

# Addendum No. 2

11/5/2020

## **DORMITORY AUTHORITY - STATE OF NEW YORK**

**Job Order Contracting**

**Small Business Pilot Program Regions 1, 2, 10**

**Project # 1000509999**

This **ADDENDUM** is hereby included in and made part of the Contract whether or not attached thereto. All requirements of the original Specifications and Drawings shall remain in force except as noted by this **ADDENDUM No. 1**.

**Bidders are reminded to carefully review and comply with all contract solicitation requirements, inclusive of Article 19 of the Information for Bidders.**

### **Responses to Requests for Information:**

The below summarizes questions DASNY received by the November 2, 2020 due date for the submission of questions pertaining to this JOC contract solicitation and DASNY's response to the questions submitted.

1. The front end documents have a generic Article 7 change order specification but leave it open to the procedure being done by either the CTC catalog or the use of the change order process that is currently used on DASNY hard bid projects. Please advise on the change order procedural method that DASNY will utilize with this new Region 10 contract (1000509999 CR512). The process being identified will affect our bid number as the new procedure will require additional administrative costs in which we need to capture.

**DASNY's approach to change conditions are set forth in the General Conditions. DASNY reserves all rights regarding its approach to change conditions on a project. If you determine that the available methodologies may affect administrative costs, you are advised to take such costs into account in preparing your bid number.**

2. Concerning JOC Region 5, as an electrical contractor, do we bid in the catalog only those items that pertain to the service we normally provide or is this a General Construction bid, and the electrical JOCs will be offered to bid at another date?

**In Regions 5 and 6 DASNY is soliciting a General Construction term contract, i.e. :CR 509. The current JOC Contract solicitations do not include an Electrical term contract for Region 5.**

3. In the past the Adjustment Factor was adjusted to account for the escalation or de-escalation of costs based on the 12-month Construction Cost indices (CCI) average as published by the Engineering New Record (ENR). What criteria or method will be used by the Gordian Group to annually update

the Construction Task Catalog per General Conditions, Section 1A.04, Annual Update of the Construction Task Catalogs?

**Active JOC contractors will received an updated Construction Task Catalogue (CTC) annually. The updated CTCs will be issued in August. The unit prices appearing in the updated CTCs will be based on changes to the prevailing wage rates, local material costs and equipment costs. For a further explanation of how Gordian calculates the updated unit prices, see the attached document *CTC Pricing Development*.**

4. I did not realize that DASNY had a \$3,000,000 minimum in NYC before the PLA is required. The maximum contract value is under the \$3,000,000 requirement for a PLA, so does not require one.

**Notwithstanding the maximum contract value, PLA Factors must be provided for any Region 1 trade contract. DASNY's PLA may be required on a per-project basis even if the contract value is less than \$3,000,000.**

5. We would like to submit a bid. We attended the pre-bid meeting but for some reason we do not have the bid documents. Under what tab is it located?

I noticed that On Top Renovation was not listed on the Interested Bidders List for: Job Order Contract Regions 1, 3, 5, 6, 7, & 10, Solicitation Number 10000509999/CRs 503, 509, 510, 512. I attended the Oct 21st pre bid meeting, but I logged in with my person email because I had problem logging in with my company email. Please revise the attendance list to add On Top Renovation.

I downloaded the bid package from the website at 9:55 AM and when I went back to the webpage at 11:00 AM the entire project was removed from the page. I also noticed that the bid package(which is no longer available) is missing the bid form for region-1 which would require a PLA form with more than just one factor for all non-standard working hours.

Regarding the above-mentioned project are there bid documents available at this time. Thank you.

Good morning. I attended the virtual pre-bid meeting last week and it was stated that the contract bid documents would be posted online within a couple of days. As of this morning on the state site there shows nothing as of yet. Can you please advise when it will be uploaded?

**All documents were uploaded on the day of the Pre-Bid Meeting to DASNY's website, [www.DASNY.org](http://www.DASNY.org); please refer to the "Attachments" section.**

**Attachment:**

**Gordian CTC Pricing Development**

**END OF ADDENDUM NO. 2**



The Construction Task Catalog<sup>®</sup> (CTC) contains unit prices for a set of construction and construction related tasks for a particular geographic area. For example, a square foot of interior painting, a lineal foot of rigid conduit, and a square yard of carpet. The unit prices include the direct costs of labor, material, and equipment. The unit prices for some tasks are adjusted by volume. The direct costs used to calculate the unit prices are explained below.

#### Local Labor Rates

Labor rates are the sum of the base rate (craft salary, before income taxes), fringe benefits (costs for medical, holiday, vacation, and retirement benefits), and an allowance for payroll taxes and insurance. We use a percentage allowance for payroll taxes and insurance based on the type of craft (roofers have higher insurance rates than plumbers) and location (some states have higher rates than others).

Our CTCs can use prevailing wage rates, Davis-Bacon rates, or general market rates. Generally, owners use prevailing wage determinations published by the state or city where the owner is located. When we use market rates, we obtain those rates by calling local contractors and by reviewing change order proposals and similar project related documents submitted to local owners.

#### Equipment Rates

The equipment costs included are priced through local rental companies such as Hertz, Sunbelt, United Rentals, and local suppliers. These prices are obtained by our research team. Additionally, current contracts to supply equipment to state, county, and municipal owners are also reviewed.

#### Local Fuel Rates

Costs for gasoline, diesel, and electricity make up a small portion of the equipment cost. We obtain local costs online from the US Department of Energy and from AAA.

#### Localized Material Prices

Gordian maintains a large database of materials that are continually updated. We constantly research new products that come to market and remove products that are no longer available.

The Gordian Cost Engineering Team researches the direct cost of individual materials by calling suppliers with whom relationships have been developed over the years, reviewing published price catalogs and manufacturer's price lists using known discount percentages, conducting online pricing searches, and by reviewing current material supply contracts held by states, counties, or municipalities.

Additionally, Gordian uses hundreds of key material price indicators (MPIs) to update related groups of materials. Each MPI is monitored for price fluctuations and updated accordingly. Every material price in a CTC can be traced back to an MPI that drives the material cost.

The result of all this research is a database of thousands of material costs. The material costs are prepared for local use in a CTC using one of the following methods:







1. Customer requested brand and model material prices from a source authorized to sell the material at the locality are collected and included.
2. Quotes from local material suppliers are collected and included.
3. Consulting and including costs from nationally recognized material price sources.
4. Material prices customized using sound cost engineering principles and the information or intelligence gained from the above mentioned local research are included.

Using this methodology, Gordian is able to provide a CTC that has been customized to a specific location quickly and economically.

#### Unit Price Formulas

A unit price is defined as the cost per unit of measure. Units of measure vary (SF, LF, EA, CY), but the mathematical calculation used to determine the labor cost per unit of measure is constant. In written form, the labor cost per unit of measure is equal to the sum of wages paid to labor (per time period) plus the cost of equipment (per time period) divided by the productivity in unit of measure (per time period).

Shown in a mathematical equation:

$$\text{Labor cost per unit of measure} = \frac{(\text{Cost of labor per hour}) + (\text{Cost of equipment per hour})}{\text{Productivity in unit of measure per hour}}$$

As an example:

$$\text{Labor cost per unit of measure} = \frac{(\text{Electrician } (\$50.00 \text{ per hour})) + (\text{Small tools } (\$5.00 \text{ per hour}))}{\text{Wire installation at 200 linear feet per hour}}$$

$$\text{Or Labor cost per unit of measure} = \frac{\$55.00 \text{ per hour}}{200 \text{ linear feet per hour}}$$

$$\text{Or Labor cost} = \$0.275 \text{ per linear foot}$$

#### Material Cost Calculation

Materials are seldom purchased at the same unit of measure for which a unit price is developed. For example, paint is purchased by the gallon, but most painting tasks have a unit of measure of square feet. Using sound cost engineering principles, we create a "recipe" of material ingredients for each task. In the case of paint, a spread rate is applied. The spread rate is how many square feet of area on average that a gallon of paint covers. Therefore, if the cost per gallon is known, and the spread rate is known, we can determine the material cost per unit of measure (in this case – square feet). This is a simple formula:





$$\text{Cost per square foot of painting} = \frac{\text{Cost per gallon of paint}}{\text{Spread rate of paint in square feet}}$$

Obviously there are much more complicated scenarios. Take gypsum wallboard as an example. The materials used to install gypsum wallboard with tape and finish would include:

- Gypsum wallboard
- Screws
- Joint compound
- Joint reinforcing tape
- Compound sandpaper or sanding screens

Each of the above is sold at different units of measure, so the proper “recipe” would include the correct amounts of each material per the unit of measure for the gypsum wallboard. If that unit of measure is per square foot, then the cost engineer will use industry standards, manufacturer’s specifications, and experience to determine how many screws per square foot or how much joint compound per square foot and so on.

#### Labor Productivity

Most unit prices that contain a labor component are calculated using a formula that includes a productivity rate for labor. There is no single source for productivity standards in the construction industry. Each contractor has different rates of production based on training, crew skill level, experience, supervision, and a host of other factors. For exterior work, weather can also dramatically impact productivity.

To establish our productivity rates we consult proven industry publications like Walker’s *Building Estimator’s Reference Book* as well as published trade association productivity rate manuals such as Mechanical Contractors Association of America, National Electrical Contractors Association Manual of Labor Units, Painting and Decorating Contractors of America, and others. Also, product manufacturers conduct studies and provide approximate labor productivity rates or hours required to install their products. For certain materials, we consult contractors to obtain their individual productivity rates. We can also determine productivity rates by reverse engineering published unit prices by backing out material and equipment costs, and dividing the total labor cost by the known wage rate.

