

# Job Order Contracting

December 16th, 2024



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# Project + Team

## PROJECT:

Women Minority Business Enterprises  
for Job Order Contracting (Seattle)

**SuiLin**

Project Manager

**Toni**

UX Researcher

**Nichole**

UX Researcher

**Frances**

Content Strategist

## City Partners:

Gina Owens - Public Works Contracts

# Project Background

Job Order Contracting (JOC) is an alternative public works contracting method where 90% of the work must be subcontracted.

JOC is the ideal gateway into public works contracting for small businesses and the City's main vehicle for Women and Minority-Owned Businesses (WMBEs) inclusion in public works contracting. The City has maintained a 60% inclusion goal for over 10 years.

Finding JOC subcontractors, especially WMBEs, has become increasingly challenging.

Past JOC trainings were focused on public agency Owners and JOC Prime Contractors.

USDR will support this effort by researching WMBE needs to provide the most useful information for potential vendors.

# Research Methods + Process

- Conducted a survey with 233 contractors (139 WMBEs) based on City of Seattle's database then categorized feedback into themes
- Followed up with respondents for video
- Iterated on scope of project & outreach approach based on response rate
  - 4 counties & varied specialties → Any contractor with JOC experience who is available
  - Video calls → Phone calls
  - Experience with JOC → Experience with public works projects
- Synthesized insights from survey & 2 interviews

# Summary: Top Insights + Themes

- ***Finding jobs*** is difficult, opaque and dependent on personal relationships.
- Financial, technical and Legal ***requirements are burdensome*** or don't align with their current abilities.
- The City needs to build ***trust*** with the communities it's looking to serve.
- ***Lack of knowledge*** and low communication makes it difficult to get tasks done and causes people to give up.
- Adapt outreach approach and timing to the needs of contractors (time of year, mode of outreach)

# Finding jobs is difficult. Relationships matter.

- **Finding public works job opportunities can be difficult. There is no centralized job board or place to find public works jobs.**
  - 17 survey respondents said that finding public works opportunities was one of the biggest challenges in getting awarded public works contacts
  - *"We haven't even heard anything about the JOC yeah so maybe aware[ness], we need some awareness again. We need a new billboard." P2*
- **Relationships influence if contractors even hear about the job opportunities.**
  - *"The main challenge is that I am not asked to bid because agencies have their "favorite" contractors and those contractors always get the job." S12*
  - *"I feel like we're the underdog... it don't matter how many meetings the guys go to, and try to build a relationship. At the end of the day if they wanna call their friend, they'll call their friend...It's like a good old boys club." P2*

# Financials and requirements are a burden

- **Public work projects can place a large financial burden on small businesses in terms of initial project funding, unexpected costs (insurance, bonds, and change orders), and slow payment for their work.**
  - *"These projects are done quick but funding takes long time." S17*
  - *"Recently we started working with a new prime and out of the blue, they wanted this umbrella coverage. Well, for what we have, the insurance that we need for the trucks, it was an additional \$15,000." P2*
  - *"...they (the prime) charged us a ridiculous amount, for the back charge to repair the walls....and I felt that they, they jacked up the pricing to match my change order and wanted me to have it as a wash." P1*
  - 9 survey respondents said the main challenge from starting the contract up to completion was the long time to receive payment
- **Once subcontractors are engaged and interested, small businesses can't always meet the necessary requirements for the work.**
  - *"...then it would be ridiculous bonding requirements, for a trucking company that a mom and pop can't afford. " P2*



# Lack of trust discourages contractors to apply and reapply

- **The subcontractors have to trust that the program will actually lead to something positive for them before they even start the process.**
  - *"Why not give us a shot? but it's the commitment from the prime as well, I need to know if I pour into you, are you going to pour into me?" P2*
  - *"Someone keeps telling you come back on Tuesday and you come back on Tuesday and they tell you come back on the next Tuesday. Kind of get a little tired of it..." P2*
- **A poor experience can lead to lost trust, which is hard to earn back.**
  - *"So, It's disappointing when you put people together in a room and week after week. you're getting them to bid on projects. it was so much stuff that they were requiring of us that they wanted these people to do and they did it. And then to get to the end and tell them, " we can't do this." P2*

# Low Communication

- **Job requirements and success criteria are unclear. Businesses are hesitant to try because they are afraid they will make mistakes or they have poor experiences throughout the process.**
  - *"Prevailing Wage Rates can be confusing for both sides" S171*
  - *"Scopes of work were written with insufficient information as to the important issues in the RFP." S13*
  - *"Contracting was difficult and convoluted. Communication was poor regarding timelines and funding." S150*
- **It's hard to get support or know who to reach out to. Many city support systems do not know how to help either.**
  - *"There are times when the procurement specialist does not quite understand what a specialty electrician (Automatic Doors) can and cannot do. While the job went through there was some heartache when it came to the scope of work. The city ended up using there in house electrician to run power within line of site." S178*
  - *"When we reached out to the public works department, the first two people we spoke with could not help us with this issue. The third person we spoke with ended up being able to help because he happened to have worked on the IT system in a previous role and, as a result, knew a workaround that forcibly unlocked our account." S125*

# Summary: Top Insights + Themes

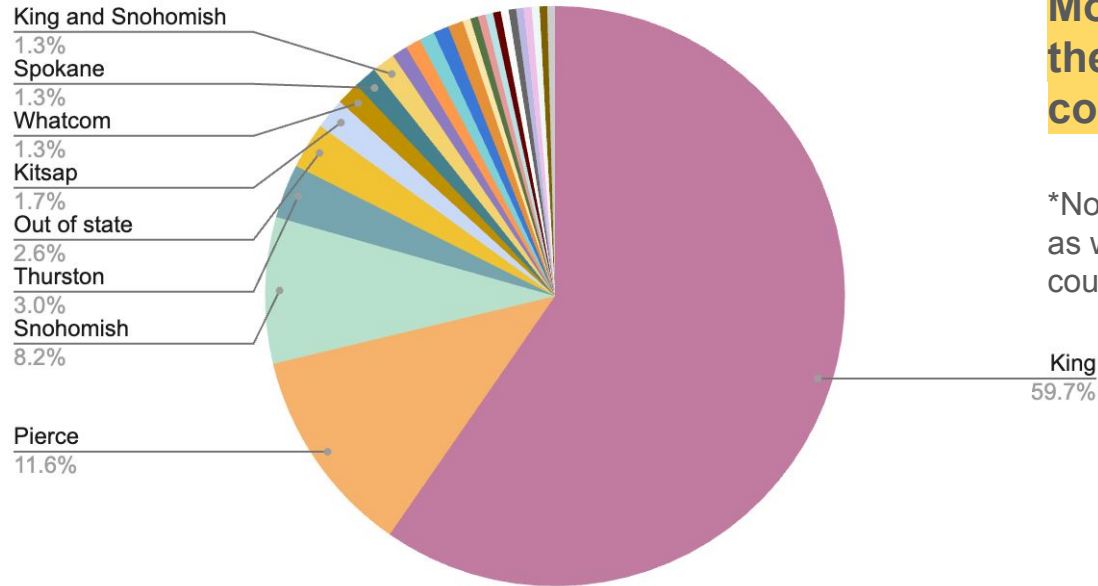
- ***Finding jobs*** is difficult, opaque and dependent on personal relationships.
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# Survey Demographics and Analysis

# Counties in Washington

My business is located in this Washington county:

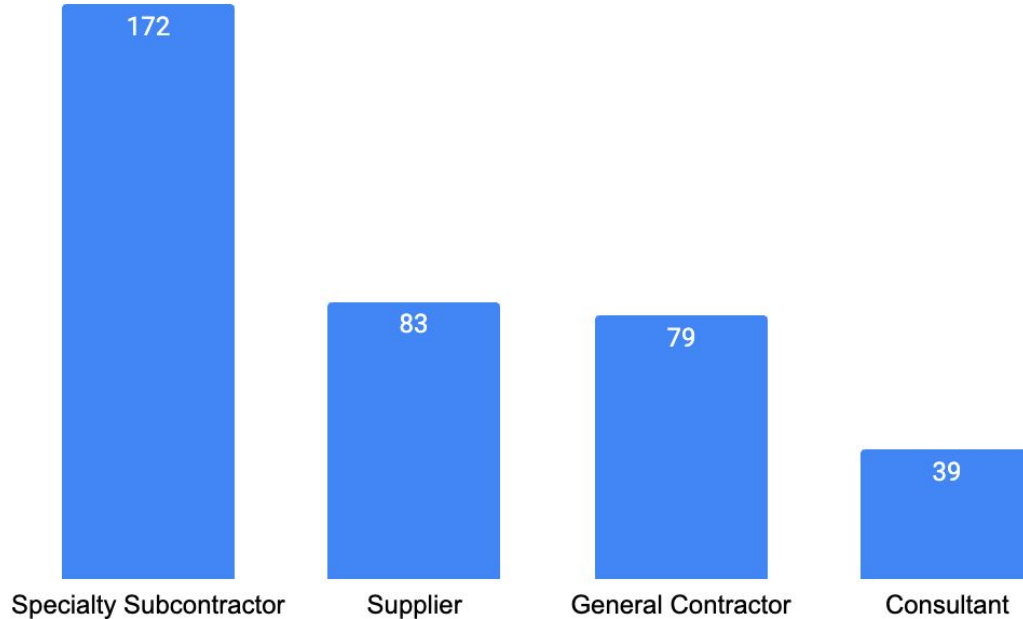


**Most (59.7%) respondents stated their business was located in King county.**

\*Note some participants interpreted this question as which counties they work in rather than which country their business is in.

# Services provided

My business provides the following services: (select all that apply)



**Specialty subcontractors were the largest group of respondents 74%.**

Suppliers and General Contractors were similar with an average of about 35%. Consultants were the least common 17%.

\*Since this was a multi-select question the respondent could choose more than one option so the percentages do not add up to 100%.

# Services provided

My business provides the following services: (select all that apply)

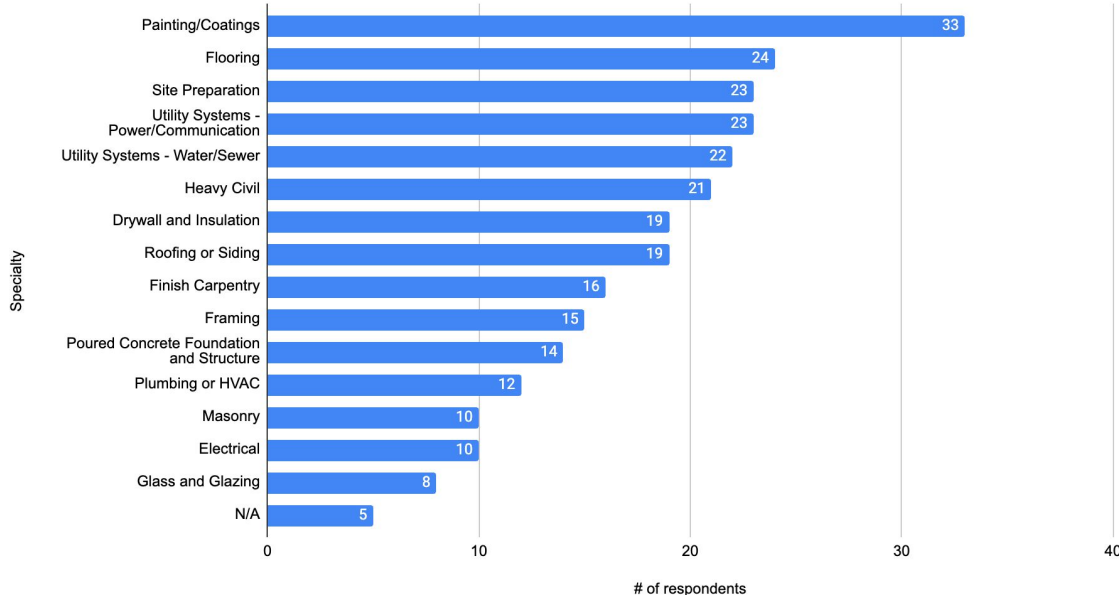


Interestingly, **most subcontractors (56%) provide other services as well.**

This observation ties into the theme of contractors doing everything they can to find job opportunities. **The more services they provide, the more job opportunities they have.**

# Specialties

If you selected that you are a specialty subcontractor in the previous question please answer the following: I am a Specialty Subcontractor that provides the following: (select all that apply - if your specialty is not listed select the "Other" option and describe. Select N/A if you are not a specialty contractor)



The most common specialties are Painting (14%), Flooring (10.3%), Site preparation (9.9%) and Utility Systems - Power/Communication (9.9%).

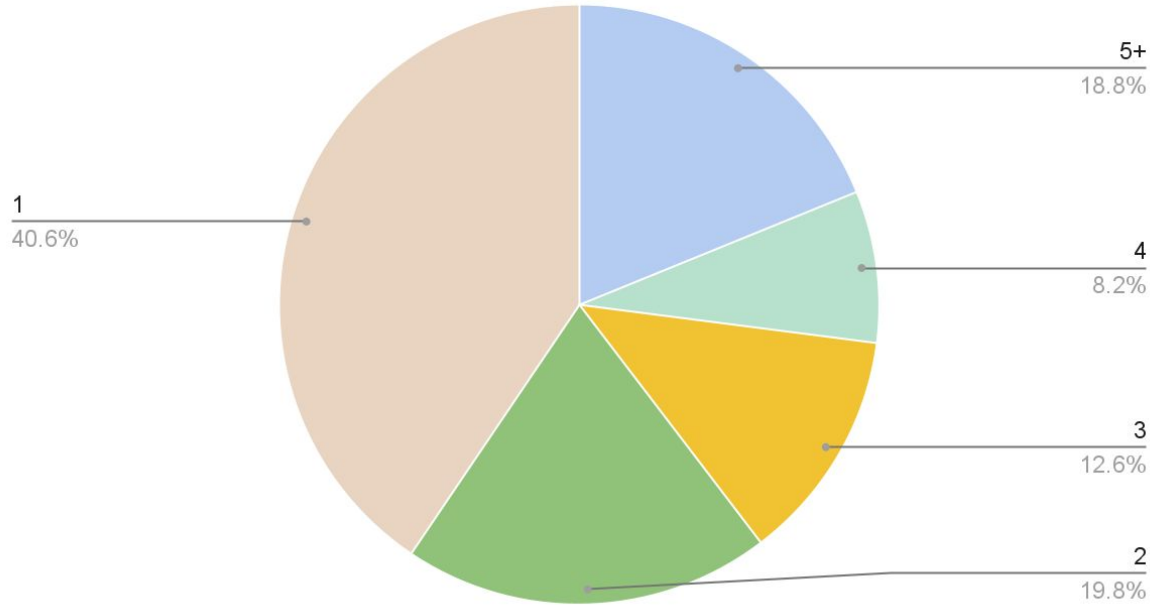
Notably there were quite a few write ins (224) for specialties other than the ones listed showing that **contractors typically have multiple specialties, and that overall there are many different specialties.**

\*Only options selected by 3 or more respondents are shown.



# Specialties

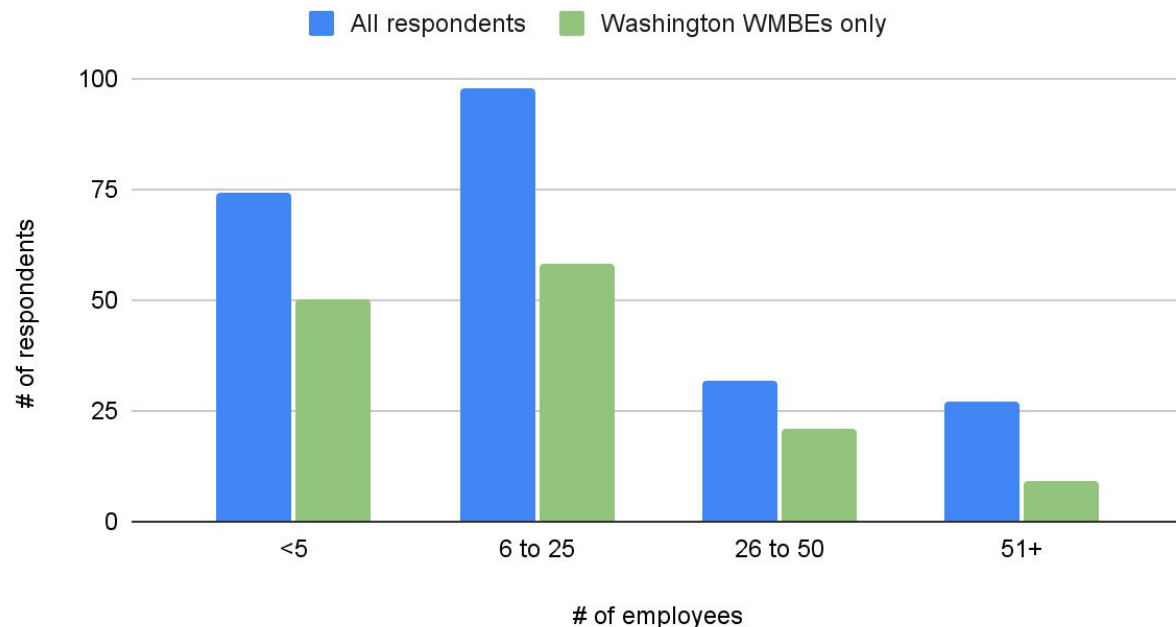
Number of specialties



**Of the respondents with a specialty, 60% have more than 1 specialty. Nearly 19% have 5 or more specialties.**

# Company size

How many employees does your company have?

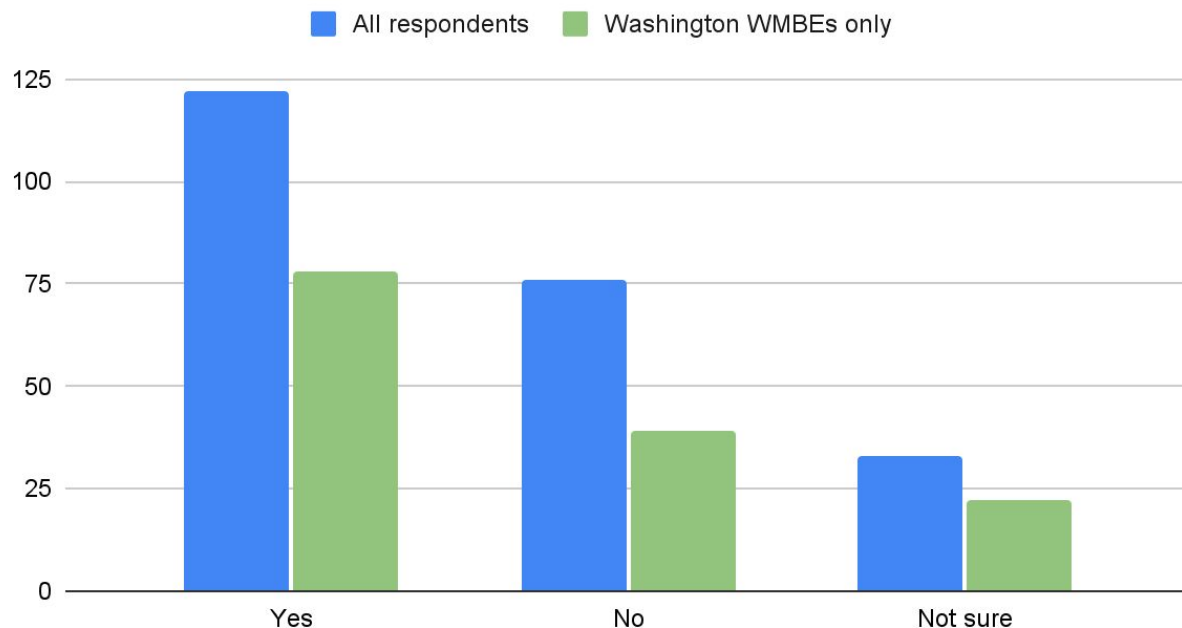


Despite WMBEs making up 60% of the respondents, only 33% of companies with 51+ employees are WMBEs.

**This indicates that WMBEs may be underrepresented in larger companies.**

# JOC awareness

I have heard of Job Order Contracting (JOC) before

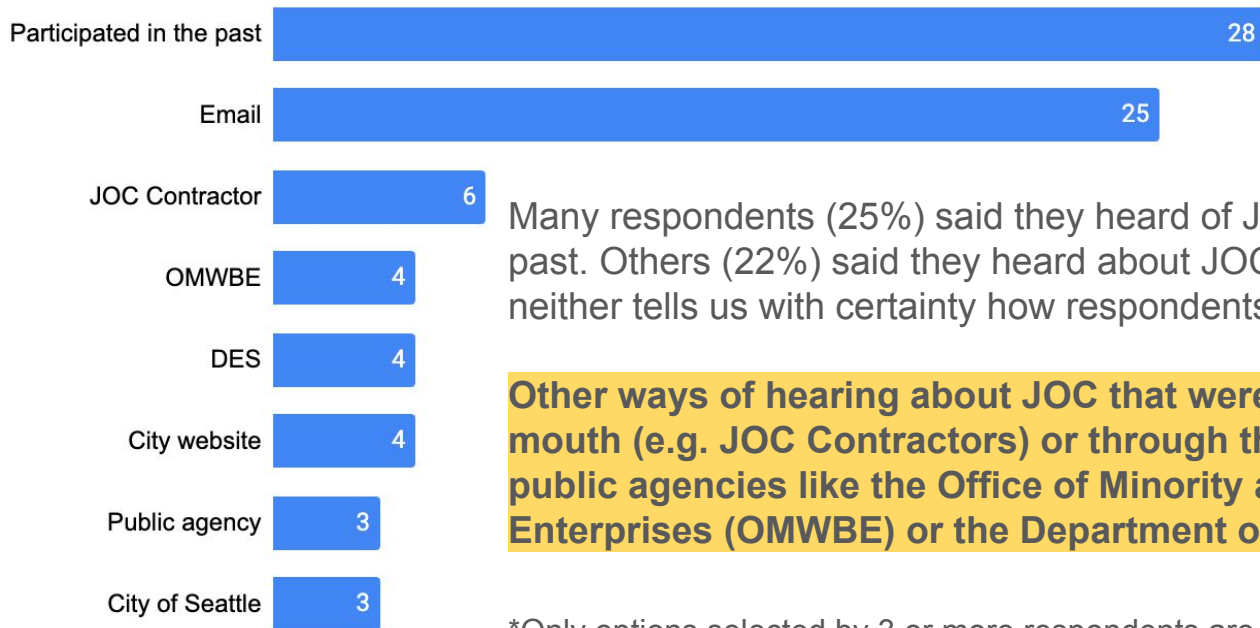


Even within the email groups associated with the JOC program\*, **only half (52%) said they have heard of the JOC program.**

**Also, still quite a few WMBEs (44%) are not aware, or not sure that JOC exists.**

# JOC awareness

How did you hear about JOC?



Many respondents (25%) said they heard of JOC from participating in the past. Others (22%) said they heard about JOC via email. Unfortunately neither tells us with certainty how respondents initially found out about JOC.

**Other ways of hearing about JOC that were mentioned include word of mouth (e.g. JOC Contractors) or through the City of Seattle or specific public agencies like the Office of Minority and Women's Business Enterprises (OMWBE) or the Department of Enterprise Services (DES).**

*\*Only options selected by 3 or more respondents are shown. Also, note it's possible respondents interpreted this question as, 'how did you hear about the survey?'*

# JOC awareness

## Step-by-step JOC Process

Let's take the example of a job order contract for a university to look at how the process can unfold.

### 1. Bid Solicitation

The university puts out a solicitation for contractors to bid on the JOC. The level of detail on the anticipated tasks and projects can vary. GCs put in bids of their Adjustment Factor for the total contract.

### 2. Master Agreement Creation

The owner selects one contractor, usually the lowest bidder, and draws up a master agreement outlining the maximum duration and dollar value. This primary agreement allows multiple projects to be executed within the timeframe and under the monetary ceiling.

### 3. Project Identification

### 4. Joint Scope Meetings

In the case of this university, the facilities management team and the general contractor begin to explore what work needs to be completed. The teams discover multiple buildings requiring roof repairs and identify some planned classroom upgrades.

The facilities team and contractor conduct separate joint scope meetings for these two different projects. The teams walk the sites, discuss the scopes and document the needs. The classroom upgrades have plans drawn up, but the roof repairs do not. Each will require a scope and separate pricing.

### 5. Task Order Development

The GC draws up separate task order bids, drawing the pricing from the Unit Price Book

One respondent said they heard of JOC through this article by Procore. **This article includes a clear outline of the JOC process, specific benefits, and general tips.** A similar one pager shown on JOC website would be very beneficial for prospective JOC Contractors.

<https://www.procore.com/library/job-order-contracting>

## Advantages of Job Order Contracting

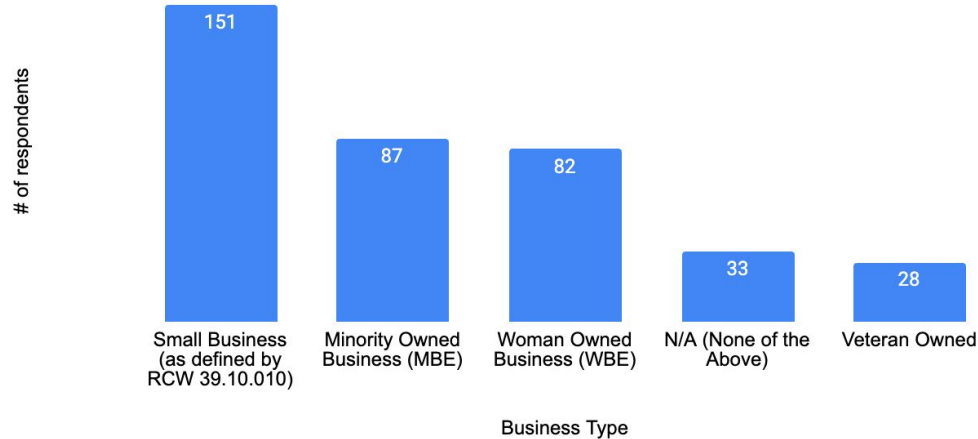
There are benefits for all parties involved in JOC projects, and the relationships between owner and construction company personnel can provide a level of comfort and familiarity that makes the execution of these contracts more successful.

### Contractor Benefits:

- + **Consistent work:** Predictable income for construction companies.
- + **Ongoing relationships:** For GCs, working with the same project team and subcontractors leads to trust and smoother working relationships.
- + **Profitability:** With confident factoring on JOC project bids, construction companies can see steady profits from these contracts.

# Women and Minority Business Enterprises (WMBE)

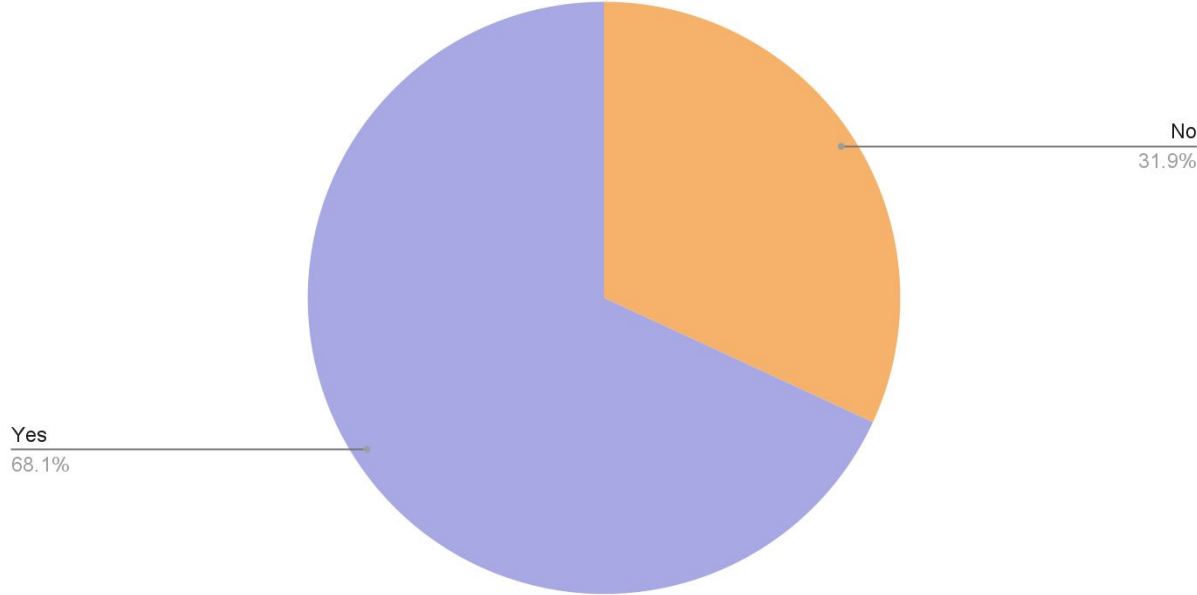
My business is a : (select all that apply)



**139, or 60% of survey respondents were either a Woman-owned Business Enterprise (WBE) or a Minority-owned Business Enterprise (MBE).**

# Awarded public works project

I have been awarded a public works contract as a subcontractor. For this question, "subcontractor" can mean any specialty contractor, supplier,



**A majority (68%) of respondents have been awarded a public works contract.**

**WMBEs in Washington are equally as likely to be awarded a public works project as the rest of the respondents.**

# Challenges before starting a public works contract

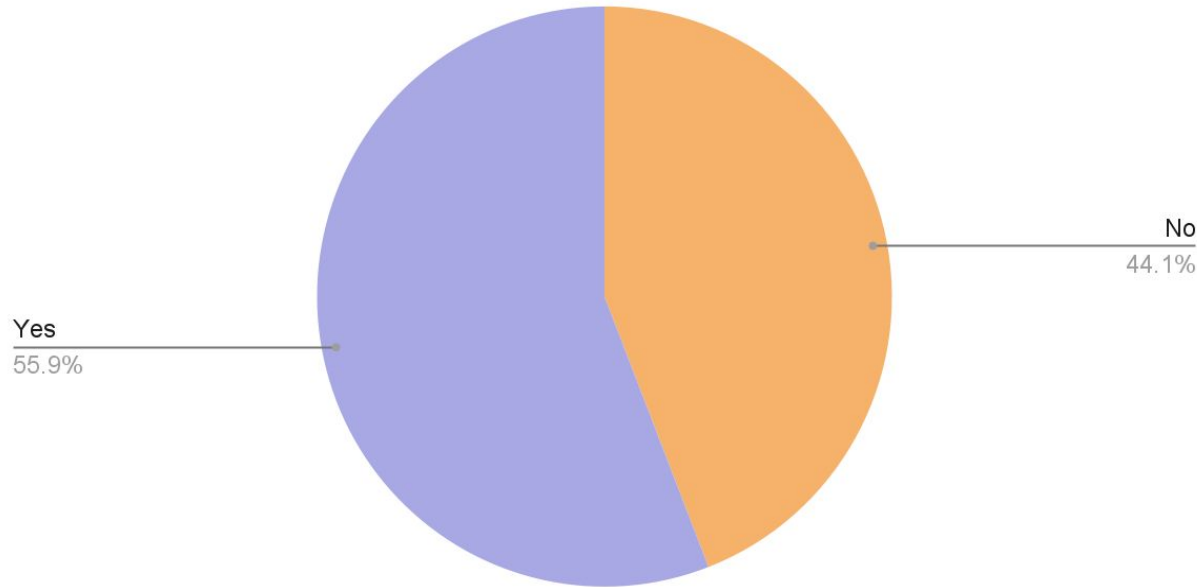
The biggest challenges before starting a contract were:

<b>1. Finding job opportunities</b>	<i>“...it hasn’t been clear how to be contacted to get work.” S112 “No centralized place to view public works.” S195</i>
<b>2. Meeting regulatory requirements</b>	<i>“If there was a PLA or CWA included in the contract we...will no longer bid on them...due to the double benefits we are required to pay into the unions, which our workers will never vest and never receive any benefit from.” S69</i>
<b>3. Financing the project</b>	<i>“Capital to withstand the high upfront costs.” S155</i>
<b>4. Getting help when contractors had questions</b>	<i>“Hard to get technical details answered.” S80 “When we reached out to the public works department, the first two people we spoke with could not help us with this issue (locked account).” S125</i>



# Completed public works project

I have completed (or am currently in progress) with a public works project as a subcontractor



**Most respondents (56%) have started or completed a public works contract. A majority of respondents (86%) that were awarded a public works project also have at least started a project.**

**WMBEs in Washington are equally as likely to have completed a public works project as the rest of the respondents.**

# Challenges during public works projects

The biggest challenges during a public works contract were:

<b>1. Paperwork and reporting</b>	<i>"Paperwork &amp; reporting requirements are time draining." S218</i> <i>"LCP tracker and L&amp;I affidavits were challenging." S225</i>
<b>2. Funding the project</b>	<i>"Cash flow is always a problem for us." S146</i> <i>"These projects are done quick but funding takes long time." S17</i>
<b>3. Slow pay</b>	<i>"Receiving payment on a timely manner is probably the biggest challenge." S179</i>
<b>4. Meeting requirements</b>	<i>"CWA obligations are very unclear &amp; inconsistent." S218</i> <i>"All the insurance requirements." S173</i>

# What's working well

The biggest places that contractors said were working well were:

<b>1. Getting and performing the work</b>	<i>"Being awarded the contract itself was a gift." S112</i> <i>"The satisfaction of a job well done." S24</i>
<b>2. Good communication</b>	<i>"We generally receive inquiries from the federal/state/city department directly and always appreciate the level of detail in requests." S65</i> <i>"Clear communications and specific requirements from prime contractors." S107</i>
<b>3. Quick/timely payment</b>	<i>"We have only done JOC electrical work as a subcontractor for Centennial Contractors. We were paid quickly..." S163</i> <i>"We have found that Seattle pays on time and we really appreciate that." S67</i>

# What's working well

One respondent spoke about how JOC can help businesses try out the public works space to see if it's a good fit.

***"I think JOC is a great place for contractors really find out if they want to be in the public market or not." S126***

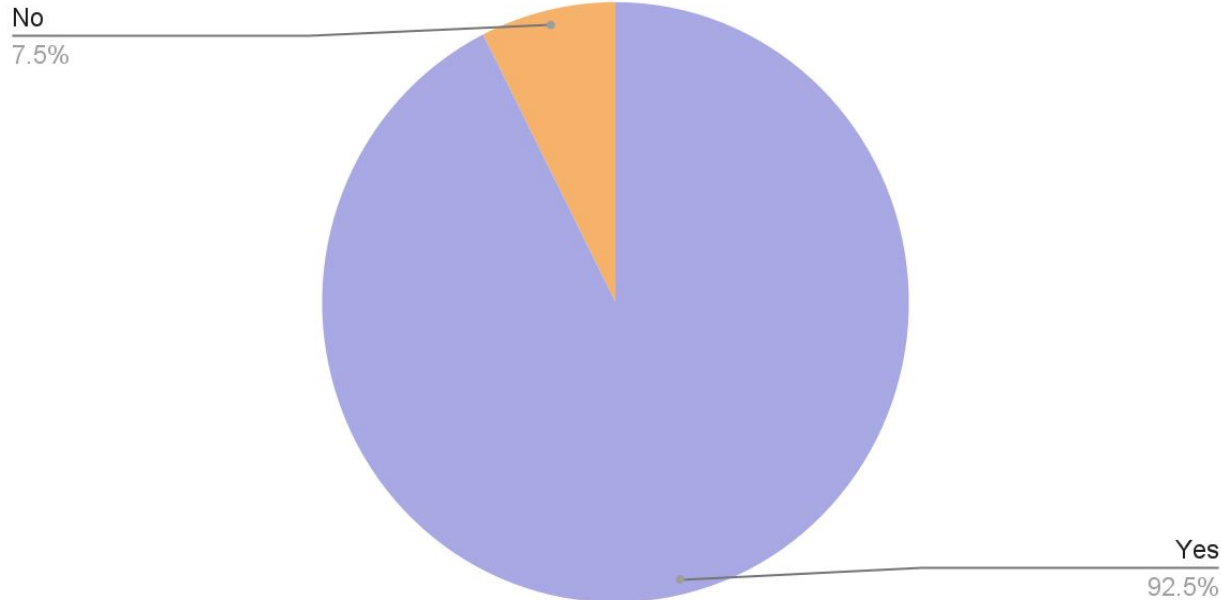
Two small businesses shared how public works projects help grow their businesses.

***"We have pursued public works contracts for over 25 years and believe that they have been crucial to the growth and capacity development of our company." S69***

***"More skilled employees are willing to come and work for our smaller sized company." S5***

# Want to learn more

I would like to learn more about JOC, the program that helps small businesses participate in public works contracts.



**There is a large appetite to learn more about the JOC program! An overwhelming majority (93%) say they would like to learn more about JOC.**

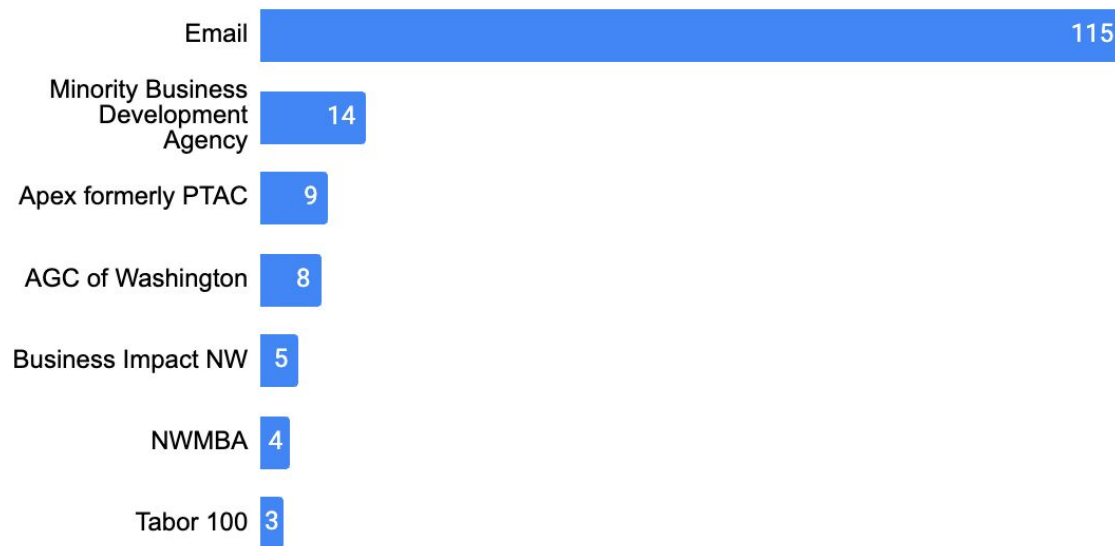
# Questions about JOC

Questions about JOC centered on 3 different areas:

<b>1. General info about the program</b>	<i>“What are the pros and cons of pursuing JOC contracts?” S85</i> <i>“I’d like to know the full process and what it takes to complete one (project) for your municipality.” S70</i>
<b>2. How to get contracts</b>	<i>“What is the quickest process to receive opportunities?” S176</i> <i>“How to get more JOC jobs.” S73</i> <i>“How do I awarded work?” S103</i>
<b>3. Is my organization relevant or eligible?</b>	<i>“How often do you have JOC contracts that are just painting?” S142</i> <i>“Is there any applications for our landscaping business?” S117</i>

# How they heard of this survey

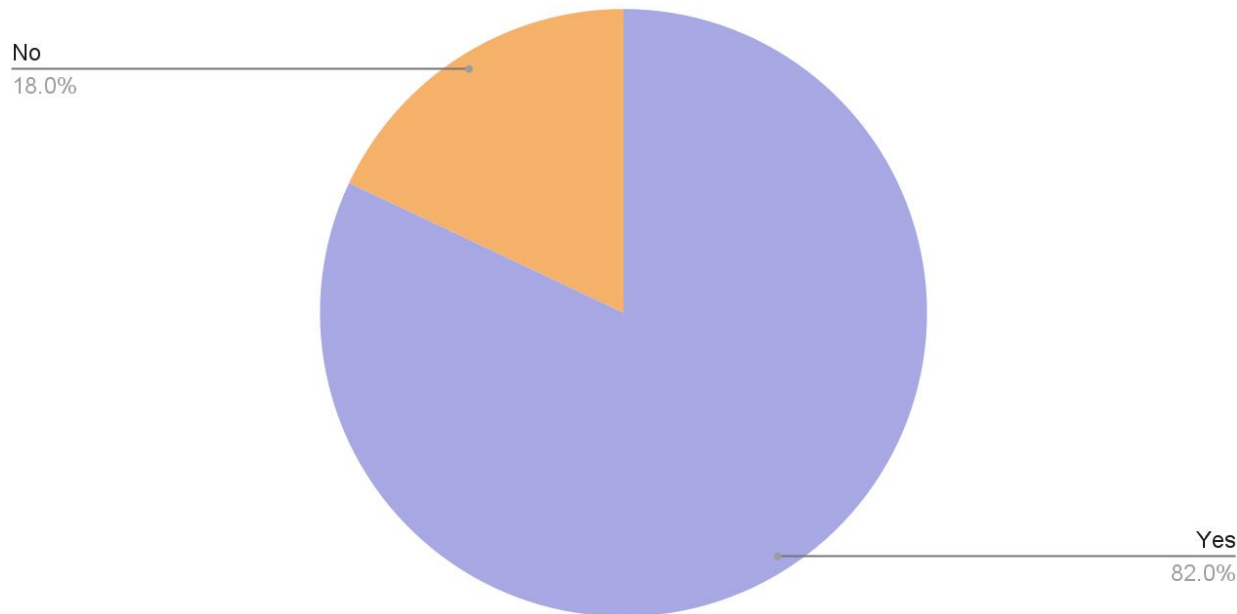
How did you hear about this survey? (select all that apply)



Respondents seemed thrown off by this question since most simply received an email with a survey link and weren't necessarily aware of what email list they were part of.

# Open to future contact

Would you be open to us reaching out and discussing more about your experience with public works? If you are selected, we will compensate



**82% of respondent said they are open to us reaching out!**

This could be a great opportunity for the City of Seattle to follow up on specific comments and to build a database of people to potentially participate in future research activities.





# Recommendations by Stage in JOC Journey

# The JOC journey

## OUTREACH

Includes marketing, community building, hosted live events and similar ways for the JOC program to get it's name and mission out to the public.

## SUBCONTRACTING

When a Prime posts out a job. This should have all the information that a sub-contractor needs to know in order to recognize if it's a good fit and if they can handle the work.

## PROPOSAL

A sub-contractor writing and submitting why they are the best fit and pricing. It also includes the time from submittal all the way up to signing the contract or finding out they were not selected.

## CONSTRUCTION

All the work that happens after a sub-contractor signs onto a job up until completion of the project.

## CLOSE OUT

Anything that happens after the physical work is complete. This will include final invoice and any other requirements that are needed to officially close the project and be in good standing.

# Outreach

## Delighters

- There is a large appetite to learn more about the JOC program.
- When asked to participate in a survey, many businesses took time to provide helpful feedback and were open to us reaching out.
- However, this is still an area we can focus on.

## Detractors

- Businesses are unaware of JOC.
- Businesses are unaware of the opportunities (like mentorship) outside of contracting a job.

## Recommendations

- Ensure outreach efforts are optimized for the audience by considering the method and timing:
  - Email and video calls may be less convenient than phone calls.
  - End of the year may be a time when companies are rushing to finish up projects.
- Do more outreach leveraging a variety of channels to target the audience.
- Utilize success stories to establish credibility and earn trust.

# Sub-Contracting

## Delighters

- Contractors are excited to hear about job opportunities!
- When JOC first started, communities used to have consortiums in order to learn about work which felt good.

## Detractors

- Trying to find jobs is difficult.
- Companies do not have all the information they need to make a decision.
- Trying to find help or answers is difficult.

## Recommendations

- Consider building an JOC public online job board if it doesn't exist already so contractors don't have to rely on connections/emails from General Contractors to find jobs.
- If there isn't one already, provide a one-pager of information or FAQs that's readily accessible to companies. (See [slide 20](#) for an example.)
- Ensure there's a direct line of contact that companies can reach out to for help.

# Proposal

## Delighters

- Businesses appreciate being part of a process that is fair and repeatable (once they are familiar).

## Detractors

- There's a steep learning curve for understanding how to put the proposal together such as how to price effectively.
- Initially some businesses may not feel comfortable sharing certain details (like how they price).

## Recommendations

- Conduct trainings on how to put a proposal together with examples of "winning proposals."
- Explain online and during trainings how sharing pricing details is central to a process that is transparent, fair, and equitable.

# Construction

## Delighters

- Contractors are excited to get the job!
- Contractors enjoy getting to do the construction work that's their specialty.
- Contractors value the mentorship they receive from General Contractors.

## Detractors

- It's hard to start working without getting some payment first.

## Recommendations

- Set up payment milestones similar to how private construction works. Example : 10% down payment when signed, 30% when materials are delivered and work is started, 30% half way through and 30% final walkthrough.
- Elevate the benefit of mentorship when describing the JOC program online and during trainings.

# Close Out

## Delighters

- Companies look forward to building their reputation and a network for future public works opportunities.
- Public works projects and programs have helped businesses grow their company in terms of size, skills, and capacity.

## Detractors

- It can take a long time to get paid.

## Recommendations

- Further investigate how frequently JOC payments are late and what are the specific causes to remedy.
- Consider adding a checkpoint at the end of projects (such as a survey) to ask for feedback and to see if there are any outstanding issues.

# Next Steps

- USDR JOC team to share interview guides, outreaches, survey with City of Seattle
- USDR to find another time earlier in 2025 when it's not the holidays or during times of inclement weather
  - Conduct a survey if phone interviews don't work
  - Map out user journey
  - Evaluate website & ease to find information
  - Expand audience to larger companies >51 employees
- Internal city evaluation to make sure there's dedicated and streamlined support for businesses.





# Questions?



# Want to get in touch?

## REQUEST SUPPORT

<https://www.usdigitalresponse.org/contact-us>

## QUESTIONS

[intake@usdigitalresponse.org](mailto:intake@usdigitalresponse.org)