

# Job Order Contracting: A Small Business' Gateway to Public Work

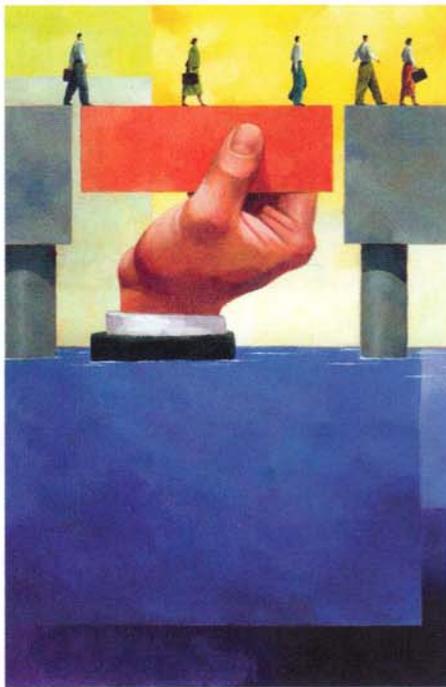
**D**uring the past year, the American Recovery and Reinvestment Act (ARRA) helped spur construction activity across the United States, with states and jurisdictions now starting to see some economic revival.

But are small businesses reaping the benefits from projects being solicited by states, counties, school districts and other publicly funded agencies? The ARRA aims to get money into the hands of the local small business community, but most federal agencies rely on only a few construction delivery methods that require time, size and previous experience.

Many small businesses see a mountain to climb just to start the process of working for a publicly funded agency. "I don't want to get involved with all the paperwork," "I'm too small to compete for government contracts," and "It takes too long for me to get paid when I do government work" are common thoughts from small business owners who want to participate in federal, state or local government bidding.

Considering the quagmire of paperwork, requirements and red tape faced by small business owners, government agencies must reexamine the delivery methods being used for public construction projects. Whether they utilize ARRA or normal budgetary funds, all publicly funded agencies are obligated to have sound accounting, financial and procurement practices that reach and benefit the local community. Nowhere is this more evident than procurement for services supporting facility repair, renovation and rehabilitation.

Fortunately, there is a way to bridge the gap between the needs of agencies and small contractors. Through a professionally developed and managed job



order contracting (JOC) program, small businesses can obtain work directly with a construction management company or contractor, whose bidding process likely isn't as in-depth and paper-intensive as a public agency. Additionally, public agencies using JOC contracts benefit by meeting their small business goals, including those for minority- and woman-owned businesses (SBEs/MBEs/WBEs).

## AN INCUBATOR FOR SMALL BUSINESS

JOC is more than a procurement tool and construction delivery method for repair, renovation and minor construction projects. It also allows owners, contractors and subcontractors to forge trusting, communication-based relationships. Because JOC is a performance-based construction delivery method, it is a JOC contractor's responsibility to select subcontractors that are committed to quality,

safety and timeliness—not just those that bid the lowest.

In an environment where small businesses are searching for every opportunity to survive, contractors must ensure bidders understand the unique aspects of a public project, such as prevailing wage, apprenticeship and related paperwork requirements; contract conditions; billing procedures; and possible impact on cash flow.

By monitoring a subcontractor's workload, experience and capabilities, a JOC contractor spreads the delivery orders around so that one firm is not overburdened with projects. This ensures all work is completed on time, and that multiple SBEs/MBEs/WBEs receive a fair share of the delivery orders throughout the term of the contract.

A JOC contractor also acts as a mentor by helping subcontractors navigate federal and local paperwork, and by ensuring they receive timely payment for work completed. Through the strength of an experienced and stable JOC contractor, a subcontractor can bid on projects it typically would not pursue due to bonding concerns or staff size. In certain instances, the prime contractor may cover any bonding requirements.

On larger projects, the JOC contractor can break down delivery orders into smaller pieces and bring on more than one subcontractor per trade, affording emerging businesses an opportunity to work on a particular portion of a project for which they have specialized expertise.

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