards.
5. Bennie Smith indicated that BENEKO received a multiple award Job Order. He said that there are two reasons for a multiple award which are:
 - a. In case of a failure during the project, the system won't be repeated.
 - b.To increase competition which is nearly impossible on a delivery order.
6. Rex Shaver suggested the use of the computer network to send information to the whole country.
7. Dr.Kashiwagi discussed the following:
 - a. He introduced the “Performance Based Procurement” seminar mailer for 30 national seminars. The aim of these seminars are to identify high performance and prevent high risk and cost.

- b. The 1996 Job Order/SABER/Delivery Order Contracting Book will be published in the next two months. This book will introduce the theory being applied and identify the work of performing JOC/SABER/DOC contractors. Dr.Kashiwagi explained the role of ASU which is to collect information, educate facility owners, and analyze the implications for industry.
 - c. Facility management personnel do not have a basis for evaluating the JOC/SABER/DOC performance levels of contractors. In many cases, the facility managers want to reduce risk and cost in supporting the facility owner. Without the information to differentiate higher performance, the facility personnel cannot justify the associated higher costs to their owners.
 - d. A quick review was done on the 1996 JOC Performance book. All participants are to review the draft copy in the next two weeks. All comments will be reviewed and input. It was agreed that a final draft copy of the book will be sent to all participating members before publishing to guarantee the validity of the data.
 - e. Dr. Kashiwagi talked about the benefits of the NRCA article in the roofing magazine which reinforces the idea of publishing the book soon to introduce the concept to all interested parties.
8. Gene Oden discussed the possibility of the facility owner rejecting the high cost performance theory because of the fact that he could get the job done for a less cost. The following are reasons why the theory might not work:
- a. Contractor can't justify his high coefficient.
 - b. Facility owner doesn't understand the system.
 - c. Not worried about service.
 - d. Cost benefits Vs performance benefits.
9. Dr.Kashiwagi added that the complete understanding of the cost-performance theory depends upon the perceptions of facility owners and contractors. The theory would be invalid for a person who doesn't believe in the system.
10. A computer analysis was done for the JOC/SABER/DOC 1995 survey results. The following concepts were discussed:
- a. How effective is the award coefficient provided by facility owners ?
 - b. The validity of using the number of jobs handled by each contractor as a performance criteria. Gene Oden said it would be unfair for small contractors if number of jobs is taken in the performance criteria.
 - c. Contractor 6 will eliminated from 1995 survey results and the average values for all five contractors will be recalculated.

11. The new questionnaire form was reviewed. The inputs of the 1995 CJE meeting were used as a foundation for the new survey. Dr. Kashiwagi added a few items that were found to be of value from other seminars. It was agreed that all participants should review the form and send in comments by Feb. 16th, 1996.
12. Dr Kashiwagi highlighted how CJE can help the JOC industry. All functions include identification of differential, education of facility owners, and dissemination of the information. The activities include:
 - a. Internet page for CJE.
 - b. Offering performance information collection to JOC/DOC/Saber facility managers at no cost.
 - c. Annual performance book.
 - d. Newsletter.
 - e. Performance reports on each contractor.
 - f. Collection of information from JOC/DOC/Saber sites.
 - g. Participating more with facility owners.
13. Each CJE participant was committed to the following:
 - a. Faxing JOC sites to CJE with point of contacts and telephone number.
 - b. Identifying facility owners to educate through on-going seminars.
 - c. Using newsletter and performance book to educate facility owners.
14. Ron Geren, ASU representative gave the status of the ASU JOC. He proposed that the performance lines could be used in the prequalification process.
15. Dr. Kashiwagi reviewed the financial situation for CJE. It was agreed that new associate members whose income is lower than \$500,000, will be assessed a \$100 fee payment. After the member's income exceeds \$500,000, the regular \$1250 fee will be assessed. All other members dues are due immediately. CJE will invoice all members.
16. The next meeting will be held in the second quarter. CJE will attempt to coordinate with the US Army and see if we can dovetail into their annual JOC meeting.

Action Items:

1. Mark Stuart and Ken Jayne are to provide a qualifying cost savings report.
2. Mark Stuart and Ziad Al Sharmani will identify procedures needed to get on the page net.
3. JOC book will published after approval by all participating contractors of the data.
4. A CJE report is to be written identifying participating contractors and confirming their certification.
5. CJE's activities and concept should be communicated to the Navy, Army, and USAF point of contacts.

6. All attendees are to fax back changes regarding the questionnaire form by Feb. 16.
7. A CJE Newsletter will be written by Chad Halmrast (PBSRG) as soon as feedback and suggestions are received from all participants.