



# **BUILDING FOR SUCCESS**

*Illinois Tollway Job Order Contracting Program and  
Small Business Initiative 101*

Presented by The Illinois Tollway, DB Sterlin, and The Gordian Group  
April 8th, 2024



Please remain muted  
for the duration of  
the webinar

Questions can be  
submitted via the  
chat box and will be  
answered during the  
Q&A portion



# HOUSEKEEPING RULES

# WELCOME AND INTRODUCTIONS

## *Illinois Tollway Job Order Contracting Program and Small Business Initiative 101*

**Presented by the Illinois Tollway, DB Sterlin, and The  
Gordian Group**

# SMALL BUSINESS INITIATIVE (SBI)

## *Overview and requirements*

### Requirements

- ✓ Primes need to be Registered as Illinois small businesses at the time of bid
- ✓ Any subcontractors identified at the time of bid or during the course of the contract must be registered SBI

### To Qualify:

- ✓ Annual gross revenue of \$14 million or less
- ✓ Register in the Illinois Tollway's Small Business Initiative (SBI)



## SMALL BUSINESS INITIATIVE

POWERED BY THE ILLINOIS TOLLWAY

*Creating Opportunities for Inclusion*



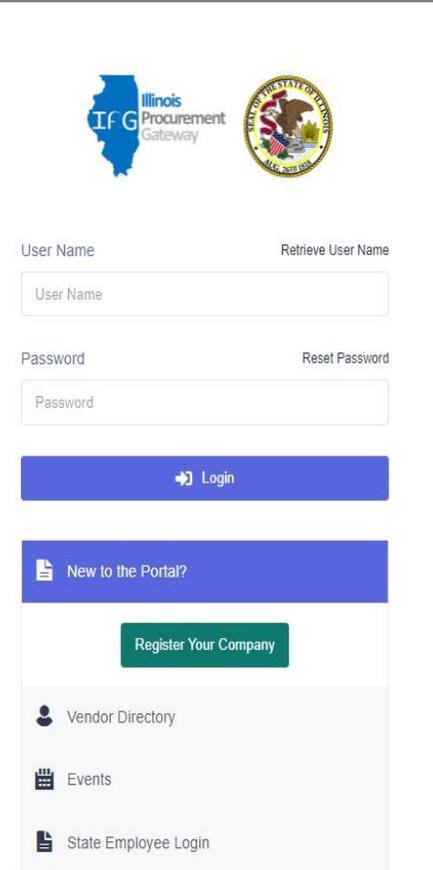
Illinois Tollway  
**DIVERSITY**

*Driving Economic Opportunities*

# HOW TO GET REGISTERED IN SBI

## First, make sure you are registered with the State

- ✓ Firms must meet the eligibility criteria and register within the Illinois Procurement Gateway as a small business to be able to bid on Tollway SBI contracts
- ✓ Information regarding registration can be found on the Illinois Procurement Gateway at <https://ipg.illinois.gov/>



IFG Illinois Procurement Gateway

Seal of the State of Illinois

User Name Retrieve User Name

Password Reset Password

[Login](#)

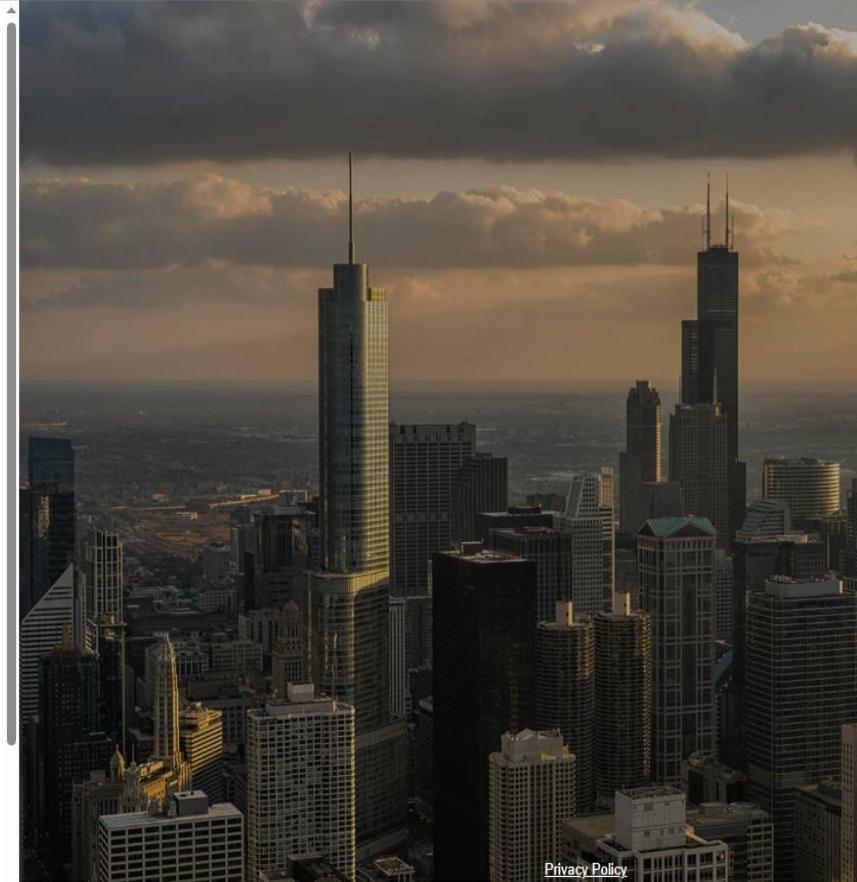
[New to the Portal?](#)

[Register Your Company](#)

[Vendor Directory](#)

[Events](#)

[State Employee Login](#)

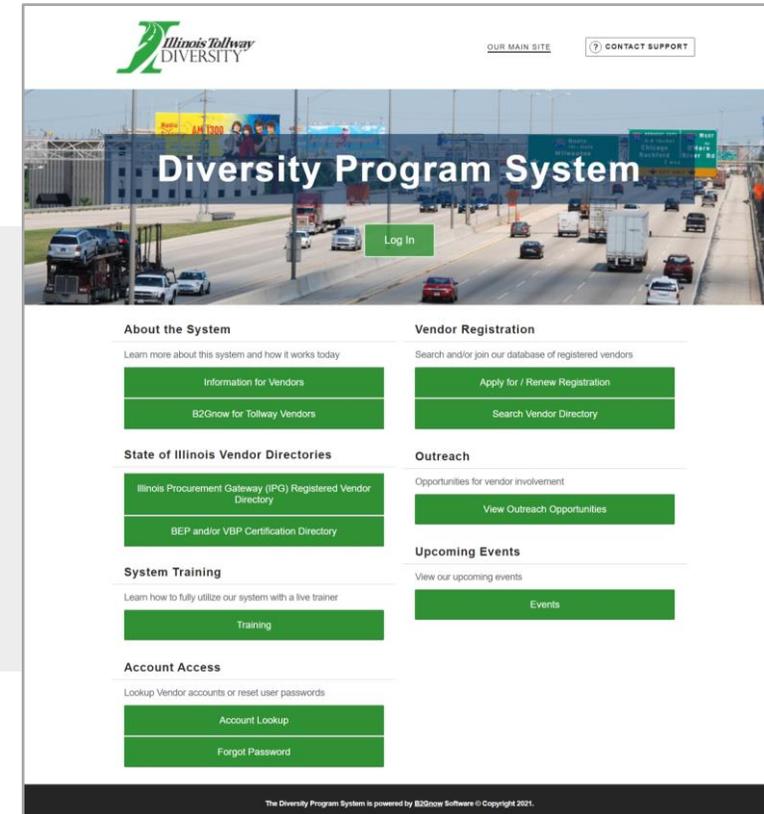


# HOW TO GET REGISTERED IN SBI

## Next, register in the Tollway SBI

- ✓ Complete Tollway application that confirms SBSP registration status with Illinois Procurement Gateway

Visit [iltollway.diversitysoftware.com](https://iltollway.diversitysoftware.com) to begin the registration process



**SMALL  
BUSINESS  
PLAN –  
Participation  
Commitment  
Form**

**Small Business Plan  
PARTICIPATION COMMITMENT FORM  
(TO BE COMPLETED AND SUBMITTED WITH THE BID)  
Affidavit of Bidder/Proposer Commitment to the Small  
Business Initiative (SBI)**

**Contract Name: # 23-0095R Job Order Contracting for General Construction and Mechanical Services**

In connection with the above - captioned contract: I HEREBY DECLARE AND AFFIRM that I am a duly authorized representative of:

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(Print name of bidder/proposer)

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(Print and sign - signature of bidder/proposer)

and that I have personally reviewed this contract and will comply with the participation goals which may be set forth herein and commit to meeting Small Business Initiative requirements of this contract, wherever determined by the Illinois Tollway.

# DIVERSITY DEPARTMENT PROGRAMS

## Workforce Programs:

- **ConstructionWorks Program** – Provides pre-apprenticeship training and support to prepare diverse individuals for heavy highway construction careers
- **Earned Credit Program** – Encourages contractors to hire and retain low income-eligible individuals in the heavy highway construction

## Outreach:

- **Networking Events** – The Tollway sponsors outreach and networking events throughout the year to bring together firms interested in contracting opportunities.
- **Building for Success Webinar Series** – Is designed to help firms learn about Tollway opportunities and how to do business with the Tollway



**ConstructionWorks**  
POWERED BY THE ILLINOIS TOLLWAY  
*Teaching Trades, Building Careers*



**EARNED CREDIT PROGRAM**  
POWERED BY THE ILLINOIS TOLLWAY  
*Putting your Best Bid Forward*

# ADDITIONAL SMALL BUSINESS RESOURCE

## *Technical Assistance Program*

- ✓ Participants receive customized business development assistance
  - ✓ Providers available to assist firms interested in bidding as primes
- 

### TECHNICAL ASSISTANCE PROVIDERS

#### Inner City Underwriting

*Matt Cooper:* [mcooper@icutechassist.net](mailto:mcooper@icutechassist.net)

#### Illinois Hispanic Chamber of Commerce

*Keren Malca:* [keren@ihccbusiness.net](mailto:keren@ihccbusiness.net)



**TECHNICAL ASSISTANCE**

POWERED BY THE ILLINOIS TOLLWAY

*Equipping Businesses for Success*

# ADDITIONAL SMALL BUSINESS RESOURCE

## *Building for Success Webinar Series*



I-PASS | PAY-BY-PLATE  

[Doing Business](#) > [Diversity](#) > [Small Business Initiative](#)

## Small Business Initiative

### Program Goal

The Illinois Tollway Small Business Initiative is intended to increase opportunities for small construction companies to participate on Tollway construction contracts.

### Program Overview

The Small Business Initiative puts small businesses in a position to succeed and grow by:

- Identifying select construction contracts, generally with values of approximately \$5 million or less, specifically for small businesses to perform as prime contractors
- Establishing diversity goals for select construction contracts on a project-by-project basis

### Who Can Participate?

Firms must be registered with the [State of Illinois](#) as a small business and meet the following criteria:

- Gross revenues of \$14 million or less annually
- Meet specifications that may include prequalification with either the [Illinois Department of Transportation \(IDOT\)](#) or [Illinois Capital Development Board \(CBD\)](#), which will be determined on a project-by-project basis



**SMALL BUSINESS INITIATIVE**

POWERED BY THE ILLINOIS TOLLWAY

*Creating Opportunities for Inclusion*

[Vendor Directory in B2GNow](#)



**Illinois Tollway DIVERSITY**

*Driving Economic Opportunities*

**BUILDING FOR SUCCESS**

Are You  
on Tollway  
Initiative



**Illinois Tollway DIVERSITY**

*Driving Economic Opportunities*

**BUILDING FOR SUCCESS**

**Illinois Tollway Job Order Contracting (JOC) 101**

August 14, 2023

# ROLLING OWNER-CONTROLLED INSURANCE PROGRAM OVERVIEW

## Removing barriers to prime contracting opportunities for small businesses



The ROCIP provides General Liability insurance coverage on small business contracts, removing a barrier for participation on prime opportunities.



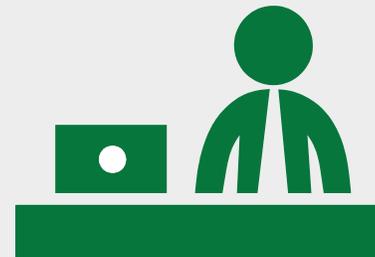
This allows the Tollway to level the playing field for small and diverse businesses and allows more contractors to pursue prime opportunities.

# ROLLING OWNER-CONTROLLED INSURANCE PROGRAM OVERVIEW

## Removing barriers to prime contracting opportunities for small businesses



Through the program, eligible enrolled contractors, subcontractors and vendors are provided liability coverage.



ROCIP aligns with current Tollway small business programs while being flexible enough to be used for emerging and future programs

# TYPES OF COVERAGE

## Types of Insurance Included in Program

### Commercial General Liability

- ✓ \$2 million per occurrence, \$4 million aggregate

### Excess Liability

- ✓ up to \$25 million per occurrence, \$25 million aggregate

### For On-Site

- ✓ \$2 million per occurrence, \$4 million aggregate CGL and Excess Liability only. Contractors will still be required to maintain coverages for auto liability, workers compensation, and contractors' pollution liability for on-site and off-site exposures, and CGL and excess liability for off-site exposures

# TYPES OF COVERAGE

## Features

### Coverage

- ✓ Coverage for all enrolled contractors, subcontractors with **onsite exposure**

### Limits

- ✓ Limits are on a per-project basis

### Enrollment

- ✓ **Mandatory for all Contractors and Subs**

# Deductible as Outlined in Special Provisions

In the event of an occurrence of bodily injury, property damage, personal injury or advertising injury offense, which arises out of or is in any way connected with the Work, whether during construction or after completion of the Work or both, Contractor and/or its Subcontractors are subject to a per-occurrence Contractor Deductible Contribution

# Deductible

## Maximum Deductible Contribution per occurrence

<u>Prime Contract Value</u>	<u>(% of Total Contract Value)</u>
\$100,000 to \$1,000,000	0.50%
\$1,000,001 to \$2,000,000	0.50%
\$2,000,001 to \$3,000,000	0.50%
\$3,000,001 to \$4,000,000	0.50%
\$4,000,001 to \$5,000,000	0.50%
over \$5,000,000	\$25,000

# Deductible

Payment of the Contractor Deductible Contribution shall be deducted from amounts otherwise due the involved Contractor or Subcontractor.

In the event the amounts due to Contractor or Subcontractor are insufficient to cover the allocated amount, Contractor or its Subcontractor shall arrange for direct payment of the allocated amount within fifteen (15) days of demand by Owner.

If the Contractor or Subcontractor fails or refuses to pay the allocated amount, Owner may collect the amount by other means authorized by the Contract or by other means authorized by law.

# Bids Net of Insurance Costs

- Contractor and each sub shall bid the project net of insurance costs
- Contractor shall exclude the cost of program coverages from its bid and ensure all subs excludes as well
- Cost of Program Coverages is defined as the amount of Contractor's and its Subcontractors' reduction in insurance costs due to eligibility for Program coverages, and includes reduction in insurance premiums, related taxes and assessments, markup on the insurance premiums and losses retained through a self-funded program, self-insured retention, or deductible program

# WHAT TO EXPECT

## ROCIP Administration



ROCIP manual will be provided as a part of the bid documents



Winning bidder will receive ROCIP Administrator contact information in the notice of intent email from the Tollway



ROCIP administrator will help winning bidder enroll into the program



Prime is responsible for making sure all subs on contract that have onsite exposure enroll



# Job Order Contracting at the Illinois Tollway

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Benefits, Support, and  
Opportunities for Small  
Businesses

# What is Job Order Contracting (JOC)?



Job Order Contracting (JOC) is a construction method that allows agencies to complete a **high volume of individual projects** with a **single, competitively-awarded bid**.



Construction task proposals utilize a **pre-set cost catalog (CTC)** based on the regional market.



The construction task catalog (CTC) contains over **275,000 pre-priced** construction task line items.



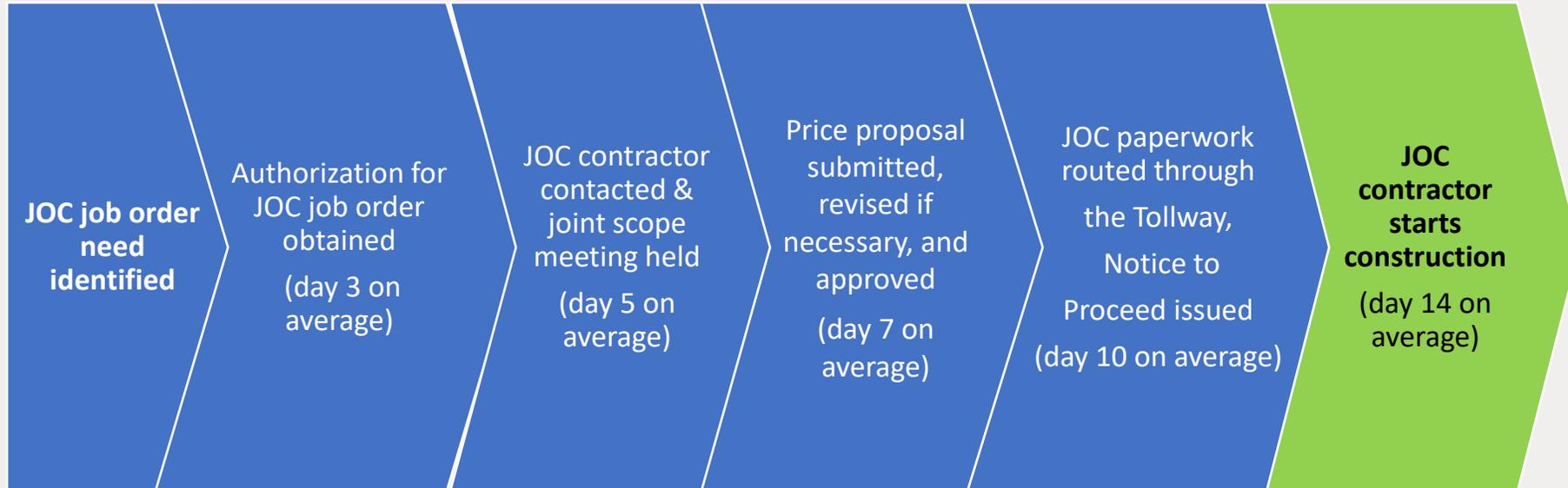
**Contractors bid once** on all items covered in the CTC by applying a factor to cover construction, overhead, and profit for the term of the contract.



For example, if a contractor bids a **factor of 1.0** they are saying that they can do everything in the CTC for the **price as listed**. If a **contractor bids .75**, they are saying that they can do everything in the CTC for **\$.75 on the dollar** as listed in the CTC.



The full JOC procurement process takes an **average of two weeks** from identification of need to start of construction:



The JOC Program at the Tollway is **based on a collaborative approach** with partnered JOC GCs and the JOC PMO & CM teams to **collectively provide opportunity, ability, and guidance.**

- From the project initiation and Joint Scope Meeting through construction, a team effort between the Tollway, JOC GC, JOC PMO, JOC CM and other key parties is established to provide **continuous support, coordination, and communication at all stages of a project to ensure success**





The Tollway is excited to pioneer a **Small Business Initiative (SBI) JOC program**, which will allow the Tollway to partner with small local vendors as an opportunity to gain and master Job Order Contracting skills to broaden their ability and stake in the contracting community.

- JOC SBI job order values will be **capped at \$100k, increasing accessibility** for Small Business General Contractors
- Both **initial and ongoing training will be provided** to awarded SBI contractors to build skills and guided experience
- This new initiative supports the **common goal of increasing Small Business participation** on Tollway work, establishing new partnerships for **ongoing opportunities**





# JOC Values & Benefits to Client and Contractor (JOC SBI)

JOC methodology provides the Tollway with **exceptional guaranteed value** while maintaining a **fair, beneficial opportunity to local vendors.**

- JOC enables the Tollway to complete projects in a **timely and cost-effective** manner using the Construction Task Catalog
- Establishes seamless, reliable, and high-quality **functionality** to perform work as needed **via rapid procurement**
- JOC allows the Tollway to **expand its network** of new vendors, both large and small, who can participate in Tollway projects and **familiarize themselves with the Tollway as a client for future opportunities.**
- JOC facilitates partnerships with vendors in the local construction community and economy through **BEP, Veteran, and Small Business Initiative participation**



For General Contractors, the JOC SBI program provides a **consistent, streamlined, standardized methodology** from project initiation to closeout.



- JOC allows for an **indefinite quantity** of rapidly-procured job orders over a **set duration, within a defined geographic zone**
- The new JOC SBI program offers a variety of work across all trades, where the **volume of work assigned is based on performance and capacity for Small Business vendors**



The new JOC Small Business Initiative is an innovative investment in small business general contractors' success.

- Ongoing **support and guidance from the JOC team** allows Small Business contractors to both **learn about and participate in the JOC program simultaneously**, building confidence and skills for **future opportunities** at the Tollway and elsewhere with **ongoing training tailored to Small Business needs**
- JOC SBI offers an opportunity to **build a relationship based on common goals with a client that values transparency and consistency**, and who is **invested in the contractors' success**





# The JOC Support Structure at the Illinois Tollway

Tollway staff maintains **open communication and support** throughout the JOC process.

- **Tollway Facilities** is the primary client and end user of JOC job orders
- **Tollway Procurement** logs all JOC subcontractor utilization
- **Tollway Compliance** reviews JOC documentation to ensure all Tollway participation goals and special initiatives are met



The JOC PMO & CM staff serve as **the primary support** for JOC GCs for all project and construction management needs and activities.

- The JOC PMO provides JOC GCs with **day-to-day support** and project management, including scope development, proposal review, documentation, and implementation of Tollway initiatives, policies, and procedures
- The JOC CM provides on-site support for active work, submittals and related documentation, as well as payment processing



Gordian, distributor of the Construction Task Catalog (CTC) and eGordian software, provides ongoing **technical software support** and training on proper use of the **CTC and eGordian**.

- Under an active JOC program, Gordian staff can train and guide the JOC GC through the proposal building process, encouraging the mastery of JOC proposal development and process skills.





# A Look into the Illinois Tollway as a JOC Client

The Illinois Tollway is supported by **108 facilities**, each fulfilling a unique need.

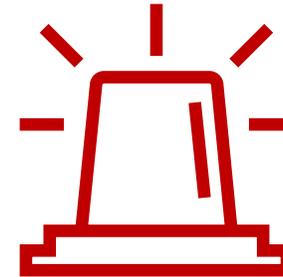


- 12 Maintenance Facilities, or “M-Sites” house Tollway fleet vehicles, and have several structures, including salt domes, Fleet garages and repair shops, and storage buildings
- 20 central and specialty facilities, including the Central Administration Building, Central Warehouse, Central Support Garage, and DeKalb Data Center
- 24 mainline & 52 ramp toll plazas
- Other, smaller Tollway structures:
  - Radio towers, IPDC buildings, ISP and Tollway data support



JOC has also served the Tollway well as an **emergency response** method.

- Any situation or condition impacting the comfort and safety of Tollway employees or the public, power or fuel failures, gas and water leaks, facility security, and IT data loss or interruption to the core functions of the Tollway is considered an **emergency**
- Historically, **emergency work has made up roughly 25%** of all Tollway JOC work
- Emergency job orders **require immediate responsiveness and availability** from JOC general contractors
- **Each emergency job order response engages the highest levels of JOC teamwork, coordination, and support** to allow the JOC GC to expedite and abate critical situations as fast as possible



JOC projects are already being planned for the new JOC programs.

- The Tollway plans to utilize the JOC program for general improvements, urgent needs, and various Tollway initiatives
- Mechanical, electrical, and plumbing work, as well as interior improvements and roofing needs, make up the majority of upcoming projects

JOC Project Category	Value	Portion of Total Work
General Interior Improvements	\$ 1,980,000.00	13%
Electrical	\$ 1,245,000.00	8%
Mechanical	\$ 2,715,000.00	18%
Plumbing	\$ 900,000.00	6%
Fire Protection	\$ 250,000.00	2%
Roofing	\$ 1,795,000.00	12%
Exterior Improvements	\$ 2,010,000.00	13%
Canopy Repairs	\$ 400,000.00	1%
Structural & Buildouts	\$ 650,000.00	4%

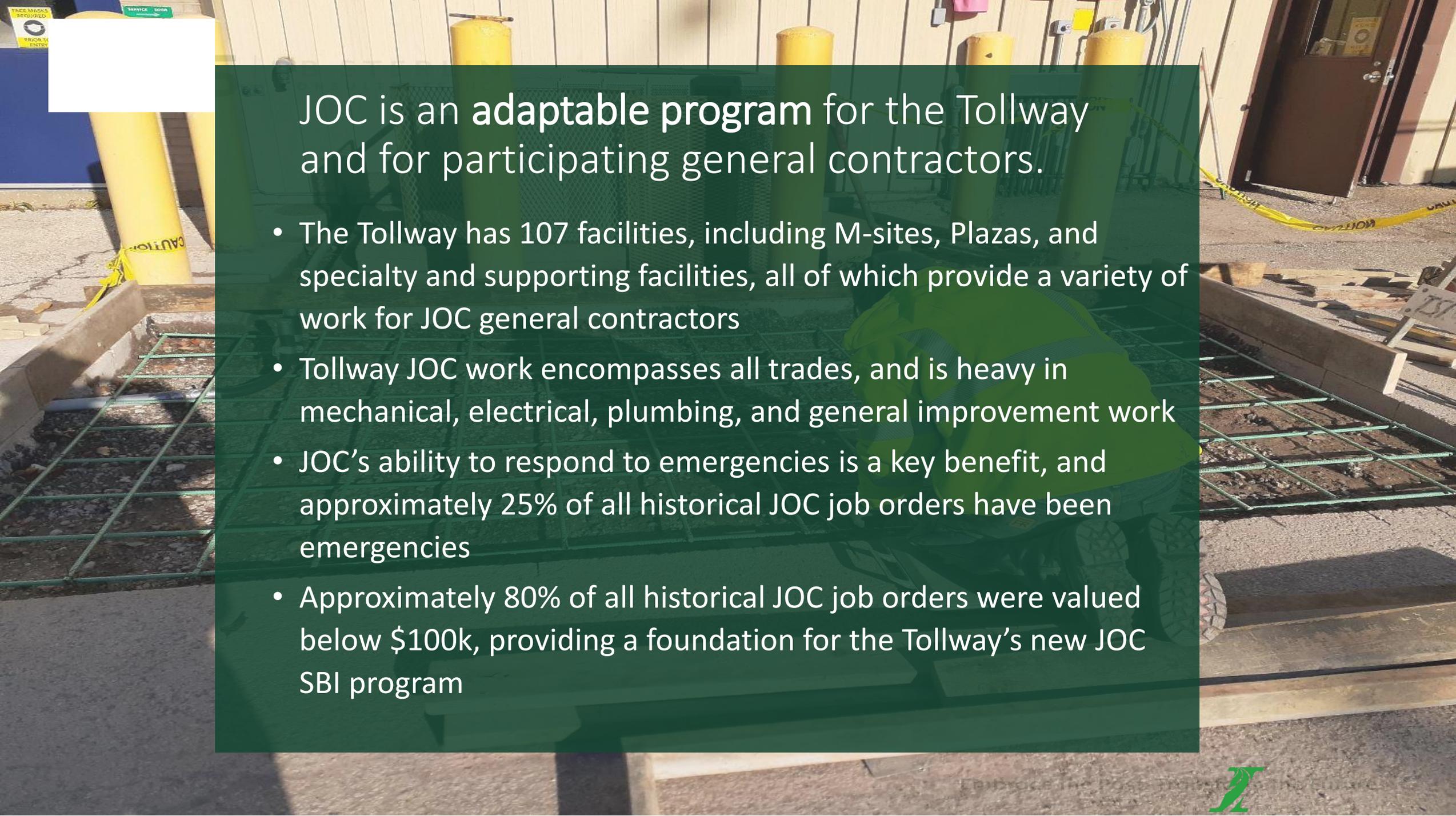


Historically, the Tollway's JOC program **mainly performs smaller-sized job orders** to accomplish small repair, replacement, and facility upgrade work.



- With over 1000 JOC job orders over 7 years under the previous Tollway JOC program, approximately **80% were valued at less than \$100,000**, providing a basis for our new JOC Small Business Initiative
- This program provides an **accessible opportunity** to work with a large regional client to Small Business General Contractors who may be limited in their capacity





JOC is an **adaptable program** for the Tollway and for participating general contractors.

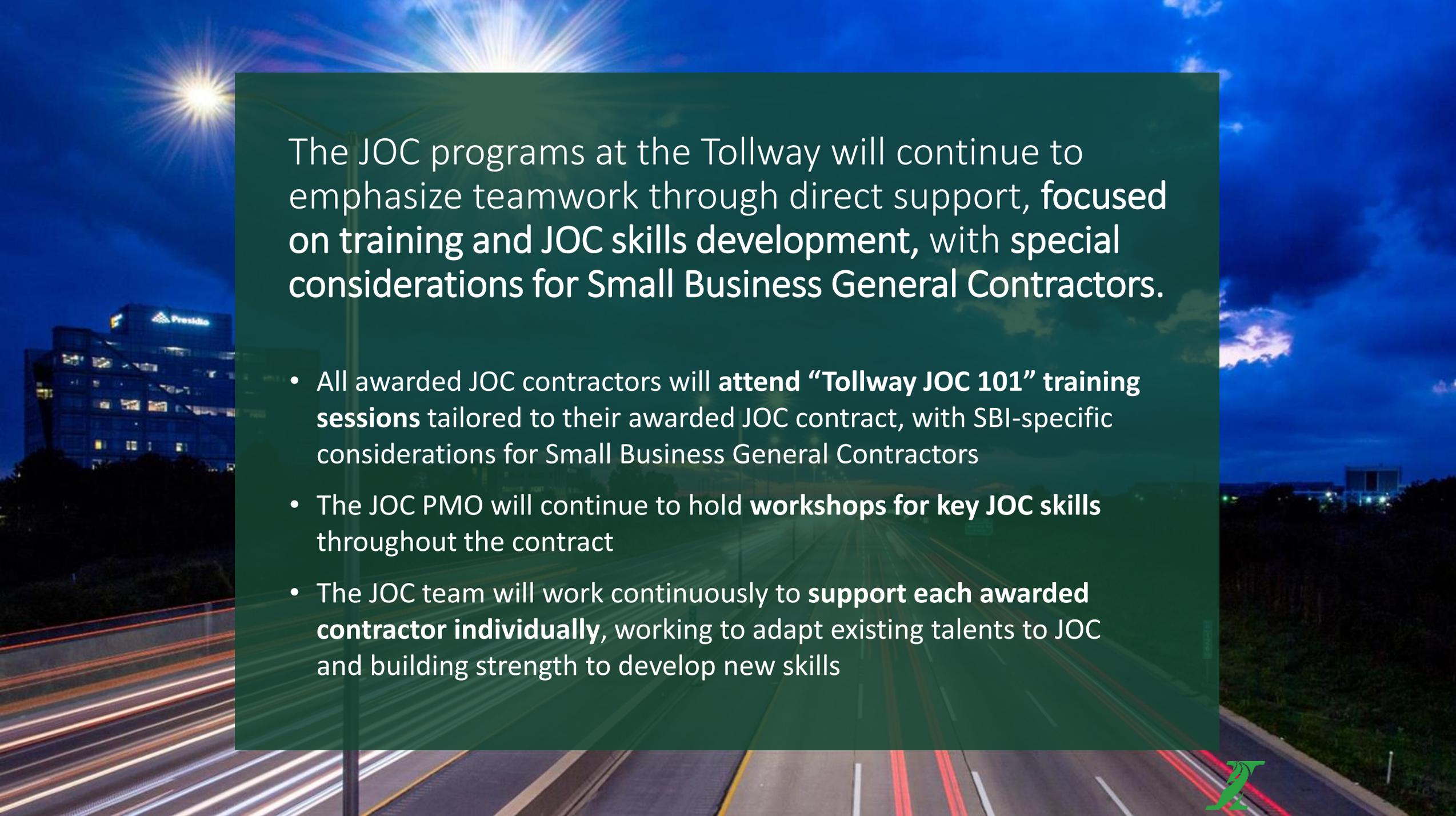
- The Tollway has 107 facilities, including M-sites, Plazas, and specialty and supporting facilities, all of which provide a variety of work for JOC general contractors
- Tollway JOC work encompasses all trades, and is heavy in mechanical, electrical, plumbing, and general improvement work
- JOC's ability to respond to emergencies is a key benefit, and approximately 25% of all historical JOC job orders have been emergencies
- Approximately 80% of all historical JOC job orders were valued below \$100k, providing a foundation for the Tollway's new JOC SBI program



The Tollway and the JOC team want to **make JOC approachable**, demystify the process, and partner with motivated firms to help **them level up their skills** and prepare for future opportunities.

- Under the previous JOC Program, the Tollway and JOC GCs welcomed **over 150 subcontractors to participate on JOC work that were new to the Tollway**
- The JOC program helps the Tollway with their initiative of **offering as much opportunity to as many new firms as possible**
- The JOC program can be a **dynamic, exceptional opportunity** to level up an interested firm's skillset while participating in an active contract with one of the region's largest agencies.





The JOC programs at the Tollway will continue to emphasize teamwork through direct support, **focused on training and JOC skills development**, with special considerations for Small Business General Contractors.

- All awarded JOC contractors will **attend “Tollway JOC 101” training sessions** tailored to their awarded JOC contract, with SBI-specific considerations for Small Business General Contractors
- The JOC PMO will continue to hold **workshops for key JOC skills** throughout the contract
- The JOC team will work continuously to **support each awarded contractor individually**, working to adapt existing talents to JOC and building strength to develop new skills





# Thank you!

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Questions on the upcoming contracts  
can be directed to **Brian Chillmon** with  
Tollway Procurement:

**[bchillmon@getipass.com](mailto:bchillmon@getipass.com)**

# Illinois Tollway Job Order Contracting Contractor Outreach Seminar





# Agenda

- Introductions
- Job Order Contracting (JOC) Overview
- JOC Process
- JOC Contract Documents
- JOC Management Software (eGordian)
- How to Bid a JOC Contract - Calculating the Adjustment Factors
- Q&A

# Gordian

Gordian delivers solutions that bring speed, precision and efficiency to every phase of the building lifecycle.

Developer of  
**Facilities Intelligence  
Solutions**  
for strategic decision  
making

Pioneer of  
**RSMMeans data**,  
industry-standard  
cost estimating data

Creator of  
**Job Order Contracting**  
process and data



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# Job Order Contracting (JOC) Overview

# Job Order Contracting (JOC)

## Definition

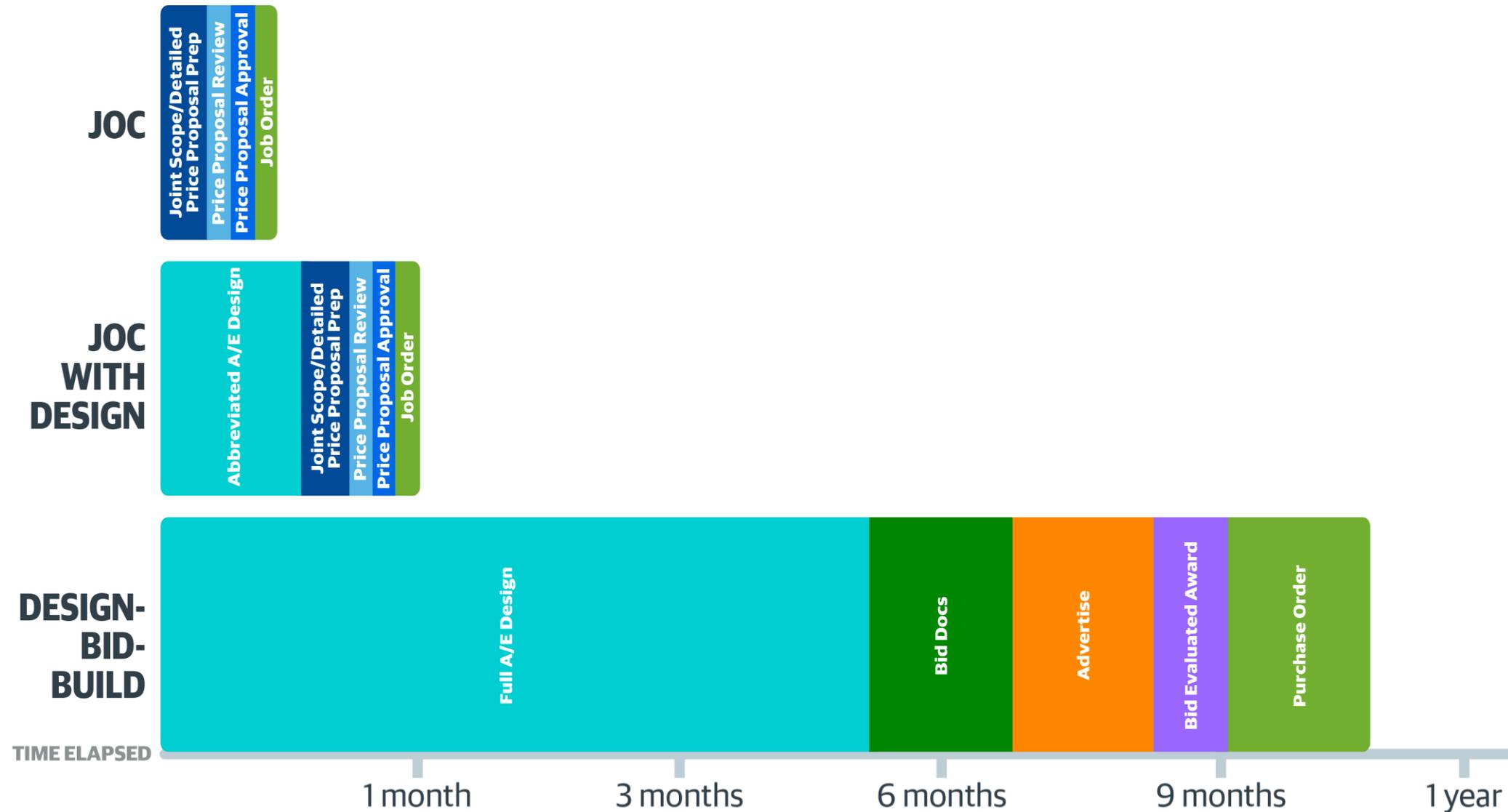
- Indefinite delivery/indefinite quantity process (IDIQ)
- Enables facility owners to complete a substantial number of individual projects with a **single, competitively-awarded bid**
- Tasks are based on **preset costs in the Construction Task Catalog® (CTC)**.
- Bid an Adjustment Factor to be applied to **CTC**, resulting in on-call, competitively bid and awarded contractors that are available to perform work at agreed upon prices

## Value

- Saves time and administrative costs on construction procurement
- Fundamentally different construction procurement relationship
  - Collaborative relationship between Owner and Contractor
  - Allows Owners and Contractors to expedite work
  - Contractors and Owners build lasting partnerships



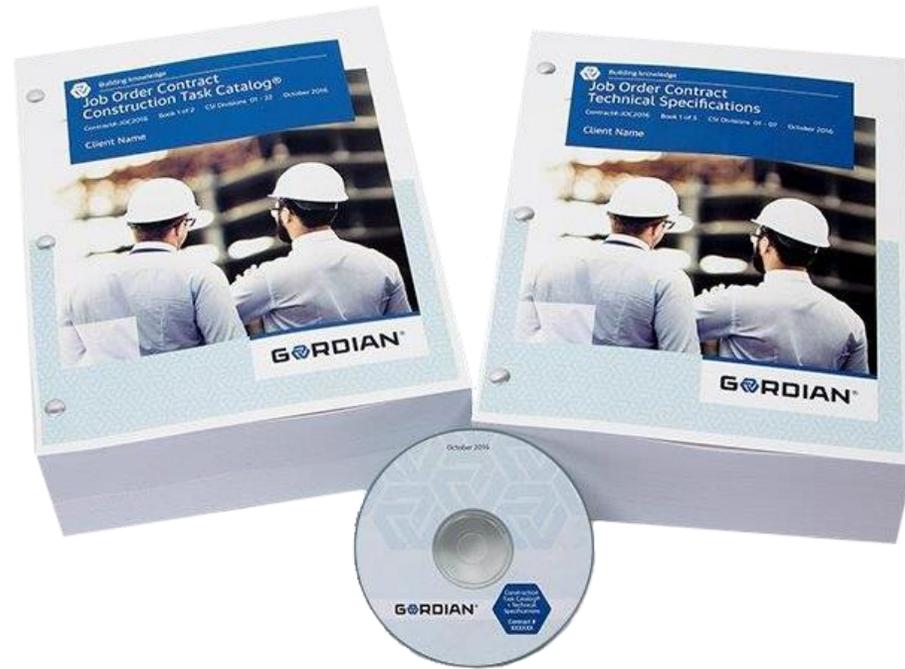
# JOC Value: Significant Time Savings



# Contract Documents



# Contract Documents



- IFB Invitation for Bid
- The Construction Task Catalog®
- The Technical Specifications



# Construction Task Catalog (CTC)

## The Construction Task Catalog®

- Catalog of Pre-Priced Construction Tasks
- Organized by Construction Specifications Institute (CSI)
- Based on Local Labor, Material & Equipment Costs
- The tasks represent the “Scope of Work” for the contract



# Construction Task Catalog®

CSI MasterFormat

Full task description

Cost includes labor, material and equipment for your location

09 22 16	<b>Non-Structural Metal Framing</b> (09 22)		
	Note: Includes all necessary framing studs, bridging, fasteners necessary to attach to floors, walls, ceilings and a metal stiffener at half height. Per SF of wall area measures one side. Do not deduct for openings of less than 25 SF when calculating total wall square footage.		
09 22 16 00-0004	SF 3-5/8" Width, 25 Gauge, Non Load Bearing, Non Structural Metal Framing Stud With Tracks And Runners, 16" On Center.....	1.67	0.34
	<i>For Walls &gt; 10' High, Add</i>	0.33	
	<i>For Soffit, Columns Or Beams Up To 10' High, Add</i>	0.86	
	<i>For Soffit, Columns Or Beams &gt; 10' High, Add</i>	1.11	
	<i>For Horizontal Installation Up To 10' High, Add</i>	0.30	
	<i>For Horizontal Installation &gt; 10' High, Add</i>	0.38	
	<i>For Curved Wall, Add</i>	0.26	
	<i>For 12" On Center, Add</i>	0.29	
	<i>For 24" On Center, Deduct</i>	-0.29	
	<i>For Up To 200, Add</i>	0.51	
	<i>For &gt; 200 To 500, Add</i>	0.25	

Modifiers for variations or quantity discounts

Demolition cost (if applicable)



# The Technical Specifications

- Specifies Quality of Materials and Workmanship
- Corresponds with Tasks in the Construction Task Catalog®



# Technical Specifications

**09 22 16 Non-Structural Metal Framing** (09 22)

Note: Includes studs, bridging, fasteners, and metal stiffener at half height. Do not deduct for openings of less than 25 SF.

**09 22 16 13 Non-Structural Metal Stud Framing** (09 22 16)

**09 22 16 13-0001 25 Gauge, Non-Load Bearing, Non-Structural, Galvanized Steel Stud Framing With Tracks And Runners** (09 22 16 13)

09 22 16 13-0002	SF	1-5/8" Width, 16" On Center, 25 Gauge, Non-Load Bearing, Non-Structural, Galvanized Steel Stud Framing With Tracks And Runners.....	2.82	0.75
		<i>For Powder-Actuated Fasteners Every 2', Add</i>	0.06	
		<i>For Walls &gt;10' High, Add</i>	0.56	
		<i>For Soffit, Columns Or Beams Up To 10' High, Add</i>	1.79	
		<i>For Soffit, Columns Or Beams &gt;10' High, Add</i>	2.35	
		<i>For Horizontal Installation Up To 10' High, Add</i>	0.56	
		<i>For Horizontal Installation &gt;10' High, Add</i>	0.75	
		<i>For Curved Wall, Add</i>	0.56	
		<i>For 12" On Center, Add</i>	0.47	
		<i>For 24" On Center, Deduct</i>	-0.47	
		<i>For Up To 100, Add</i>	0.94	
		<i>For &gt;100 To 300, Add</i>	0.47	
		<i>For &gt;1.000. Deduct</i>	-0.24	

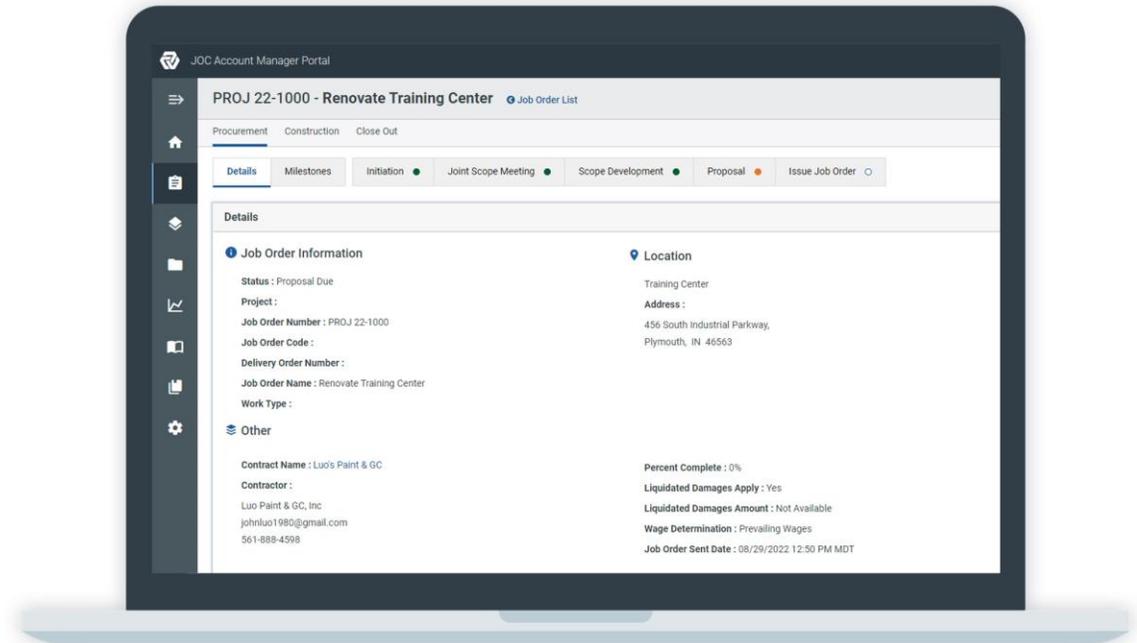
# JOC Management Software - eGordian

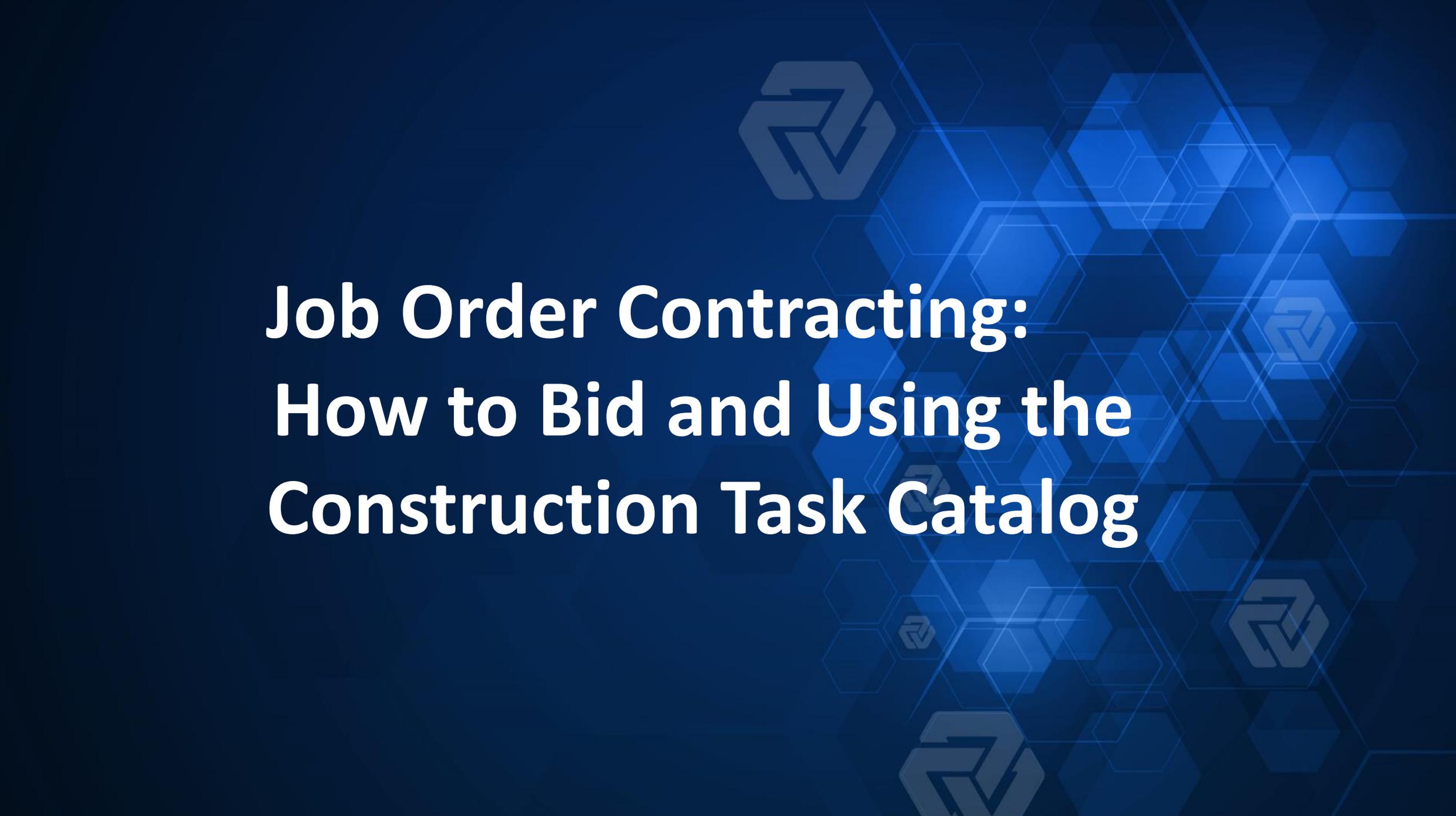
# Gordian Software

Gordian JOC solutions includes access to our secure, internet-based software programs

## Internet Based Software Provided with Contract

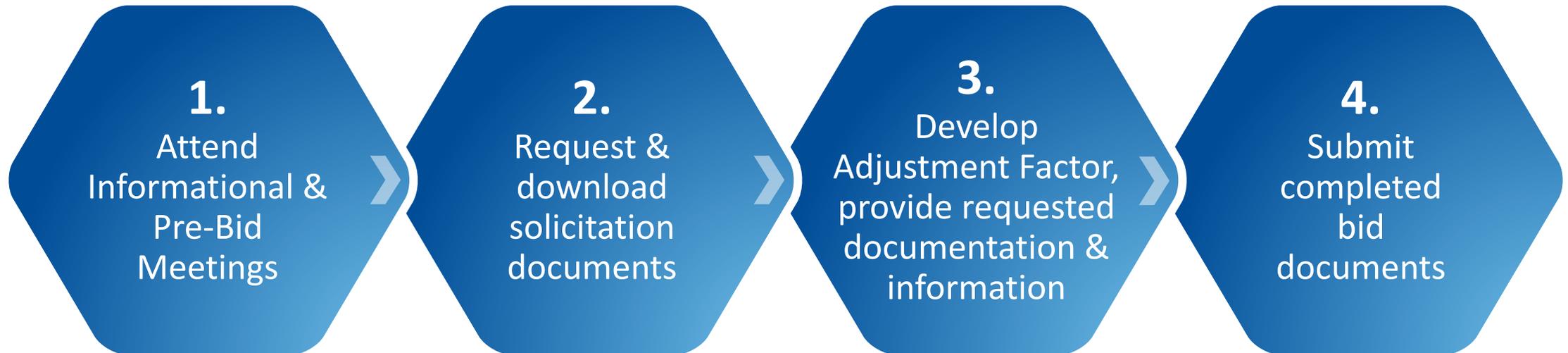
- The Gordian JOC Management Software Expedites the Job Order Process
  - Price Proposals
  - Subcontractor Lists
  - Tracking Dates
  - Required Job Order Forms
- Ongoing Training provided



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# **Job Order Contracting: How to Bid and Using the Construction Task Catalog**

# Steps to Bid



# Using the Construction Task Catalog/The Rules

In the front of the Construction Task Catalog is a six-page written guide that explains the rules for using the CTC.

## Adjustment Factors Must Include:

- All overhead including home office overhead, job site office overhead, supervision, and project management
- Profit
- Subcontractors' overhead and profit
- Project trailer, portable toilets, storage containers for Contractor's use
- Basic safety and warning signage
- As-built drawings in the same media provided by owner

**GORDIAN®**

**Using The Construction Task Catalog®**

**About the CTC:**

- ☑ This Construction Task Catalog® (CTC) was developed and customized by The Gordian Group, Inc. specifically for Watervliet Arsenal, priced locally using current labor, material and equipment costs, and published in January 2020.
- ☑ The Gordian Group, Inc. licenses the use of this CTC and other proprietary information and software for the sole purpose of providing Job Order Contracting services to Watervliet Arsenal. Use of this CTC and other proprietary information and software for any other purpose, or for any other entity, is expressly prohibited without the express written consent of The Gordian Group, Inc.

Each CTC is customized for specific clients

**MasterFormat™**

- ☑ The tasks in this Construction Task Catalog are organized using CSI's MasterFormat.

**CSI** MasterFormat® is produced jointly by CSI and Construction Specifications Canada (CSC). U.S. copyright is held by CSI and Canadian copyright is held by CSC. All Rights Reserved. For license information, contact CSI at [csi@csirenet.org](mailto:csi@csirenet.org). For more information on MasterFormat visit [www.MasterFormat.com](http://www.MasterFormat.com)

**The Unit Prices Include:** Unit prices based on local labor, equipment and material costs

**LABOR COSTS:**

- ☑ Labor costs include direct labor through the working foreperson level at straight-time prevailing wage rates including fringe benefits and an allowance for Social Security, Medicare taxes, worker's compensation, unemployment insurance, and employee benefits.
- ☑ Labor costs include unloading equipment, materials, and tools, and transporting the same up or down 2 stories and 125' to reach the project site; layout, measuring and cutting to fit; performing the task; disposal of excess material; and time for lunch and breaks.

**EQUIPMENT COSTS:**

- ☑ Equipment costs include all equipment required to accomplish the task.
- ☑ Mobilization is included for all equipment except large equipment (e.g. cranes, bulldozers, excavators, backhoes, bobcats etc.), which exclude mobilization.
- ☑ Equipment costs include all operating expenses such as fuel, electricity, lubricants, etc.

**MATERIAL COSTS:** Comprehensive rules for using the Construction Task Catalog

- ☑ Material costs include the cost of the material, delivery, and all incidentals and accessories integral to the installation.
- ☑ Material costs include manufacturer's and/or fabricator's shop drawings.
- ☑ Material costs for roofing, drywall, VCT, carpet, wall covering, ceiling tile, pipe, conduit, concrete, etc. include an allowance for waste. This list is not intended to be all inclusive, but descriptive of the types of construction materials that are typically sold in standard lengths, sizes and weights.
- ☑ Material costs for imported materials (e.g. aggregate, sand, soil, etc.) include delivery up to 15 miles from the closest approved source.

**The Adjustment Factors Include:**

The Adjustment Factors include the following costs, unless specifically excluded by the terms of the Contract Documents:

**BUSINESS COSTS:**

- ☑ Office overhead, including, but not limited to, office space, office equipment, office and management personnel, office supplies, and employee transportation.
- ☑ Insurance and bonding.
- ☑ Profit.

January 2020  
Sample

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# Using the Construction Task Catalog®

Include All Appropriate Tasks:

32 16 23 00-0002	4" Cast In Place Concrete Sidewalk	SF	\$7.31	400	\$2,924.00	
	For Quantities 100 to 500, Add	SF	\$0.91	400	\$364.00	
32 11 16 00-0015	4" Crushed Aggregate Base	SF	\$0.79	400	\$316.00	
	For Quantities Under 1000	SF	\$0.21	400	\$84.00	
01 71 13 00-0003	Mobilize Backhoe	EA	\$402.63	1	\$402.63	
31 23 16 36-0006	Excavation by Backhoe	CY	\$5.19	11	\$57.09	
	For Quantities Under 20 CY, Add	CY	\$5.19	11	\$57.09	
31 23 16 36-0028	Loading Excess Materials	CY	\$4.49	13.75	\$61.74	
	For Quantities Under 20 CY, Add	CY	\$4.49	13.75	\$61.74	
01 74 19 00-0029	Hauling to Dump Site	CYM	\$0.90	207	\$186.30	
01 74 19 00-0021	Landfill Dump Fee	CY	\$17.53	13.75	\$241.04	\$4,755.63
						/400
						\$11.89

Compare these prices



# Adjustment Factors

The background features a dark blue gradient with a pattern of semi-transparent blue hexagons of varying sizes and opacities. A stylized logo, consisting of three interlocking geometric shapes forming a hexagon, is repeated in a light blue color across the background.

# Adjustment Factors

## What is an Adjustment Factor?

- **An Adjustment Factor is a multiplier applied to the construction tasks** that may increase or decrease the prices listed in the CTC.
- **May bid multiple Adjustment Factors** (normal working hours, other than normal working hours, etc.) that are applied to all Tasks in the CTC.
- **Adjustment Factors should include all direct and indirect costs** not included in the preset prices, and the contractor's overhead and profit.

## Importance of Adjustment Factors:

- Determines winning bidder
- Used to price individual job orders
- Price proposal total becomes the lump sum job order amount



# Calculating an Adjustment Factor

# Adjustment Factors:

The Price Component is in the Form of an Adjustment Factor Applied to the Pre-Set Unit Prices in the Construction Task Catalog®

Expressed as:

A “Net” No Adjustment to the Unit Prices: 1.0000

An Increase to the Unit Prices: 1.1250

A Decrease to the Unit Prices: 0.9500

## Typical Adjustment Factors Include:

Normal Working Hours Adjustment Factor: Monday to Friday Excluding Holidays

Other than Normal Working Hours Adjustment Factor: Nights, Weekends, and Holidays

The Other than Normal Working Hours Adjustment Factor must be equal to or greater than the Normal Working Hours Adjustment Factor.

Non-Pre-priced Adjustment Factor: For Non-Pre-priced Work that is not found in the CTC

Non Pre-Priced must have permission from owner *prior to submission*.

Non Pre-Priced requires three (3) supplier or subcontractor quotes or justification for less than three (3) quotes.



# Calculating Adjustment Factors

## What You Need

- Historical scope of work and final project proposals
- Construction Task Catalog (provided in the solicitation documents)
- Overhead costs, including project-related costs
- Desired profit margin

## How to Calculate

1. Calculate final cost of historical project.
2. Add overhead and profit.
3. Price historical project from CTC using scope of work.
4. Divide subtotal (historical project, overhead and profit) by direct cost of work from CTC.



# Example: Administration Building & Shop Renovation

## Doors and Hardware

- Replace 12 interior doors, hinges and hardware
- Doors shall be 3x7, solid core wood doors
- Grade 2 locksets with knobs
- Replace 2 push bar exits and door closers on exit doors

## Interior Lighting

- Replace all lay-in troffer fixtures on first and second floors, 48 in total
- Replace 4 exit fixtures
- Replace 12 industrial fixtures in shop area

## Plumbing Fixtures

- Replace 8- bathroom sinks, 8 faucets, and 8 toilets in men's and women's bathrooms in admin building and shop area
- Replace 4 water fountains

## Central HVAC

- Replace Central HVAC
- Demo and replace existing roof top 4-ton cooling and heating unit



# Example: Direct Cost vs. CTC

## Direct Cost of Work from Quotes or Estimates

Replace Central HVAC	\$6,240.00
Doors and Hardware	\$26,567.00
Lighting	\$16,598.00
Plumbing	\$16,987.00

**Total = \$66,392.00**

## Direct Cost of Work from CTC

Replace Central HVAC	\$5,912.59
Doors and Hardware	\$27,456.62
Lighting	\$17,964.49
Plumbing	\$17,263.79

**Total = \$68,597.95**

**\*\* Does not include Overhead/Profit \*\***



# Example: Calculating An Adjustment Factor

A.	Direct Cost of Work From Historical Projects	\$66,392.00
B.	Overhead (10%)*	\$ 6,639.20
C.	Subtotal (Cost From Historical + Overhead)	<hr/> \$73,031.20
D.	Profit (10%)*	\$ 7,303.12
E.	Subtotal (Cost From Historical + Overhead + Profit)	<hr/> \$80,334.32
F.	Direct Cost of Work From CTC	\$68,597.50
	<b>Adjustment Factor (E / F)</b>	<b>1.1711</b>

**\*Sample Only – Contractors to Determine Appropriate Overhead & Profit**

**Tip: Consider the CTC as the starting point at 1.000**

**Recommendation: Prepare this calculation for more than one sample project**

# Calculating the Adjustment Factors

“This is how much I need to be paid for these tasks to be profitable.”

	Unit Price	x	Quantity	x	Adjustment Factor	=	Total for Task
+	Unit Price	x	Quantity	x	Adjustment Factor	=	Total for Task
+	Unit Price	x	Quantity	x	Adjustment Factor	=	Total for Task
							<hr/>
							Total Job Order Price



# Risks of Low Adjustment Factors

- Leads to Arguments in Proposal Review
  - Unsupportable Tasks
  - Exaggerated Quantities
- Leads to Delays in Job Order Development
  - Takes Longer to Review Proposals
- Creates an Adversarial Relationship
  - Reduced Volume of Work
  - Will Shorten Contract
  - Lost Profitability
- No Second Chance to Improve your Margin



The background is a dark blue gradient with a pattern of lighter blue hexagons. A stylized logo, consisting of three interlocking shapes forming a hexagon, is repeated in various sizes and opacities across the background. The text "Thank You!" is centered in a white, bold, sans-serif font.

**Thank You!**



**QUESTIONS PERIOD CLOSES APRIL 10<sup>TH</sup> AT 10  
A.M.**

**[bchillmon@getipass.com](mailto:bchillmon@getipass.com)**

# DIVERSITY AND STRATEGIC DEVELOPMENT

## PROGRAMS

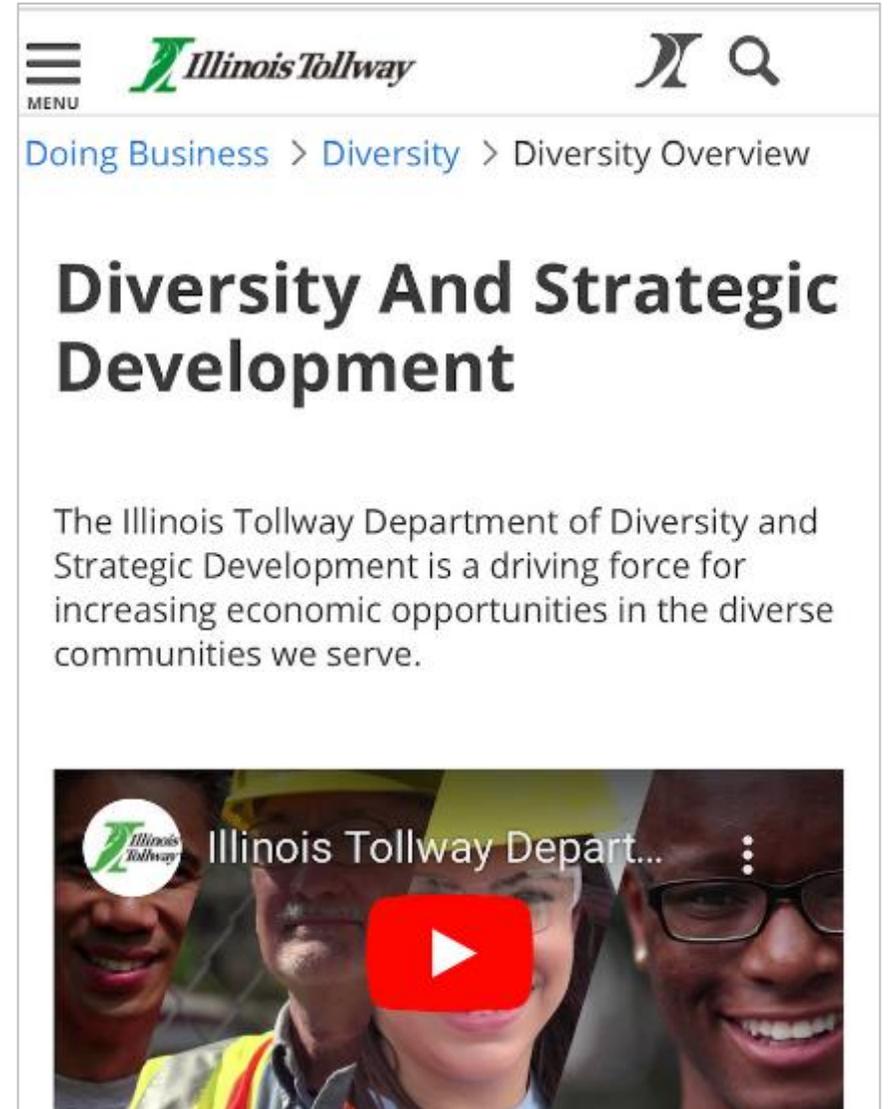
- Business assistance
- Mentoring and training
- Construction industry training and hiring opportunities

## INITIATIVES

- Virtual outreach sessions
- Training webinars
- Contracting opportunity emails

## REGISTER FOR TOLLWAY DIVERSITY ALERTS!

[lperez@getipass.com](mailto:lperez@getipass.com)



The screenshot shows the Illinois Tollway website's Diversity and Strategic Development page. At the top, there is a navigation bar with the Illinois Tollway logo, a search icon, and a menu icon. Below the navigation bar, the breadcrumb trail reads "Doing Business > Diversity > Diversity Overview". The main heading is "Diversity And Strategic Development". Below the heading, there is a paragraph of text: "The Illinois Tollway Department of Diversity and Strategic Development is a driving force for increasing economic opportunities in the diverse communities we serve." At the bottom of the screenshot, there is a video player showing a group of diverse people wearing hard hats, with a red play button overlay. The video title is "Illinois Tollway Depart..." and the Illinois Tollway logo is visible in the top left corner of the video frame.

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**SOCIAL MEDIA**



**THANK YOU**

