



# CJE Newsletter

October 2003



Alliance for  
Construction  
Excellence

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## Upcoming JOC Events

Steering Comm.  
Conference Calls:

Nov 17, 2003  
Dec 15, 2003  
Jan 12, 2004

JOC Seminar  
(ASU):

Nov 20, 2003  
Feb 18, 2004

CJE Annual Conf.  
Feb 4-5, 2004

## CJE Goals and Objectives

- Expand the JOC market through the education of potential users and practitioners to the benefits and practices of JOC.
- Encourage the use of 'best value' selection of JOC contractors and consultants by developing an Owner Practices & Procedures Manual including forms, guidelines and documents.
- Continuously improve the industry through performance feedback, education and training.
- Expand membership by enhancing member benefits with publications of CJE goals, activities and results.
- Enhance CJE viability through communication with current, past, and potential members.

## Why CJE?

By Tom Peeler, CPPB

For as long as most people can remember, construction has been contracted by the traditional design-bid-build project delivery method. While it gets the project built, design-bid-build is most often discussed in terms of the adversarial relationship between various parties, cost overruns in the form of change orders, construction delays, and contract claims and controversies.

The problems associated with design-bid-build are not only costly, but also counterproductive. As a result, alternative project delivery methods for construction contracting are gaining in popularity. Even the public sector, which is firmly entrenched in design-bid-build, is beginning to take advantage of its ability to use construction-manager-at-risk, design-build and job-order-contracting, three popular alternative project delivery methods for construction contracting.

The Center for Job Order Contracting Excellence is leading the effort to make job-order-contracting, or "JOC," a viable project delivery method for both owners and contractors. CJE's membership includes organizations and individuals with vast experience in the development of JOC legislation, competitive contract procurement, contract implementation, contract management, and contract performance. Contractors, consultants, owners, purchasing professionals, contract managers, and others participate as active members of CJE.

CJE supports its members with education, information and networking. Through CJE, members have access to training programs, sample legislation, procurement and contract documents, articles, research, and a wealth of practical experience.

JOC is still new and unfamiliar to many of today's owners, contractors and purchasing professionals. The need for education, training and support is great. CJE is an excellent and immediate source for satisfying that need. There is no better "one-stop shopping" location for anyone involved with JOC.

Whether you are new to JOC, or an experienced veteran, CJE has a place for you. Join us, and help develop CJE and job-order-contracting into viable, productive and accepted members of the construction industry.



## Contractor Member Profile – 3D/I

3D/I is a provider of Job Order Contract services as well as a company of construction managers, architects, engineers, and environmental specialists.

In the late 1990's, after a strategic review of the construction services industry, we formed a business group to develop our ability in Job Order Contracting. This service is currently in full swing in Arizona and Texas and rapidly expanding into states allowing JOC as a procurement methodology. We hold multiple Job Order Contracts across a wide client base including small to large municipalities and educational facilities. Our Phoenix office, established in 1984, is our “Center for Job Order Contracting Excellence.”

We understand the special nature of JOC projects, and know what it takes to deliver a project on time, with the least amount of client disruption. Our JOC Project Managers and Superintendents are familiar with procurement laws, building codes, and constructability issues and how they affect every JOC project. Our staff of professionals are well trained in a construction delivery process that ensures all client expectations are met or exceeded.

### Firm History

3D/I was founded in 1953 when J. Victor Neuhaus III opened his architectural practice in Houston, TX. Two years later, he merged his practice with Harwood Taylor becoming Neuhaus+Taylor and the early practice was fueled by Houston's vigorous growth. As Neuhaus+Taylor prospered, it merged with MEP and structural engineering companies, and formed a public corporation named Diversified Design Disciplines. Our stock symbol was 3D—the origin of our name.

The 1970s brought continued growth, adding capabilities in program management, interior design, graphics, and procurement.

We also bought our stock back, becoming a privately held corporation and changing our name to 3D/International, Inc.

In the 1980s, we diversified geographically and added more governmental and institutional clients to our practice. We also added construction management, general construction and environmental service capabilities. 3D/I became one of a handful of companies able to deliver all the services needed for a new project.

During the 1990s, we continued our geographical expansion, ending the decade with strong multi-project offices in 12 locations. We've developed information technology to aid in the management of large assignments and are well known as innovators in project delivery strategies. We've become design-builders and construction managers-at-risk and have a national reputation as a program management company for large projects.

Today, after over 50 years, we have grown to 18 offices nationwide.

Our company is employee owned. Of approximately 600 3D/I people, about 1/3 are shareholders.



## About the author:

*Jack Waschitz has over 40 years construction experience and is Senior VP of Operations at Centennial Contractors Enterprises, Inc. Jack oversees government and institutional projects, supervises select JOC contracts, directs quality control programs and provides experienced support to corporate activities. Jack has managed many large, complex projects in several states. He holds a degree from Orange County Community College and served as a U.S. Navy Seabee.*

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# Centennial Contractor's Journey into Job Order Contracting

By Jack Waschitz, Sr. Vice President of Operations

The Centennial organization was founded in 1974 as a provider of general contracting services in the Baltimore-Washington, DC area. The firm's work included traditional bid/build and negotiated contracts. Initial projects included roofing and siding projects, as well as construction of office condominiums. Over the years, the firm constructed increasingly larger and more complex office buildings, including interior construction and renovations. Soon, Centennial had expanded into the general construction of complete commercial campuses in Maryland, Virginia, and the District of Columbia, as well as the building and renovation of schools and various other municipal facilities.

Early in 1989, Centennial submitted a proposal to the Department of Defense (DoD) in response to a request for proposal (RFP) for a three-year indefinite-delivery, indefinite-quantity (IDIQ) contract to perform miscellaneous construction and repairs at the Pentagon. Centennial's proposal was accepted and they were awarded the contract. Based upon the high levels of customer satisfaction maintained for its clients, Centennial was awarded two additional contracts over the next year.

While Centennial had a talented group of construction professionals lead by highly experienced managers, no one had any prior experience with IDIQ, job order contract (JOC), or SABER (a military acronym for Simplified Acquisition of Base Engineering Requirements) projects. Centennial mobilized the DoD contract quickly and started accepting and executing work orders at the Pentagon. Much of the work was self-performed by a sizeable crew of carpenters, laborers, painters and electricians. The logistics of stocking material, installing product, completing small orders, and removal of trash was a challenge. The supervision of dozens of craftspeople scattered over 6.5 million square feet of occupied space in a highly secure environment was a daunting task. The work was often interrupted by Government activities such as high-level conferences and various ceremonies. In a short time it was apparent to Centennial that the firm was functioning in a new environment, vastly different from the high-end office and municipal building market that had been its main business. Financially, the project was difficult to manage and the future of the contract did not look bright for Centennial.

A few months after Centennial started work at the Pentagon, Jack Waschitz, Senior Vice President, joined the company. He had previously worked for a large national contractor on large hospital and commercial projects in various locations in the United States.

Centennial President, Bill Sweetser, asked Jack to go to the Pentagon to study the project and to make recommendations for corrective action. After about two weeks at the Pentagon a number of new procedures were implemented. Systems were developed to establish labor budgets and track the status of the work on a weekly basis. A simple but effective system to monitor labor productivity was developed. Centennial's staff at the Pentagon quickly engaged in the process and in a short time the job started to turn around. Labor budgets were being met and work orders were being finished on time. Centennial's relationship with the Government quickly improved. The staff's morale soared as they embraced the procedures, and the project became profitable. As Centennial learned how to perform this IDIQ contract and others, the firm took on the challenge of capturing and managing more IDIQ contracts in the area.

Within a short time other JOC/IDIQ opportunities became available and Centennial submitted winning proposals. These projects were successful due to the lessons learned and the successful operating procedures developed at the Pentagon. Centennial's success in the IDIQ/JOC industry is also due to its commitment to continuous improvement and teamwork, which continues, to the present day. Centennial is now one of the major JOC, SABER and IDIQ contractors in the United States, and it all started with a new unknown contract vehicle at the Pentagon in 1989.

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Visit the CJE  
Website at:  
<http://construction.asu.edu/ace/cje.htm>

The site is updated frequently and is a source of current information about CJE activities, membership, and other news from the Alliance for Construction Excellence.

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## Owner Member Profile – Mohave Educational Services Cooperative

By Tom Peeler, CPPB, Purchasing Director

Mohave Educational Services Cooperative has been providing services to Arizona for more than 33 years. Located in Kingman, Arizona, “Mohave” started as a provider of career education to students in Mohave County schools. However, Mohave is best known for a cooperative purchasing program that is available to more than 700 member agencies throughout the state, including all 228 of Arizona’s school district.

Mohave has more than 200 competitively procured contracts available to its membership of school districts, charter schools, community college districts, city and county government, universities, and other government, education and health care agencies. Because Mohave complies with the competitive bidding requirements placed upon its members, the members can use Mohave contracts just as if they had done the bidding themselves.

Mohave’s members have instant availability to contracts for a variety of materials, equipment, services, and construction. In addition to instant solutions to purchasing requirements, members enjoy the economies and efficiencies of cooperative procurement, including lower labor costs, an experienced partner for well-written and well-managed contracts, and lower prices generated by the purchasing power of a large combined membership.

A school service agency, Mohave receives no direct tax funding. Its operation is funded solely by an administrative fee of one-percent of the cost of purchased materials, equipment or services. Even though Mohave is not funded with direct tax dollars, it still follows the requirements placed upon Arizona public schools, including compliance with the state’s Uniform System of Financial Records, an annual financial and compliance audit, and governance by an elected executive board.

In August of 2001, Mohave expanded its contract offering with six new Job Order Contracting construction contracts. Since that time, a solicitation for fencing added two additional JOC contracts. Mohave awarded multiple contracts to ensure the demands of a diverse membership were met. With a multitude of construction requirements throughout the state, it was determined unlikely a single contractor would be able to successfully perform the contract.

Mohave made its JOC contracts available to members in January 2002. The contract was implemented slowly and deliberately to avoid a logjam of projects while Mohave, its members and the contractors were becoming familiar with the new contracts and new project delivery methodology. As a result, activity under the contracts for the period January 2002-June 2002, was 53 purchase orders valued at \$2.3M.

FY2003 (July 2002-June 2003) showed a significant increase in contract use, with 247 purchase orders valued at \$11.3M. The increase is attributed to increased awareness and the success of the contracts. During July 2003, the first month of FY2004, 97 purchase orders valued at \$4.6M were issued, a 400% increase over July 2002.

Mohave and its members have found JOC to be an excellent alternative project delivery method. It’s not right for every project. But for many projects, JOC is an excellent solution for construction contracting.

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## Membership – Individual Member Classification

In an effort to make CJE available to a larger number of people, the Steering Committee has approved an “Individual Member” classification. This classification is designed to encourage participation when the Corporate Member or Professional Member classifications are not applicable.

Individual Membership is intended for individual facility owners, facility managers, retired individuals, K-12, college and university representatives, and public and private individuals not classified in other memberships. It is also available to others who may have a connection with JOC or are interested in participating in CJE activities.

## CJE Committees:

- Membership and Member Benefits – Tom Peeler
- Legislation – Brian Bohnsack
- Education – Ken Jayne
- Practice and Selection – Gary Aller/Dan McCausland
- Performance-Based – Dean Kashiwagi

## CJE Officers:

Industry Chair  
*Tom Peeler*

Academic Chair  
*Dean Kashiwagi*

ACE Director  
*Gary Aller*

Past Industry Chair  
*David Pinkerd*

Education Chair  
*Ken Jayne*

Past Industry Chair  
*Bill Sweetser*

Ex-Officio  
*Ron Crawford*

Ex-Officio  
*Clint Owings*

Annual dues for the Individual Member are \$275. CJE members in this classification incur no voting rights unless authorized by CJE on special ballots, are eligible to serve as elected/appointed officers or directors of CJE, and are offered unlimited participation in CJE activities for one person.

We believe the Individual Member classification will open CJE to large number of persons interested in Job Order Contracting.

### Annual Membership Dues\*

Individual Member (Individuals):	\$275
Professional Member: (Facility And Public Owners):	\$575
Corporate Member (Contractors, Subcontractors, Consultants and Vendors):	\$1750

\*Dues includes membership in the Alliance for Construction Excellence as well as CJE

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## Current Members

Basic Industries	Richard Barrick
Applied Innovative Mgmt	Ken Jayne
3D International	Ron Crawford
Centennial Contractors Ent., Inc.	Bill Sweetser
City of Phoenix	Wylie Bearup
Corbins Electric	Mark Fleming
CEFPI	Janell Weihs
Jamail Const.	Dave Pinkerd
The Gordian Group, Inc.	Clint Owings
Loudon County Public Schools	William Kolster
Mohave Educ. Services Coop	Tom Peeler
Northside ISD	Joseph Martin
Pinnacle One	Dan McCausland
RS Means	Bob Gair
Sentinel Industries	Paralee White
Shughart Thomson & Kilroy	Mike Ladino
SDB, Inc.	Marco Spagnuolo
Smith Woods Contracting	Gary Patton
TCPN – Reg. IV Educ, Serv. Ctr.	Stuart Verdon

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## CJE Picture Pages

If you have a picture you would like to publish about JOC activities, we would be pleased to include it here!



**Basic Industries kicks off their JOC program for the Dallas Independent School District**

Pictures from the CJE Fall Event at Arizona State University



**Stuart Verdon from TCPN (TX) discusses his JOC efforts**



**Michael Greene From Paradise Valley USD (AZ) discusses their JOC program**



**Larry Lundholm from Oklahoma State University presents the history and challenges of his JOC program**



**Tom Peeler from Mohave ESC (AZ) discusses implementing their JOC program**



**Bill Kolster searches for an answer to a tough question during his presentation on Loudoun County Public Schools (VA) JOC program**