

Center for Job Order Contracting Excellence
Performance Based Studies Research Group
Arizona State University
Quarterly Meeting
July 21/22, 1997
Location: Williamsburg Lodge , Virginia

Performance Based Procurement/Job Order Contracting Presentation

The Brown & Root sponsored dinner presentation of the research work in Performance Based Procurement at Arizona State University was kicked off at 1730. Ken Jayne, Brown & Root, introduced Dr. Kashiwagi and the attendees (listed below) introduced themselves.

Attendees:

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| 1. Lloyd Stuart | AEC Data Sys. Inc. |
| 2. Craig L. Cook, P.E. | Brown & Root Services |
| 3. Ken Jayne, P.E. | Brown & Root Services |
| 4. Rich Benton, P.E. | Centennial Contractors |
| 5. Buddy Davis | Centennial Contractors |
| 6. Debra Dowden Crockett | Centennial Contractors |
| 7. Sweetser, Jr., P.E. | Centennial Contractors Enterprises, Inc. |
| 8. Bill Beyers | Centennial Contractors Enterprises, Inc. |
| 9. Randall S. Howard | Centennial Contractors Enterprises, Inc. |
| 10. Dusty Kaser, P.E. | Chugach Alaska |
| 11. Nathan Brooke, P.E. (IRV) | Commonwealth Of Virginia |
| 12. Bruce E. Brooks | Commonwealth Of Virginia |
| 13. Henry G. Shirley | Commonwealth Of Virginia |
| 14. Judith B. Anderson | Commonwealth of Virginia |
| 15. Steven Sheppard, III | Commonwealth of Virginia |
| 16. William Clary | Construction Corporation |
| 17. James S. Shannon, P.E. | Construction Corporation |
| 18. Al Lowe | Centennial Contractors |
| 19. Howard Kernodle | DOT, Itq FAA |
| 20. Roger Staskiel | Department of Army |
| 21. John DePerro | Dept of Mental Health |
| 22. Dan Korolyshyn | Directorate of Public Works |
| 23. Ram Nathan | Evantage |
| 24. Edmund J. Hall, III | Evantage |
| 25. Linda Gilday, CFM | Logistics Management Institute |
| 26. Jordan W. Cassell | Logistics Management Institute |
| 27. Janice L. Wrobel | METech, Inc. |
| 28. Richard Wrobel, PE | METech, Inc. |
| 29. Delphia Dreano | NAS, Patuxent River |

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| 30. Tammy Buckler | NAS, Patuxent River |
| 31. Joe Jackson | NIH Bethesda |
| 32. Clyde Tucker | Naval Air Station Public Works |
| 33. Roy Tucker | Naval Air Warfare Center |
| 34. Patton CPCM | Naval Facilities Engineering Command |
| 35. Page S. Neale, Jr. | Navy Public Works Center |
| 36. Butler III | Newport News Shipbuilding |
| 37. Gene J. Ostrow | OHM Corporation |
| 38. Bill Clary | PI Construction Corporation |
| 39. Lt. Frank S. Mulcahy | NAS Whidbey Island, WA |
| 40. Greg Scott | Rutgers Univ. Const. Mgt. |
| 41. Glenn Cyphers | Rutgers University. Const. Mgt. |
| 42. Stan Soloway | Soloway Associates/Contract Services. Assoc.. |
| 43. John P. Sylva, P.E. | Sylcon, Inc. |
| 44. Donald Flory | Technology & Support Services |

Dr Kashiwagi presented “Information Theory,” Performance Based Procurement, and Job Order Contracting. Lt Frank Mulcahy, presented the performance based approaches being used at NAS Whidbey Island, WA. Dr Kashiwagi addressed the following issues:

1. Low bid awards in a “high risk” industry leads to higher life cycle cost and lower performance.
2. Performance Based Procurement uses performance information to identify a “sustainable” performance at a fair price.
3. The “Performance Based Procurement System” (PBPS) is the only procurement system that awards a contract in one step, competitive bid, considering price and performance, that motivates a contractor to continually change using performance information.
4. Multiple awards to JOC/DOC contractors in competing situations using a “unit price book” removes all the advantages of JOC/DOC. This will also lead to higher costs.
5. Optimal procurement methods include the PBPS for single procurements, JOC/DOC (selection) using the PBPS for redundant minor construction, facility repair and maintenance needs, and Design/Build (using the PBPS) for new construction.
6. The PBPS allows the performing manufacturers, contractors, and engineers to partner and provide the best performing systems and information that the engineer would not have in the traditional process.
7. The PBPS and Performance Information attracts performing contractors and manufacturers. It has been the history at ASU that those who do not participate or who use their energy to resist the use of performance information do not understand that information will dictate policy in the next generation, or that nonvalue added jobs will be eliminated, or whose performance does not give them the competitive advantage in the performance arena.

Attendees:

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| 1. John Delane | Del-Jen, Inc. |
| 2. Randall S. Howard | Centennial Contractors Enterprises, Inc. |
| 3. Lloyd Stuart | AEC Data Sys. Inc. |
| 4. Craig L. Cook, P.E. | Brown & Root Services |
| 5. Ken Jayne, P.E. | Brown & Root Services |
| 6. Rich Benton, P.E. | Centennial Contractors |
| 7. Debra Dowden Crockett | Centennial Contractors |
| 8. Dusty Kaser, P.E. | Chugach Alaska |
| 9. Howard Kernodle | DOT, Itq FAA |
| 10. Richard Wrobel, PE | METech, Inc. |
| 11. Joe Jackson | NIH Bethesda |
| 12. Dan Korolyshyn | Directorate of Public Works |
| 13. Bill Clary | PI Construction Corporation |
| 14. Lt. Frank S. Mulcahy | Public Works Dept. Bldg. 12 |
| 15. Stan Soloway | Soloway Associates/Contract Services. Assoc.. |
| 16. John P. Sylva, P.E. | Sylcon, Inc. |
| 17. Butler III | Newport News Shipbuilding |
| 18. Owen Jones | MCC Construction Corporation |
| 19. Gary Engerbritson | CSA |
| 20. Edward Cooke | Penninsula Contracting Office |
| 21. James S. Shannon, P.E. | PI Construction Corporation |

Introduction:

John Delane called the meeting to order at 0800. John touched on the following:

1. The CJE Internet is up and running. Hot link can be made from the CJE Homepage to the members homepages.
2. Chugach Engineering was welcomed to the meeting.
3. Thanked the CSA for assisting in the coordination of the meeting and encouraged the CJE members to join.
4. Discussed the teleconference by David Drabkin on JOC, DOC and SABER contracts and multiple awards. One of the major objectives of the CJE is to educate facility owners on the higher cost and lower performance on JOC/DOC/Saber contracts that force contractors to compete on every job order. The higher overhead, design costs, and smaller amount of work negates the advantages of the JOC.

Old Business:

1. Owen Jones is working on the new logo. The logo developed by PBSRG is the only logo available.
2. A question was raised on the CJE Mission statement It is written in the original by-laws and will be attached in the minutes.
3. Extended invitations to all participants to inform Dean of any organization that may have interest in PBSRG presentations. A list of 1997 presentations is in Attachment 1. The next presentation in the Washington DC area will be at the FAA Training Facility. Attendance will be limited to 30. Reservations are required by September 5, 1997.
4. The May 1-2, 1997 quarterly meeting minutes were approved.
5. The 1997 preliminary JOC survey results will be published by Sept. 30, 1997 and compared to the 1994/95/96 results.
6. The FAA storm damage study is ongoing. A final study will be developed upon project completion. Information comparing JOC performance vs general contractor performance may be done with the permission of the FAA and general contractors.
7. A financial report was given. A copy is listed in Attachment 2 for members.

Action Items:

1. All contractors are encouraged to give the Internet address for the CJE to facility owners.
2. The CJE will be passing out additional CJE books. Ziad will be distributing the books at the October meeting.
3. The total number of sites for JOC/DOC/Saber needs to be compiled. A listing of sites/contractors is in Attachment 3. All contractors are asked to add/verify the list.
4. The next quarterly meeting will be held on October 28-29, 1997 at ASU. Please coordinate lodging with Ziad ahead of time. A list of hotel rooms/rates is listed in Attachment 4.
5. A SMACNA sponsored seminar will be presented on October 14, 1997 at Las Vegas Nevada. Reservations should be made by October 3, 1997.
6. The 1997 Construction Performance Conference will be held at ASU from Nov. 10-14. Contractors are encouraged to send facility owners to be educated.

The meeting was closed at 10:40pm.