

Center for Job Order Contracting Excellence  
Quarterly Meeting  
July 23-24, 1996  
Dulles Airport Days Inn  
Herndon, VA

Evening Meeting: (1700 - 1830 followed by dinner)

Attendees:

Dean Kashiwagi, PBSRG, ASU  
Loel Schaaf, DPW, FMMC  
Sean O'Sullivan, Estimating Systems, Inc  
Kurt Ludwig, FKW Inc  
Owen Jones, MCC Construction  
Ken Jayne, Brown & Root Services Corporation  
Troy Swanner, Marshall & Swift  
Bill Sweetser, Centennial Contractors Enterprises  
Shawn Sande, AEC Data Systems, Inc  
John Delane, Del-Jen, Inc

Work Session:

1. Ken Jayne opened the meeting with introductions.
2. April 23, 1996 meeting minutes were reviewed and approved with a few minor changes.
3. Ken Jayne stated that he has not checked on the prototype performance database. David Drabkin is Colleen Preston's action officer.
4. Loel stated that Lu Lillie will attend tomorrow. PBSRG is ready to test the PBPS for the U.S. Army. The information update system for roofing on the Internet was reviewed. Kashiwagi stated that the information will be updated weekly. Ken Jayne stated that averages should be listed along with CJE members' performance numbers. Kashiwagi stated that he will implement the suggestion.
5. Kashiwagi proposed that a CJE book be sent to Harry Mellon in lieu of a directed letter. The group agreed.
6. The first edition of the 1996 JOC book was reviewed and distributed. 98 books were distributed. Comments have already been solicited for the second edition which will be implemented next month. The PBSRG will send copies to all participants.

7. The 1996 survey was reviewed. Beneco's sites have not been identified. There are 66 sites targeted so far. Sean O'Sullivan proposed that their database contacts may be able to participate in rating other contractors.
8. CJE Homepage on the Internet will be activated soon. Input is being solicited for each company. AEC's information can be copied from their home page. FKW submitted their information. The draft of the CJE newsletter was reviewed. It will be published early next week and sent to all participants. CJE members will get original copies.
9. Kashiwagi reviewed the CJE financial records. No review time for newsletter, JOC book, or meeting preparation was charged to the account. This is to assist the CJE get started. The balance after overheads and expenses is \$8,700. Beneco's (\$3,750), Gracon's (\$1,250), and Estimating Systems' (\$1,250) shares are still outstanding.

July 24, 1996 Morning Meeting: (0900 - 1200)

Attendees:

Dean Kashiwagi, PBSRG, ASU  
Loel Schaaf, DPW, FMMC  
Sean O'Sullivan, Estimating Systems, Inc  
Kurt Ludwig, FKW Inc  
Owen Jones, MCC Construction  
Ken Jayne, Brown & Root Services Corporation  
Troy Swanner, Marshall & Swift  
Bill Sweetser, Centennial Contractors Enterprises  
Shawn Sande, AEC Data Systems, Inc  
John Delane, Del-Jen, Inc  
Lu Lillie.ACSIM (DA)

Work Session:

1. Ken Jayne opened the meeting with the selection of new officers for 1997
  - John Delane, Industry Chair-Elect
  - Owen Jones, Industry Assistant Vice Chair-Elect
2. John Delane made a statement of appreciation, and everyone commended Ken Jayne for his efforts in leading and organizing the CJE for the past two years.
3. Lu Lillie was welcomed. She stated the following:
  - U.S. Army raised limit to \$2 million on new JOCs for delivery orders.

- U.S. Army is trying to allow bonding to be included in the award coefficient and include economic price increases in price book.
- SARTA will be putting out a letter to direct procurement officers to use CCAS (over \$100K) and consider multiple award ramifications.
- CCAS and JOC key phone numbers and points of contact will be received (Ken May) from Lu Lillie.
- Steve Love is point of contact on JOC basic course. Contractor is Ed Hutchinson, MMC.
- U.S. Army was staying with single awards and the Air Force seemed to be moving toward multiple awards.
- Total number of JOC sites: Navy 23, Air Force 72, Army 150 (Includes National Guard sites)

#### 4. Problems with Current JOC

- Bill Sweetser stated that he does not know how to bid multiple award at Herbert Field (\$6M over 3 contractors) even though they have the contract at Pensacola within servicing distance to Herbert Field. There is no way to identify overhead costs without knowing what share of \$6M each contractor will be assigned. Ken Jayne stated that increases cost 10%.
- In any JOC site, the means and methods of construction could change if contractors, subcontractors and facility owners came with other feasible construction methods. For example, digging using a backhoe could be found more feasible than digging by hand. The major concern is the effect of these changes on the credits of both contractor and facility owner if these changes cannot be identified beforehand.
- The problem with multiple awards is that the overhead cost for the contractors is too high, the contractors are forced to low bid, and the risk of not recouping overhead costs is very high. The majority of CJE members do not participate in multiple award solicitations unless it is unusual situation. A nonperforming contractor and non efficient site manager are the main reasons for multiple awards. If the contractor is nonperforming, the multiple award process gives the government an easy way to get a performing contractor without going through the expensive and time consuming task of resolicitation and selection.
- Efficient and trained site managers to run the JOC personnel are difficult to find and train. Nonperforming contractors may not train or have backups on-site. The low-bid procurement system proliferates lower performing personnel.

#### 5. Kashiwagi reviewed the Performance Based Procurement System (PBPS) and stated the following:

- PBPS meets all of current FAR guidelines.
- PBPS includes giving contractors information on the facilities personnel, their requirements, problems, and history. It also includes personnel interviews to

access information about the company and potential site manager which will assist in selecting the best performing contractor. The information flow before contract award must be bilateral.

- PBPS uses information. If some of the information currently being collected does not meet FAR guidelines or could cause problems, it does not have to be used.
- Prices do not have to be released at bid opening.
- To support the running of the PBPS, a database will be set up that is fully documented and accessible for audit in hard copy and in the computer.

6. Kashiwagi stated that CJE goals are:

- Develop the database.
- Install database on the Internet, and update weekly.
- Publish annual copy of JOC book.

7. The following tasks require completion:

- Contact Colleen Preston's office and seek approval of prototype database (\$100K).
- Contact Steve Kelman (Federal Procurement Office) and seek his support for CJE efforts.
- Identify site for PBPS that has both a facility manager and procurement officer who are understanding. This will probably not happen until October 1996 at which time it will be discussed at the JOC steering committee. Loell added that a charge for testing the PBPS would be politically acceptable.
- Collect 1996 performance data. Broaden sites to AEC, and Estimating Systems sites. Also send JOC book out to facility owners.

8. Ken Jayne stated that he would arrange a meeting with Stan Soloway and Kashiwagi to set up a meeting with Steve Kelman. He also encouraged Kashiwagi to attend the Contractors Services Association Meeting later in the evening to meet Stan. Kashiwagi committed to the meeting.

9. Kashiwagi discussed "information." Information respects no party. Information is for everyone. Information eliminates bias, rumors, and poor performance. Participants in educational "informational" efforts can only help the end users. Kashiwagi gave the participants of CJE his appreciation for stepping forward and assisting in the gathering, dissemination, and publication of JOC performance information. The CJE gives no competitive advantage to any of its competitors except to participate and understand performance information theory. Kashiwagi stated that this is also evident in the PBSRG's data collection of Mechanical and electrical contractor performance. Kashiwagi also thanked Lu Lillie and Loell for participating and educating their government counterparts.

10. Ken Jayne thanked Loell and Lu Lillie for attending the meeting, giving updates and listening to the inputs of the CJE members. Ken Jayne adjourned the meeting at 1200, encouraging the members to all attend the Construction Services Association Meeting at 0500 at the Ritz Carlton Hotel in Pentagon City.

Action Items:

1. Ken Jayne & Dean Kashiwagi will contact Steve Soloway and make appointment with Steve Kelman and Colleen Preston
2. Identify points of contact in the Army Procurement Department
3. Introduce the PBPS to ASU procurement personnel
4. Review JOC book/newsletter (Newsletter/JOC Book will be published by 7-30-96 and 8-1-96 successively).
5. Contact Gracon & Beneco for late dues.
6. Continue to collect JOC information.
7. Contact Estimating Systems for JOC points of contact
8. Coordinate with Lu Lillie on JOC Steering Committee meeting and government points of contact.
9. Activate CJE Home Page as soon as missing information is received from all JOC members.