

Job Order Contracting Construction Assemblies Should Not Be Used in Final JOC Proposals

1. Executive Summary

Job Order Contracting (JOC) is a specialized Indefinite-Delivery, Indefinite-Quantity (IDIQ) procurement method designed to deliver efficiency, transparency, and cost predictability for facility repair, alteration, renovation, and minor construction. The foundational mechanism of JOC is the Unit Price Book (UPB) or Construction Task Catalog (CTC), which contains thousands of preset, granular, individual construction tasks (U.S. Army Corps of Engineers, 1997; Gordian, 2025).

Recently, a troubling trend has emerged whereby contractors attempt to utilize composite "systems" or "construction assemblies" within final JOC proposals. This position paper establishes that the use of multi-component assemblies in final JOC proposals is fundamentally inconsistent with the principles of JOC procurement. Owner agencies should require discreet, individual unit price line items to maintain fiduciary oversight, regulatory compliance, competitive integrity, and contractual transparency (FAR Parts 16 and 36).

2. Statement of the Issue

Construction assemblies consolidate multiple discrete components into a single composite price (for example, pricing an entire exterior wall per square foot rather than separately pricing framing, insulation, gypsum board, fasteners, joint treatment, and finishes).

Assemblies are valuable during conceptual estimating and early budgeting (AACE International, 2020). However, their inclusion within a final JOC Job Order Proposal masks detailed quantities and individual construction tasks.

This lack of transparency conflicts with the fundamental operating principles of JOC, where contractors are expected to apply their competitively bid coefficient to predefined, individual unit prices contained within the contract UPB (USACE, 1997).

3. Core Technical Arguments Against Assemblies in JOC

A. Violation of the Granular Detail Requirement

The integrity of a JOC program depends upon exact scope verification. Final proposals should directly correspond to measurable work in the field.

When contractors substitute construction assemblies for individual UPB items, they eliminate the visibility necessary for owners to independently verify quantities and scope.

For example, constructing a partition wall should identify individual quantities of:

- metal studs
- track
- gypsum board
- insulation
- screws
- tape
- joint compound
- paint
- accessories

rather than one generalized "wall assembly."

This detailed approach supports accurate field verification, change management, maintenance history, and future facility asset management (APPA, 2022).

B. Undermining the Competitively Bid Coefficient

The competitive element of JOC is the contractor's Adjustment Factor (Coefficient), which is applied uniformly to every predefined UPB task.

Because the unit prices are fixed before bidding, every contractor competes using exactly the same baseline pricing structure (USACE, 1997).

Construction assemblies often include generalized assumptions regarding:

- waste

- productivity
- miscellaneous fasteners
- cleanup
- incidental equipment
- labor overlap

These embedded assumptions vary between contractors and cannot be independently verified.

Consequently, applying a coefficient to a generalized assembly effectively applies the contractor's markup to hidden variables rather than to competitively established unit prices, reducing pricing transparency and diminishing the intent of the original competition.

C. Reduced Auditability and Fiduciary Accountability

Public agencies have an obligation to demonstrate that every dollar spent corresponds to measurable work completed.

Government Accountability Office (GAO) guidance consistently emphasizes documentation sufficient to permit independent verification of expenditures (GAO, 2023).

Likewise, the Office of Management and Budget (OMB Uniform Guidance, 2 CFR Part 200) requires costs charged to federally funded projects to be:

- necessary
- reasonable
- allocable
- adequately documented

Composite assemblies make it significantly more difficult to verify:

- quantities installed
- duplicate charges
- omitted components
- hidden markups

- embedded assumptions

Granular UPB pricing provides a transparent audit trail that substantially improves financial accountability.

4. Regulatory and Framework Compliance Analysis

FAR Context

Although the Federal Acquisition Regulation (FAR) does not expressly prohibit construction assemblies, multiple FAR provisions strongly support the use of discrete, measurable unit prices.

FAR Part 16 — Indefinite-Delivery Contracts

FAR 16.504 establishes the framework for IDIQ contracting.

JOC relies upon predetermined unit prices that become firm-fixed when multiplied by measured quantities and the contractor's competitively bid coefficient.

Individual UPB tasks satisfy this objective far better than generalized assemblies.

FAR Part 36 — Construction Contracting

FAR Part 36 emphasizes measurable construction work, proper estimating, and contract administration.

Detailed line-item pricing facilitates:

- equitable adjustments
- inspection
- payment verification
- change order negotiation
- contract closeout

These objectives become considerably more difficult when composite pricing obscures individual construction activities.

Cost Documentation

Federal acquisition policy requires sufficient cost documentation to support pricing decisions (FAR 15.404-1).

Although JOC proposals are not traditional negotiated procurements under FAR Part 15, the same principles of transparency, reasonableness, and documentation apply during proposal review.

Non-Prepriced Work (NPP)

Most federal and state JOC contracts establish limits on Non-Prepriced (NPP) work.

If contractors routinely replace pre-priced UPB items with proprietary assemblies, the practical effect is to bypass the competitively established UPB and increase reliance on NPP pricing, potentially exceeding contractual thresholds established by the owner.

5. Definitive Position and Enforcement Guidance

Position

Multi-component construction assemblies and broad system pricing should not be used within final JOC Job Order Proposals.

Instead, contractors should prepare final proposals using only individual UPB tasks contained within the approved contract Unit Price Book or Construction Task Catalog.

This approach preserves:

- transparency
 - competition
 - auditability
 - quantity verification
 - change management
 - owner confidence
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Recommended Enforcement Practices

Owner agencies should:

- Reject proposals containing composite assemblies or lump-sum system pricing.
 - Require every construction activity to be represented by measurable UPB line items.
 - Verify that no macro assemblies duplicate individual tasks.
 - Require contractors to convert conceptual assemblies into detailed quantity takeoffs before proposal approval.
 - Limit use of Non-Prepriced work to the circumstances permitted by the contract.
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6. Conclusion

The strength of Job Order Contracting lies in its transparency.

Its competitive pricing model depends upon contractors applying a single competitively bid coefficient to thousands of predefined, measurable construction tasks.

Allowing generalized construction assemblies into final proposals weakens transparency, complicates auditing, reduces owner oversight, and undermines one of the principal advantages of the JOC procurement methodology.

Owners that consistently require detailed UPB pricing better protect public funds, improve contract administration, simplify audits, and preserve the integrity of their JOC programs.

References

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WHY CONSTRUCTION ASSEMBLIES SHOULD NOT BE USED IN FINAL JOB ORDER CONTRACTING (JOC) PROPOSALS



TRANSPARENCY. COMPETITION. ACCOUNTABILITY. THAT IS THE FOUNDATION OF JOC.

1 EXECUTIVE SUMMARY



Job Order Contracting (JOC) is a specialized IDIQ procurement method designed to deliver efficiency, transparency, and cost-predictability for facility repair, alteration, and minor construction. The foundational mechanism of JOC is the Unit Price Book (UPB) or Construction Task Catalog (CTC), which contains thousands of preset, granular, individual tasks. The use of multi-component assemblies in final JOC proposals is fundamentally non-compliant and undermines fiduciary oversight, regulatory compliance, and contractual integrity. [1,5,7]

2 STATEMENT OF THE ISSUE



Construction assemblies consolidate multiple discrete components into a single composite price (e.g., pricing an entire "exterior wall system" per square foot rather than breaking out the individual studs, insulation, drywall, fasteners, tape, joint compound, and paint). While assemblies are useful for early-stage budgeting, their inclusion in a final JOC proposal masks critical details and conflicts with the principles of JOC procurement. [1,7]

3 CORE TECHNICAL ARGUMENTS AGAINST ASSEMBLIES IN JOC



A. VIOLATION OF THE GRANULAR DETAIL REQUIREMENT

Final proposals must map perfectly to the physical reality of the project site. Assemblies prevent exact itemization of discrete tasks, reducing accuracy, change management capability, and long-term asset data quality. [3,8,9]



B. SUBVERSION OF THE COMPETITIVELY BID COEFFICIENT RULE

Contractors compete on a coefficient applied to pre-priced UPB unit prices. Assemblies embed assumptions about waste, tools, cleanup, and overlapping trades. Applying a single coefficient to a generalized assembly allows markup to be applied to hidden variables, undermining the intent of competition. [1,5]



C. IMPEDIMENT TO STATUTORY AUDITING AND FIDUCIARY VERIFICATION

Public and corporate owners must be able to trace every dollar spent to a verified unit of work. Assemblies obscure details, making it difficult to verify cost reasonableness, potential duplicates, or unallowable costs. Granular UPB pricing provides the audit trail required by law. [4,6]

4 REGULATORY AND FRAMEWORK COMPLIANCE ANALYSIS



FAR PART 16 IDIQ CONTRACTS

FAR 16.504 establishes the framework for IDIQ contracts. JOC requires predetermined unit prices that become firm-fixed when multiplied by measured quantities and the contractor's coefficient. Assemblies do not meet the rigor of true unit prices. [2]



FAR PART 36 CONSTRUCTION CONTRACTS

FAR Part 36 emphasizes measurable construction work, proper estimating, and contract administration. Detailed line-item pricing supports equitable adjustments, inspections, payment verification, and contract closeout. [2]



COST DOCUMENTATION

FAR 15.404-1 requires sufficient cost or pricing data to support pricing decisions. While JOC proposals are not traditional negotiated procurements, the principles of transparency and documentation still apply. [2]



NON-PREPRICED WORK (NPP)

Most JOC contracts limit Non-Prepriced work (often $\leq 10\%$). Replacing pre-priced UPB items with proprietary assemblies increases reliance on NPP, potentially exceeding contractual thresholds. [2]

5 DEFINITIVE POSITION AND ENFORCEMENT GUIDANCE

THE POSITION



Multi-component construction assemblies and broad system pricing should not be used in final JOC Job Order Proposals. Contractors must prepare final proposals using only individual, granular unit price line items from the approved Unit Price Book/Construction Task Catalog. This preserves transparency, competition, auditability, and owner confidence. [1,5,7]

ENFORCEMENT DIRECTIVES



Reject proposals containing composite assemblies, lump-sum systems, or Uniform pricing.



Require every construction activity to be represented by measurable UPB line items.



Verify that no macro assemblies duplicate individual tasks.



Require contractors to convert conceptual assemblies into detailed quantity takeoffs before proposal approval.



Limit Non-Prepriced work to the circumstances permitted by the contract.

6 CONCLUSION



The strength of JOC lies in its transparency. Its competitive model depends on applying a single coefficient to thousands of predefined, measurable tasks. Allowing generalized assemblies weakens that transparency, complicates audits, reduces owner oversight, and undermines one of the principal advantages of JOC procurement. [1,4,6,7]

REFERENCES

- [1] U.S. Army Corps of Engineers (USACE). (1997). *Job Order Contracting (JOC): An Introduction for Owners*. Engineering and Construction Bulletin. Washington, DC: Department of the Army.
- [2] Federal Acquisition Regulation (FAR). (2025). 48 CFR Chapter 1, Parts 15, 16 and 36. Washington, DC: U.S. General Services Administration, Department of Defense, and NASA.
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