



Project Management & Construction Services

Standard Operating Procedures

Policy and Procedures Manual JOC Job Order Negotiation

Purpose

- Ensure legal requirements and restrictions are adhered to during the JOC Job Order Negotiation process.

Project Team Responsibilities

Project Manager

- Prepare detailed estimate (consistent with current RS Means) for negotiation process
- Evaluate the Contractor's Proposal for technical and scope completeness and accuracy
- Manage the Pre-Proposal Meeting

Contract Specialist

- Track Proposal routing

Special Projects and Alternative Contracts (SPAC) Manager

- Evaluate Contractor's Proposal for formatting and legal compliance

Definitions

- Nearest Line Item (NLI):** Means based line item which is closest to a line item designated in a scope of work
- Non-Prepriced Item (NPI):** An item designated in the scope of work which is not priced in the Means schedule of values
- Scope of Work (SOW):** Defined project scope upon which the JOC Contractor's proposed line item budget is based



Project Management & Construction Services

Standard Operating Procedures

Actions

Person Responsible	Action
Project Manager (PM)	<ol style="list-style-type: none">1. The Pre-Proposal Meeting and Site Visit occur before the Contractor prepares his/her preliminary proposal. These meetings allow the contractor to prepare and submit RFI's, which will allow for a more accurate proposal. This is when the scope of work is finalized. The Pre-Proposal Meeting also establishes the proposal due date.
Contract Specialist	<ol style="list-style-type: none">2. Once the contractor has completed the preliminary proposal, it is submitted to the Contract Specialist. The Contract Specialist logs the proposal so its progress can be tracked and forwards it for evaluation to the SPAC Manager and the PM.
SPAC Manager / PM	<ol style="list-style-type: none">3. The SPAC Manager evaluates the proposal for formatting and legal compliance. The PM evaluates the proposal for technical and scope compliance. If the proposal does not pass either evaluation, it is returned to the Contractor for correction. If the proposal passes both evaluations, it moves into the negotiation phase.
PM	<ol style="list-style-type: none">4. The PM and Contractor negotiate the proposal until it is acceptable to both parties. Once it is approved by both parties, the PM must sign the final proposal as approved. <p>Notes about the negotiation process:</p> <ul style="list-style-type: none">• Negotiation is a unit price, line item negotiation. Line item inclusion may be negotiated, but NOT line item price.• The following components of the proposal can also be negotiated.<ol style="list-style-type: none">i. Scheduleii. Quantitiesiii. Labor %iv. Determination of NPIsv. Modifiers• PMs should be aware of any conditions or exceptions when reviewing proposals. Conditions and exceptions will be stated in the contractor's



Project Management & Construction Services

Standard Operating Procedures

- proposal.
- The PM's estimate must be a detailed estimate consistent with RS Means so it can be compared to the contractor's estimate during negotiation.
 - NPIs require quotes from three (3) different vendors. NPIs may not exceed 10% of the total price.
 - Joint Scope line item estimates cannot be created until the Scope of Work is approved.
 - Change proposals are negotiated the same way as the original Job Order proposal.
 - Line item estimates may be created using JOCWorks software (contact TRECS for installation) or Facilities Cost Data (e.g. R.S. Means).
 - All approved line item proposals become a firm fixed price contract.
5. Once the PM has signed the final proposal as approved, the Price Recommendation and contract are created (See Construction Contract Creation SOP).

References

PM's Detailed Estimate
Contractor's Line Item Estimate
[The "Life" of a JOC Project](#)