

Job Order Contract (JOC) with the Navy 海軍との商取引の概要(English)

NAVFAC FAR EAST(極東海軍施設技術部隊)

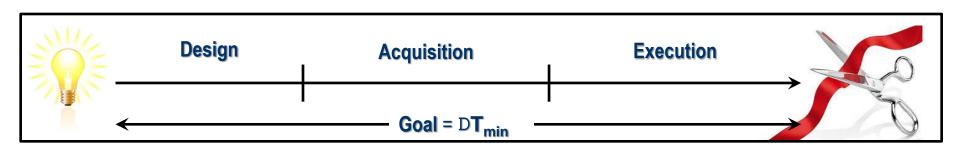
Disclaimer: The information contained in the following slides are based on current policy/processes and may be subject to change.

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What is JOC?



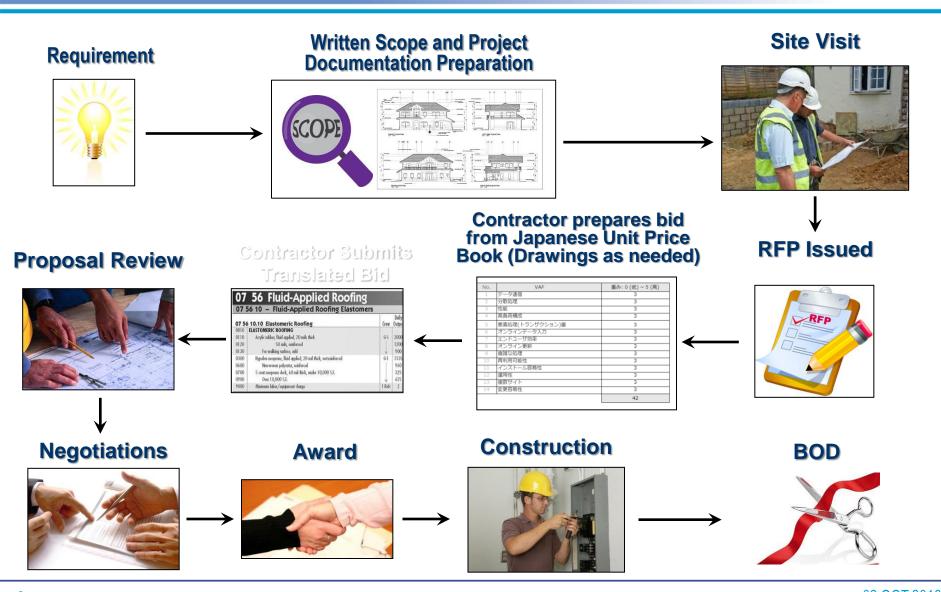
- JOC or "Job order contract" is an indefinite-delivery, indefinite-quantity contract for noncomplex contracts. The JOC is awarded to a single contractor on the basis of full and open competition.
- The JOC is normally comprised of a number of pre-described, pre-priced and non-pre-priced negotiated tasks, with a goal to accomplish a Large Number of Individual Projects with a single contractor.
- Applicability:
- 1.Services
- 2.Construction
- Contract Terms
 - Base Year + Option Years
 - \$\$\$ Guaranteed Minimum



2 7/10/2017

Work Process





3 OCT 2016

ADJUSTMENT FACTOR/Coefficient



- Contractor's Coefficient includes costs for:
 - Normal Working Hours: 05:00 to 19:00 Monday through Friday,
 except U.S. holidays
 - Other Than Normal Working Hours: 19:01 to 04:59 Monday through Friday,
 plus Saturday
 - Premium Hours: Sundays and Holidays
- Factors Made part of the Coefficient (Indirect Costs)
 - Overhead, Profit, Bonds, Insurance
 - Scoping, Proposal Development and Review
 - Obtaining Permits
 - Mobilization, Management, Clean-up
 - Supervision, Training, Quality Control, etc.

Formula for Calculating the Task Order Value

- Contractor's Proposal to include:
 - 1. Pre-Priced Items (Japanese Construction Price Book)
 - 2. Non Pre-Priced Negotiated Items (Industry)

Bid Award



Award Based Upon Competitive Proposal

- Must Bid Three Adjustment Factors
 - Normal Working Hours
 - Overtime Working Hours
 - Premium Working Hours
- -Lowest Composite Adjustment Factor From a Responsive, Responsible Bidder Wins!
- -Adjustment Factors Must Include all Indirect Costs and Profit
- -Adjustment Factors Fixed for the Duration of Contract

What are the Risks?



- Work Volume
- Japanese Construction Price Book
 - -Does the <u>"Pricing Structure Book"</u> reflect market prices/construction requirements
- Timely Completion/Quality Construction
 - -Subcontractor availability/capability
- Escalation
 - -Prices good for the term of the contract
 - -Rise of oil and steel prices
- Payment
 - -Projects with a duration of 45 days or less receive single payment
 - -Multiple payments for all other projects

INQUIRY



Questions or concerns: