



August 28, 2018

Mr. Jeremiah Varco
Lake County
18 N County Street, Room 105
Waukegan, IL 60085

Re: Gordian's JOC Solutions available through Sourcewell Contract

Dear Jeremiah:

The Gordian Group ("Gordian") has appreciated the opportunity to provide our Job Order Contracting ("JOC") solutions products and services to Lake County (the "County") since 2008. We are confident that our relationship has been a mutually rewarding experience for both parties. As you are aware the County's contract with Gordian expires in the near future, and in order to support the rebidding of new, multi-year JOC contracts Gordian is providing this proposal which will govern the services, support and fees associated with those JOC contracts. Pursuant to your discussions with David Rasberry and Derek LaDuke, we are providing a description of the services available to the County under a new contract with Gordian.

As you are aware, the products and services Gordian provides are unique and highly specialized. Gordian is the leading firm in the nation that provides JOC solutions with single point responsibility for all of the products and services necessary for a turnkey JOC program. Our comprehensive JOC solutions are provided with in-house staff and include the proprietary data, technology, processes and staff resources necessary for our clients to achieve successful JOC programs. We do not "private label" the products from other companies, nor do we rely on third parties or independent vendors or subcontractors. We are 100% responsible for all of the products and services necessary for your JOC program.

Gordian has successfully implemented and supported our JOC solutions for over 200 public owners throughout the United States. Building a JOC program takes more than preparing customized documents and providing software. The devil is in the details. Our experience provides us with the knowledge to develop a comprehensive, fully functioning JOC program that will deliver the most value possible. The following proposal describes the products and services we can provide to the County, and the most expedient way for the County to procure the services.

Procurement of Contract

There are several methods available to public owners to procure a JOC solution from Gordian. Many of our clients have elected to piggyback our current contract with Sourcewell (formerly known as the National Joint Powers Alliance or NJPA), as described below.

Piggyback

Many of our clients have procured a JOC solution by piggybacking our existing contract with Sourcewell. Sourcewell is a public agency operating under the enabling authority outlined in Minnesota Statute 123A.21, which allows participating nationwide government and education agencies ("Members") to reduce the cost of purchasing by leveraging their combined national purchasing power through cooperative efforts. More information about Sourcewell is available at <https://www.sourcewell-mn.gov/>.

Sourcewell awarded Gordian our first contract in 2007 to provide our JOC Complete Solution® for the benefit of their Members. Sourcewell awarded Gordian's most recent contract on September 14, 2015. A copy of Gordian's 2015 contract with Sourcewell is included with this proposal as **Attachment No. 1**.

The current Sourcewell contract provides Members with the ability to implement JOC solutions offered by Gordian, including those described in detail in the following paragraphs.

Gordian JOC Solution

The Gordian JOC Solution is Gordian's legacy solution, and the solution we currently provide to the County to control and fast track your repair, maintenance and construction projects. The Gordian JOC Solution is suited for clients that have the in-house expertise necessary to develop Job Orders properly.



Through the Gordian JOC Solution, Gordian will continue to support the County's JOC program and provide the in-depth, on-site training necessary to achieve a successful JOC program. The following is a list of the services performed for the Gordian JOC Solution:

- **Experienced Account Managers** – Gordian will provide experienced account managers that are responsible for the continued support of the County's JOC program. This staff will report directly to the County and will be available to assist the client with any JOC related issues.
- **Establish JOC Program Guidelines** – Gordian will be responsible for conducting the activities necessary for establishing the structure of the County's JOC program. Responsibilities include preparing client specific Execution Procedures that will be used to execute the JOC program.
- **JOC Program Documents** – Gordian will be responsible for preparing the JOC program Contract and General Conditions, Bid Documents and Technical Specifications and for providing a customized Construction Task Catalog®.
- **JOC Management Applications** – Gordian will be responsible for providing a license for an unlimited number of County staff to access Gordian's web-based JOC System, information management software and Construction Task Catalog®. The JOC System will be capable of generating the JOC documents including independent cost estimates, contractor Price Proposals, Job Orders, and management reports and forms. The client's standard reports and forms will be incorporated as requested.
- **Marketing** – Gordian will be responsible for marketing the JOC program by informing internal County staff about JOC, conducting pre-bid seminars for the JOC construction contractors, and assisting with procurement of the JOC contracts.
- **Training** – Gordian will be responsible for developing and conducting a comprehensive JOC training program for the County and JOC construction contractor staff, which will include different course modules that will provide specialized training to each element of County and JOC construction contractor staff.
- **On-going Support and Maintenance** – Gordian will be responsible for providing comprehensive JOC follow-up support to the County for the administration of its JOC program. Gordian will monitor the overall program and prepare any status reports required by the County. Support services will include, but are not limited to; unlimited toll-free software support, access to applicable software updates and additional functionality, updating for each new JOC construction contract the Construction Task Catalog®, Technical Specifications, Contract and General Conditions and Bid Documents, providing procurement assistance for new JOC contracts, providing training for new County and JOC contractor staff, and preparing customized forms and reports requested by the County.

Gordian JOC Solution License Fee

The standard License Fees for the Gordian JOC Solution consists of a client paid license fee ("Client License Fee") and a contractor paid license fee ("Contractor License Fee") as provided below:

Client License Fee: 5.06% of the first \$8,000,000 of work ordered and then the Member is eligible for a reduced License Fee of 1.98% for each calendar month that the Member has ordered a minimum of \$3,000,000 through the Gordian JOC Solution during the preceding 12 calendar months; and

Contractor License Fee: 1.00% of the value of work ordered.

Lake County, as an existing client, has already procured in excess of the \$8,000,000 mentioned in the fee above, resulting in an immediate License Fee reduction to 1.98% effective upon acceptance and execution of this proposal. Since the County has also elected to incorporate the Contractor License Fee of 1% as part of the County's license fee, the license fee applied to this contract will be:

County License Fee: **Two and Ninety-Eight Hundredths percent (2.98%) of the value of work ordered through the JOC program.**

Under the fee set forth above, no Contractor License Fee will be applied. Gordian JOC Solution License Fees are payable when a Job Order is issued to the JOC contractor and are inclusive of the Sourcewell Administrative Fee, which Gordian will remit to Sourcewell.

JOC Complete Solution[®]

The JOC Complete Solution has helped facility and infrastructure owners control and fast track their repair, maintenance and construction projects for over two decades. Through the JOC Complete Solution, Gordian will develop, implement and support the County's JOC program. The following is a list of products and services performed for the JOC Complete Solution:



- **Experienced Account Managers** – Gordian will provide experienced Account Managers that are responsible for the implementation and support of the County's JOC program. This staff will report directly to the County and will be available to assist the County with any JOC related issues.
- **Establish JOC Program Guidelines** – Gordian will be responsible for conducting the activities necessary for establishing the structure of the County's JOC program. Responsibilities include preparing County specific Execution Procedures that will be used to execute the JOC program.
- **JOC Program Documents** – Gordian will be responsible for preparing the JOC program Contract and General Conditions, Bid Documents and Technical Specifications and for providing a customized Construction Task Catalog[®].
- **JOC Management Applications** – Gordian will be responsible for providing a license for an unlimited number of County users to access Gordian's web-based JOC System, which includes the JOC Software information management software and Construction Task Catalog[®]. The JOC System will be capable of generating the JOC documents including independent cost estimates, contractor Price Proposals, Job Orders, and management reports and forms. The County's standard reports and forms will be incorporated as requested.
- **Marketing** – Gordian will be responsible for marketing the JOC program by informing internal County staff

about JOC, conducting pre-bid seminars for the JOC construction contractors, and assisting with procurement of the JOC contracts.

- **Training** – Gordian will be responsible for developing and conducting a comprehensive JOC training program for County and JOC contractor staff, which will include different course modules that will provide specialized training to each element of County and JOC contractor staff.
- **Job Order Development** – Gordian will be responsible for assisting the County with developing Job Orders from project identification to issuing the Job Order. Developing the Job Order is the most critical step in the JOC process for controlling costs because this is the step where it is determined that the County is paying for the correct tasks, in the proper quantity and at the correct competitively bid price. It is very important that qualified project managers develop each and every Job Order. A detailed list of the tasks Gordian performs to develop Job Orders is as follows:
 - **Project Identification** – When a project is identified, Gordian's Account Managers will contact the County and assist with determining whether the project is appropriate for JOC.
 - **Contractor Identification** – In the event the County has multiple JOC contractors, we will assist the County identifying the appropriate JOC contractor for the project based on the type of work involved and the location of the project.
 - **Joint Scope Meeting** – Then a Gordian Account Manager will quickly schedule a Joint Scope Meeting at the project site to help the County and the JOC contractor agree on the details of the work that the JOC contractor will perform. The scoping process allows the JOC contractor to inspect the site and ask questions before submitting a Price Proposal. This upfront open communication eliminates the misunderstandings and mistakes that lead to most change orders and often results in more cost-effective collaborative solutions.
 - **Develop Detailed Scope of Work** – Next, the Gordian Account Manager will assist in preparing a Detailed Scope of Work that describes the work the JOC contractor will perform. We will also assist with resolving issues when project plans and actual conditions vary.
 - **Request for Price Proposal** – After all parties are in agreement that the Detailed Scope of Work properly reflects the work to be performed, the Gordian Account Manager will send the Detailed Scope of Work and a Request for Proposal to the JOC contractor.
 - **Prepare the Price Proposal** – Next, the JOC contractor prepares and submits a Price Proposal by selecting the appropriate tasks from the Construction Task Catalog. Gordian's JOC software will automatically calculate the total cost for each line item by multiplying the unit price of the task by the required quantities and the JOC contractor's competitively bid Adjustment Factor. The JOC contractor will also prepare additional County required information (e.g., construction schedule, list of proposed local subcontractors, etc.).
 - **Price Proposal Review** – Then, the Gordian Account Manager will review the Price Proposal to make sure the JOC contractor has selected the appropriate tasks and quantities and will ask the JOC contractor to make any required changes. We will also obtain and review any County required information submitted by the JOC contractor such as a construction schedule and list of proposed subcontractors. Then, the Gordian Account Manager will submit the Price Proposal and related documents to the County.
 - **Issue Job Order** – Once the County is 100% satisfied with the Price Proposal and related documents, and decides to move forward with the project, the County simply issues a purchase order to the contractor.
 - **Construction Management** – During construction, the County's project managers will follow its

standard internal policies and procedures for construction management and site inspections, including coordinating any required code inspections. When unforeseen conditions arise or the County desires to change the Detailed Scope of Work, a supplemental Job Order is developed in the same manner as the original Job Order. With JOC, changes to the work are pre-priced.

- **On-going Support and Maintenance** – Gordian will be responsible for providing comprehensive JOC follow-on support to the County for the administration of its JOC program. Gordian will monitor the overall program and prepare any status reports required by the County. Support services will include, but are not limited to, unlimited toll-free JOC Software support, access to all JOC Software updates and additional functionality, updating for each new JOC contract the Construction Task Catalog®, Technical Specifications, Contract and General Conditions and Bid Documents, providing procurement assistance for new JOC contracts, providing training for new County and JOC contractor staff, and preparing customized forms and reports requested by the County.

JOC Complete Solution® Fees

The License Fees for the JOC Complete Solution consist of a client paid license fee (“County License Fee”) and Job Order Development Fee paid by the County as follows:

<u>County License Fee:</u>	2.98% of the value of the work ordered; and
<u>Job Order Development Fee:</u>	3.08% of the value of the work ordered.

JOC Complete Solution License Fees are payable when a Job Order is issued to the JOC contractor. The County License Fee and Job Order Development Fee will be payable upon the issuance of a Job Order, purchase order, or similar purchasing document to the JOC contractor by the County.

JOC Complete Solution *Plus*™

The JOC Complete Solution *Plus* option can also be made available to the County on a project-by-project basis, **and includes construction management services to manage Job Orders from Job Order issuance to Job Order close-out.** Whether due to peak volumes, staff shortages, or new strategic staff directives, our JOC Complete Solution *Plus* services can provide on-site construction management experts, using our proven methods, to carry out day-to-day JOC operations and relieve the County’s project workload burden. Our staff becomes the County’s staff. We will bring unparalleled expertise to work for the County from the start to get Job Orders completed. JOC Complete Solution *Plus* services provided by Gordian can be a cost effective and flexible construction management solution.



A detailed list of Gordian’s standard construction management services, which we modify as necessary to meet the needs of each client, is as follows:

- **Preconstruction** – First, a Gordian construction manager will conduct a pre-construction meeting with the County representative(s), the JOC contractor and, if applicable, the architect or engineer. The construction manager will coordinate and share any preconstruction information with the County, the JOC contractor and other appropriate parties, and will assist in the coordination of the JOC contractor obtaining the necessary permits.
- **Site Visit** – During construction, the Gordian construction manager will monitor the JOC contractor’s work in-progress, manage the JOC contractor’s compliance with the approved safety plan and complete a report for each site visit.
- **Communicate** – The Gordian construction manager will provide weekly construction status reports to the County, conduct project progress meetings with all JOC contractors and staff on a periodic basis, and coordinate any required technical and code inspections.

- **Supplemental Job Orders** – In the event there are unforeseen conditions or the County requests changes to the scope after the work has begun, the Gordian construction manager will analyze and process a supplemental Job Order by utilizing the procedures used to develop the initial Job Order.
- **Approvals** – The Gordian construction manager will review and approve, or direct necessary revisions to, the JOC contractor's applications for payment and obtain the County's approval of the work. Final acceptance of the work will be the responsibility of the County. Technical and code inspections will be the responsibility of the appropriate inspection agencies.
- **Project Close-out** – As the final step in the process, the Gordian construction manager will enter all Job Order related information into the JOC Software information management system and collect any required as-builts, warranties, etc., from the JOC contractor.

JOC Complete Solution *Plus*™ Fees

Gordian's fees to provide the JOC Complete Solution *Plus* include a Construction Management Fee below, which is assessed in addition to the fees set forth above.

Construction Management Fee: Six and one-hundredths percent (6.01%) of the value of the work ordered;

The Construction Management Fee is payable when construction of the Job Order has been completed and accepted by the County, and will only apply when JOC Complete Solution *Plus* services are requested by the County on a project-by-project basis. At the election of Gordian, for Job Orders requiring more than sixty (60) days to complete the Construction Management Fee shall be payable monthly on a percentage of completion basis.

JOC System License

Gordian's JOC solutions are subject to our standard JOC System License. A copy of the JOC System License is included with this proposal as **Attachment No. 2**, and must be included in the contract between the County and Gordian.

Gordian appreciates the opportunity to submit this proposal to provide our JOC products and services to Lake County. Please contact Derek LaDuke at D.LaDuke@Gordian.com or (800) 874-2291 if you have any questions or if you need any additional information.

Sincerely,



Ammon T. Leshner
Vice President of Legal Affairs

Attachment

cc: David Rasberry
Derek LaDuke
Dwayne Pierre-Antoine