

Center for Job Order Contracting Excellence (CJE)
PBSRG- Arizona State University
Quarterly Meeting
Location: Washington DC
July 20-21, 1998

Monday, July 20, 1998

Attendance

Dean Kashiwagi:	ASU-PBSRG
Pat Hendrickson:	BENECO Enterprises
Onzie Jones:	Brown & Root Services
David Pinkerd:	Brown & Root Services
Rich Benton:	Centennial Contractors Enterprises, Inc.
Bill Sweetser:	Centennial Contractors Enterprises, Inc.
Kurt Ludwig:	DEL-JEN, Inc.
Allan Cleveland:	Estimating Systems, Inc.
Robert Coffey:	The Gordian Group, Inc.
Richard Boullain, Director:	MARTA
James Shannon:	PI Construction Corporation
Richard Galloway:	Team Contracting, Inc.

Bill Sweetser opened the meeting at 1400 and conducted the following tasks.

- Introductions were made.
- The minutes from the last meeting were approved by voice vote.

Committee Chairpersons' Reports on Action Items

Education Committee

Paul Marshall presented Ken Jayne's proposal for the educational JOC package. Paul asked for additional success stories for the presentation. The presentation is available for use by any member. The following comments on the package were provided:

- 2nd page should not use "bid" coefficient.
- How to get a JOC: the PBPS should be listed as the first procurement methodology.
- All terminology should be consistent for example JOC vs DOCC.
- More and varied successes are required - especially successes for cost savings.
- NASA savings from JOC should be documented.
- Bulleted quotes from senior members of government or organizations should be included, attributable by name and title to the person quoted.
- More graphics need to be added.
- Need to highlight the large amount of small business contracting that results from a JOC.
- Need a range of projects; from large to small.
- Need authority for stated cost savings.

Dean Kashiwagi distributed the article on the pros and cons of JOC/SOC/TOC. Pat Hendrickson will send Dean additional comments immediately, and Josh will edit a new version and distribute by the end of next week. The revised draft will be distributed to the membership so they can provide comments back to ASU by August 17, 1998.

It was proposed that the article be submitted for publication in the following magazines/journals:

- The Military Engineer (SAME)
- Cost Engineering - Kashiwagi
- Journal of Management (ASCE) - Rich Benton
- APPA - Jim Shannon

Josh Glider will contact each point of contact.

Paul Marshall read a definition of a performing contractor provided by Rich Barrick. A performing contractor identifies price and performance and communicates information on performance. The definition should be listed in the newsletter and the next printing of the CJE annual book. Comments on the definition are due to Rich Barrick by August 17, 1998. Pat Hendrickson agreed that a narrative for performance is necessary. Richard Galloway suggested adding the term "solution provider" to strengthen the definition.

The idea of CJE developing a model procurement process may not be a good idea. CJE members can still approach private industry, and a third party is required with most public sector owners. For unsophisticated owners, to hand over a generic process for implementing JOC may cause nonperformance of the JOC. The consensus is to remove Education Action Item #4.

Administrative

A new brochure was passed around to be further reviewed that evening.

Rich Benton introduced the bylaws issue by stating there were no bylaws to be found for CJE. If bylaws are developed, the matter of differing types of membership and voting rights to resolve controversial issues need to be decided first. Robert Coffey stated that a decision-making mechanism is required. It was agreed that it will be voted on at the next meeting. Dean Kashiwagi proposes the decision-making mechanism will be majority rule:

- Every member will have one vote, which can be voted either in person or by advance proxy

Member Benefits

The development of a JOC clearinghouse was discussed. All contractors should funnel new jobs to Josh. Josh should track all sites in an Excel or Access database by facility type and which company the site was awarded to. Database should include name of point of contact, title, phone number and other key information. Josh will send the database

out to everyone for help with point of contacts by August 17.

- LMI document has Navy sites. (immediately)
- Army sites are in list from Army JOC Steering Committee
- Air Force list will be provided by Jim Shannon (July 31).

This database can also be used to send letters asking for the completion of the CJE survey so performance lines on CJE and non-CJE members can be developed. It will also allow the map of JOC sites on the CJE website to be updated.

Paul Marshall indicated AIM will purchase a booth at the next SAME National Conference for use by CJE. Conference is at Houston, TX April 6-9, 1999.

Old Business Review

- Rich Benton will E-mail the CJE Logo to those that asked. It is available in JPEG format from Josh Glider or by contacting Rich Benton (srb@cce-inc.com).
- Robert Coffey updated the members on the upcoming Dade County School System Performance-based procurement of a JOC.
- A survey of facility owners with questions regarding JOC consultants will be conducted, but not concurrent with the annual CJE survey on contractors. Concern was expressed about overloading owners with surveys. Members are to review the proposed survey questions and provide comments to Josh Glider by August 17.
- CJE members discussed having their names attached to their Performance Lines. A show of hands was taken but all members did not indicate support for the idea. No definitive decision was made.
- Next meeting to be held October 14-15. Location to be determined.

The CJE members met for a dinner meeting in the evening. The CJE has come a long way in three years, with The Gordian Group now working on the implementation of the PBPS in the procurement of JOCs at the Dade County School System and Fulton County in Georgia.

Tuesday, July 21, 1998

0800-0900

Dean Kashiwagi presented the status of the Performance Based Procurement System and the assessment of JOC, SOC, and TOC. The following issues were addressed:

- Only a true information system can identify the price of the “best value.”
- All other systems even though they may be “best value” are subjective assessments, and the price of the “best value” is never known.
- The low-bid award hampers JOCs. Low-bid awards force contractors to make up their losses in other places.
- TOC/SOC is a prequalification, low-bid process due to the award going to the “sensible” low-bid. No one knows if it was the “best available” option.
- The technology of Information Measurement Theory (IMT)

0900-1100

A panel discussion was conducted with four panelists:

- CAPT Julian Sabbatini, NAVFAC
- Mrs. Lu Lillie, US Army JOC Steering Committee
- Mr. Bill Lawson, GSA
- Dean Kashiwagi, Ph.d., ASU

Discussion was the future of JOC, SOC and TOC in the Federal government's procurement plans.

Attachments

1. Ken Jayne's presentation

CJE ACTION ITEMS LIST

Education Committee

Chair: Ken Jayne: 713/964-6720

Applied Innovative Management, Inc.

Members: Rich Barrick - Allied Surety

Robert Coffey - The Gordian Group

Lynn Thompson - The Gordian Group

Pat Hendrickson - BENEKO Enterprises

Member Benefits Committee

Chair: Dave Pinkerd: 713/260-3247

Brown & Root Services

Members: Rich Benton - Centennial Contractors

Josh Glider - ASU

Administrative Committee

Chair: Bill Sweetser: 703/287-3040

Centennial Contractors

Members: Rich Benton

Pat Hendrickson

Action Item	Responsibility	Promised Completion Date	Comments
<u>Education Action Items</u>			
1. Develop a definition of a performing contractor.	Rich Barrick	8/17/98	Draft distributed. Comments due to Rich Barrick by 8/17. Include in newsletter and upcoming revision of annual book.
2. Prepare article comparing pros and cons of JOC/TOC/SOC.	Dean Kashiwagi	8/17/98	Pat Hendrickson assisting by providing legal article input. Initial draft distributed. Revised draft to be distributed by 7/31/98 with comments from members due 8/17/98.
3. Create a JOC presentation to be given to facility owners.	Ken Jayne	?	Available for use now by members. Further revisions on-going.
4. Prepare an education write-up for Allied Surety to be posted on the Internet.	Rich Barrick	Later	

Action Item	Responsibility	Promised Completion Date	Comments
<u>Member Benefits Action Items</u> 1. Develop a comparison of CJE and non-CJE performance lines. PBSRG will gather more data on non-CJE members.	Josh Glider	?	Unable to use 1997 data to prepare. Need to gather better 1998 data to make comparison.
a. Gather data on all known JOC sites and differentiate between performance-based awards and low-bid awards.		Completed	Use Army JOC Steering Committee list for Army sites. Jim Shannon to provide Air Force sites. Use Appendix from LMI report for Navy sites. Query The Gordian Group for non-Federal sites.
b. Match sites with POC's and mailing addresses.		8/17/98	Rich Benton to provide listings of installation Base Civil Engineers and DPW's from SAME book.
c. Distribute database in EXCEL or ACCESS format for review by members.		8/17/98	Members to review and correct. Return to ASU by date TBD.
d. Send letters to all known JOC sites asking for completion of 1998 survey.		?	Include with letters copies of new brochure about CJE suggesting membership.
2. Work to establish relationships with industry.	All	On-going	Paul Marshall to obtain exhibit space at next SAME National Conference to be held at Houston, TX April 6-9, 1999. Members will man.
3. Write and distribute newsletter regularly.	Josh Glider	8/17/98	Draft due by 7/31/98 for review. Distribute by 8/17/98.

Action Item	Responsibility	Promised Completion Date	Comments
4. Develop a clearinghouse of upcoming JOC sites and provide to members.	Josh Glider	On-going	Being distributed by fax or E-mail. Put information into a database and track who receives award.
5. Post the map of JOC sites on CJE website. No contractor names or expiration dates are to be included.	Josh Glider	?	Refinements are needed, to include new sites discovered in the process of completing Action Item #1.
<u>Administrative Action Items</u>			
1. Increase membership.	All	On-going	Up-to-date brochure now available for use.
2. Standardize future business meeting format and seminars; coordinate dates.	Bill Sweetser	On-going	Next meeting October 14-15, 1998.
3. Review CJE Bylaws.	Rich Benton/ Pat Hendrickson	10/14/98	Review Dean Kashiwagi's suggestion contained in minutes of July 20, 1998 business meeting.