4Clicks Chatter

4Clicks By Estimators & Estimators™
*Serving Customers Since 2001*

What is a Coefficient!?

I know what it is but instead I went to Google for another answer and this is what I found:

A coefficient is a number in front of a variable. For example, in the expression $x2-10x+25$, the coefficient of the $x2$ is 1 and the coefficient of the x is -10. The third term, 25, is called a constant.

If the expression were $-x2+10x+25$, the coefficient of the $x2$ would be -1, and the coefficient of the x would be 10.
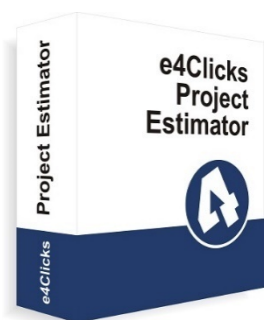
That's a lot to think about! No wonder we get so many emails and calls from contractors on this topic. The coefficient is very important for any successful contractor or contract. We are excited to team up with the Center for Job Order Excellence (CJE) group to provide helpful resources for our community. Our first subject matter will be responding to a Request for Proposal (RFP) and coefficient development. The coefficient, or in some cases the coefficient(s), that's right, some contracts have just one, some have two, a dozen and some have hundreds of coefficients.

Our focus will be workshops, downloadable white papers, partners, and working examples. We want to do what we can to enable new contractors to have a good understanding of the process.

In the last few weeks, there have been at least a dozen contractors who have reached out for help. They are new to the business, and it's always exciting to hear their passion for this thing we are doing called JOC. I am excited to work with CJE and other organizations to prepare tomorrows JOC contractors for success.

For the new contractor who is considering making the jump into this business, it's amazing, & we wish you the very best! I hope you learn more, look at and win more contracts in the years to come.

Working for each of you every day is a privilege! In April, we celebrated 16 years in business, and I want to thank everyone that has made this dream possible. We have an amazing staff who have appreciated the kind words, phone calls and emails. We love what we do, and each of you are truly amazing and are so important to this community we serve. We have more exciting news coming your way very soon in regards to our website being revamped to better serve our customer! Watch for another update later this month!

Courtesy of: MathWizz.com for the definition of coefficient

Michael

Michael Brown
By an Estimator, For an Estimator™

Quote of the month

" Management is efficiency in climbing the ladder of success; leadership determines whether the ladder is leaning against the right wall."
-Stephen Covey

Welcome New 4Clicks Clients!

AFG Group
Bullock Tice Associates
Economic Insights of Colorado
Hensel Phelps
HRG
Khotol Services Corporation
LEE Construction Group
Los Tocayos Construction

MCADE
Megen Construction AWA 2
National Gallery of Art
Oneida Nation
Pope Field
RTB Group
Scalzo Architects
TDX Quality

Western Builders
Wilmoth and Associates

e4Clicks Updates

Q2 CCI

Make sure you get your 2nd Quarter RSMeans by Gordian® City Cost Index update. (If you're not signed up to get email notifications, you can sign up on our homepage on the bottom right.)

4Clicks Website Changes

Scheduled for June Release

We are busy finalizing the details on our new website so we can give you more options to purchase software, data and training online! Consider it a one-stop shop! Stay tuned for more information about the enhancements to the 4Clicks.com website, later this month!!

Customer Spotlight

Nellis Air Force Base – Las Vegas, Nevada

We are spotlighting the wonderful customers at Nellis Air Force Base in Las Vegas, NV. We started with a marketing visit in the spring of 2005. Charlie Hadway asked me to visit his SABER team and show them what we were doing for SABERs. We appreciate his service to our country and miss him! God wanted Charlie to run the SABER in heaven.

Mission
Nellis Air Force Base, a part of the United States Air Force's Air Combat Command, is located approximately eight miles northeast of Las Vegas, Nevada. The base itself covers more than 14,000 acres, while the total land area occupied by Nellis and its restricted ranges is about 5,000 square miles. An additional 7,700 miles of airspace north and east of the restricted ranges are also available for military flight operations.

Nellis is a major focal point for advanced combat aviation training. Its mission is accomplished through an array of aircraft, including fighters, bombers, fuelers, and aircraft used for transport, close-air-support, command-and-control and combat search-and-rescue. The Nellis work force consists of about 9,500 military and civilians that makes it one of the largest single employers in Southern Nevada. The total military population numbers more than 40,000, including family members and military retirees in the area.

Background
Nellis began as the Las Vegas Army Air Field in late 1941, hosting the Army Air Corps Flexible Gunnery School which started B-17 gunnery training in early 1942. In 1944, B-17 co-pilot training was added. During the height of World War II, more than 600 gunners and 215 co-pilots graduated from the school every five weeks. In March 1945, B-17 co-pilot training was cancelled and the gunnery program gave way to B-29 gunnery training. Following the end of the war, the base was a separation center and then placed on temporary standby status, finally closing in January 1947. Reopened in 1949 as Las Vegas Air Force Base, it was renamed the next year in honor of Lieutenant William Harrell Nellis. Lt Nellis, a P-47 pilot from southern Nevada, was killed in action Dec. 27, 1944, while on his 70th combat mission over Luxembourg during the Battle of the Bulge in support of the besieged 101st Airborne Division.

Initially an advanced pilot training base, the mission changed to F-86 flight training and gunnery for qualified pilots. During the Korean War, the training received at Nellis AFB was directly responsible for the 14-1 kill ratio of the F-86 against the superior MiG-15. At the time, Nellis was the only base training F-86 combat pilots - pilots returning from the theater were used as instructors at the Combat Crew Training School, and provided the air expertise that allowed the United States to maintain air superiority throughout the war.

With a 1958 transfer from Air Training Command to Tactical Air Command, the mission transitioned from initial aircraft qualification and gunnery training to advanced, graduate-level weapons training. The USAF Tactical Fighter Weapons Center (now Warfare Center) was activated in 1966. In 1975, Red Flag air-to-air exercises were started and in 1990, the Air Warrior, now Green Flag-West, air-to-ground training mission moved to Nellis AFB.

Today, as part of the USAF Warfare Center (USAFWC), units at Nellis continue to provide training for composite strike forces that include every type of aircraft in the U.S. Air Force inventory, along with air and ground units of the Army, Navy, Marines and air units from allied nations. Nellis is also responsible for operational test and evaluation, as well as tactics development.

The 57th Wing is the operational element of the center. The wing's major units are the 57th Operations Group, 57th Maintenance Group, U.S. Air Force Air Demonstration Squadron "Thunderbirds", U.S. Air Force Weapons School, 414th Combat Training Squadron (Red Flag), 547th Intelligence Squadron and the 549th Combat Training Squadron (Green Flag-West).

Other USAFWC units at Nellis AFB are the 99th Air Base Wing and Nevada Test and Training Range (NTTR), along with the 53d Test & Evaluation Group (53d Wing, Eglin AFB, Fla.) and 505th Operations Group (505th Command & Control Wing, Hurlburt Field, Florida.)

The NTTR organization is responsible for developing, maintaining, and operating facilities on the NTTR to satisfy requirements for a realistic combat environment.
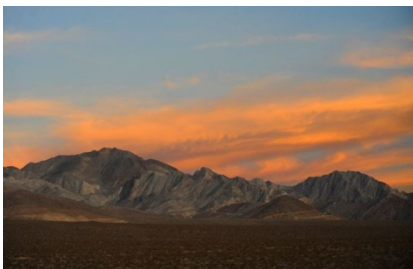
The 99 ABW has three groups. The 99th Mission Support Group provides a wide array of services including transportation, supply, services, contracting, civil engineering, mission support and communications for both Nellis AFB and Creech AFB. The 99th Medical Group provides a growing range of medical services to the base and retiree population at the Mike O'Callaghan Federal Medical Center, operated jointly with the Department of Veterans Affairs. The 99th Security Forces Group provides base security and, through ACC's Silver Flag-Alpha Training Center at Creech AFB, training for SF defenders deploying to combat zones.

Tenant units at Nellis include the 926th Group, Air Force Reserve Command; 820th Red Horse Squadron and 555th Red Horse Squadron (AFRC); Operating Location Alpha, 563d Rescue Group and more than 50 smaller tenant units and activities. Also present is an Armed Forces Reserve Center hosting US Navy Reserve, US Army Reserve and US Marine Corps Reserve units.   Info courtesy of: Nellis AFB

4Clicks Technical Support: Tips & How To

Add Items as Custom: The New Warning when the Feature is Turned On

Located near the top of the **Browsing, RSMeans** pricing guide window, is a check box labeled: **Add Items as Custom**. This is an optional feature that is meant to be used when you have many line items that you need to add to your estimate as **Custom Line Items** (from the RSMeans by Gordian® pricing guide). It makes things a little easier to add items as custom by quickly allowing you to skip a step. Therefore, when then this check box is marked, <u>all line items that you add to your estimate will be added as custom</u>.

This check box stays marked until you clear it. You must remember to turn it off when you are done using the feature.

Sometimes new users turn this option on accidentally. To help, we have added a prompt window that warns you when you turn this check box on (not each time you open the window, only when you turn the feature on). The warning window is called **Paste as Custom**. (See the screenshot to the right.) Click on the **Yes** button on this warning window if you <u>do</u> want to turn on the **Add Items as Custom Check Box** feature. Click on the **No** button if you do not want to turn on the feature.
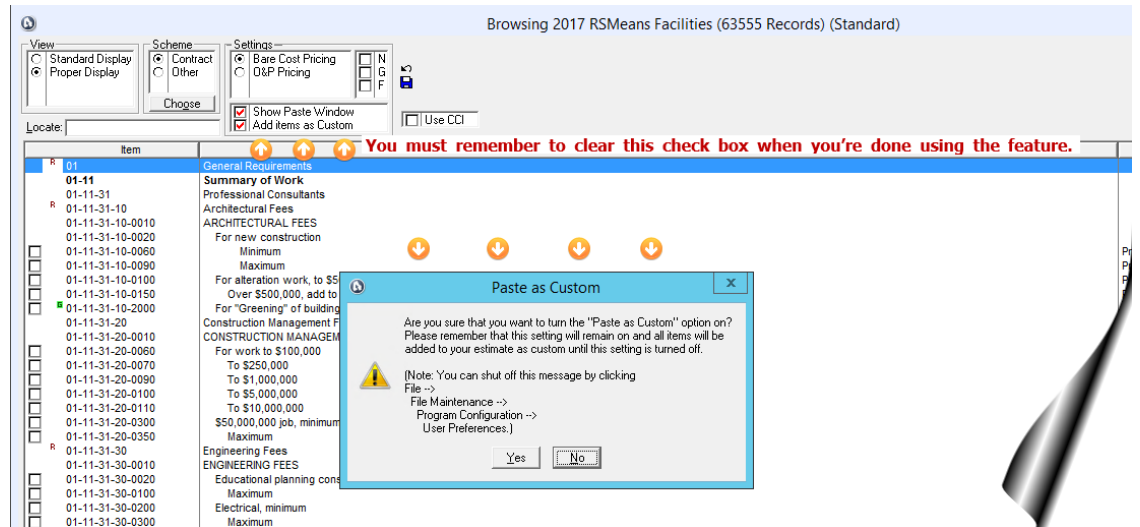
After the initial warning, you are not warned again (until you toggle the check box off and then on again.) So please glance at this check box occasionally to make sure you haven't turned it on accidentally.

<u>Controlling the Warning</u>

You can control whether you are warned or not. By default, this warning will be <u>turned on</u>. To check or adjust the setting, use the **Program Configuration** window. On the software's main menu click on **File** and then **Program Configuration**. On the **Program Configuration** window, go to the **User Preferences** tab. On that tab, click on the **Settings** sub tab. The option **Do not display a prompt before enabling the Add Items as Custom option in pricing guides** is on this tab near the bottom.
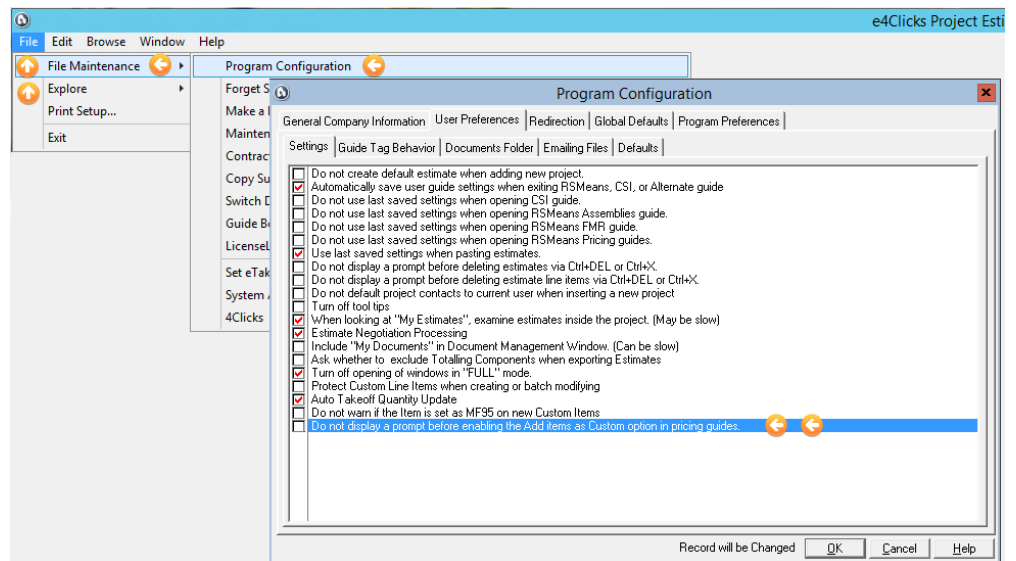
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Like us on Facebook. Follow us on Twitter! View our videos on YouTube and check out our company profile on Linked In and Google +. You will find all the latest information, news, training dates and testimonials. We are spreading the word about #4Clicks

4Clicks Training News

4Clicks training comes in three forms, regional, onsite and virtual training classes. Anyone who has attended our training classes knows they are FUN, and PACKED with information! But don't take our word for it!

Awesome course! Great teacher and presenter. I wish we could spend more days learning it.

– USAF, Project Manager

My overall experience was beyond exceptional. Both instructors were very detailed oriented and knew the product very well. Bruce had a strong presence and it came through in his teaching. His real-life experiences helped the overall class. My favorite part of the class was the true scenarios and actual implementation of the product in today's market. I will definitely be at the advanced class when its offered in my area.

– Project Manager

Keep an eye on the 4Clicks Training site for future classes. As always, let us know if you'd like to suggest dates and locations you think would be good!

Upcoming Training Dates

2017 TRAINING DATES		
e4Clicks Getting Started	Virtual Training	12 June
e4Clicks Introductory to Advanced Training – Day 1 *Basics of e4Clicks and Estimating*	Virtual Training	13 June
e4Clicks Introductory to Advanced Training – Day 2 *Estimating Tools and Basics of eTakeoff*	Virtual Training	14 June
e4Clicks Introductory to Advanced Training – Day 3 *e4Clicks Advanced Tools*	Virtual Training	15 June
e4Clicks Getting Started	Virtual Training	11 July
e4Clicks Hybrid Training Course	Virtual Training	12-13 July
e4Clicks Getting Started	Virtual Training	14 August
e4Clicks Introductory to Advanced Training – Day 1 Basics of e4Clicks and Estimating	Virtual Training	15 August

e4Clicks Introductory to Advanced Training – Day 2 Estimating Tools and Basics of eTakeoff	Virtual Training	16 August
e4Clicks Introductory to Advanced Training – Day 3 e4Clicks Advanced Tools	Virtual Training	17 August

Regional Training

4Clicks training gives your team valuable hands-on training designed to get the most out of your investment. Our students gain incredible understanding and great retention. Our training manuals give students very thorough information they use and take home with them.

Onsite Training

Are you interested in our trainers traveling to you? This saves you time and money – not to mention the convenience and benefits of customizing the class to fit your specific needs.

Virtual Training

Experience the benefits of training without ever leaving your office. Choose from 2, 4, or 6 hour sessions dedicated specifically to your team's needs.

Custom Training

We can provide your team a Custom e4Clicks Getting Started Class. This class is perfect for a new user or a user that wants to get trained-up on the basics. This is a six-hour class – online, with no travel costs! This class allows for a single group with twenty attendees over multiple connections. So, you can bring your team together online!

Contact us to discuss your specific needs and for more information on class syllabuses.

4Clicks is an Approved Education Provider through AACE International. In addition to having some fun and learning new skills, you can earn **Continuing Education Credits for your attendance** in most of our training courses. Classes can fill up quickly; so, reserve your seat before we're sold out! Register Now.

Training Templates

Here we are mid-year, and how time flies! Jesse and I are in full Training mode. We listen to our clients! Some of you would like access to template estimates. What if we hosted an "area" on our website, that would allow you to upload template estimates for all clients to use? We can call it "store and share template estimates". Are you willing to upload your templates to our site, so our clients, including Owners could download them? I believe this would be a great benefit to all our clients! We need your input! Email us and let us know!

Industry Information

Information & Best Practices of Job Order Contracting

Bidding a JOC or SABER?

From 4Clicks: Bidding a JOC or SABER Checklist

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Job Order Contracting Program - Frequently Asked Questions - Source: mass.gov

State of Massachusetts – Division of Capital Asset Maintenance and Management (DCAMM)

How many contracts will be bid?

DCAMM has divided the state into regions for the purposes of its facilities maintenance and management activities. DCAMM is planning to award three to five general contractors per solicitation per region, with the first solicitation being for work in the metropolitan Boston region. Contracts will be awarded to the prescribed number of responsible and eligible bidders bidding the lowest coefficients per solicitation.

How is the contract priced, since it is open-ended?

Since actual projects are not identified at the time of bid, the contract pricing relies on a Unit Price Book for each county. DCAMM's Unit Price Books will be prepared by Norwell-based RSMeans, a national company focused on construction cost data. The contractor bids a coefficient (or multiple coefficients), which serves as a modifier or adjustment factor, to the applicable unit price book(s) included in the region. For instance, a coefficient of 1.20 would represent a 20% markup on every unit price in the applicable Unit Price Books. The coefficient must include all project general conditions as described in the contract, including but not limited to supervision, overhead and profit. It represents the total cost for an installed unit. Projects, considered Job Orders under a DCAMM JOC contract will be scoped and priced as part of a process described in the contract.   Once a Job Order is approved, the price becomes a lump sum price for the project.

How do I develop a coefficient? What is a typical coefficient?

Contractors may develop the coefficients that they choose to bid by any means they desire based on their own experience. Some contractors develop coefficients by analyzing the unit prices in the Unit Price Books and comparing them to historic and anticipated actual costs, plus overhead and profit. They may not analyze all 49,000 unit prices but may focus on key commonly used tasks. If you maintain good job costing information, you can select corresponding line items out of the Unit Price Books and compare your actual costs including general conditions, overhead and profit. You can also do a historic project analysis, where you take a historic project where costs are known, and then generate a line item estimate based on the applicable Unit Price Book. The differential (including overhead and profit) could inform a reasonable coefficient. Of course, you need to select projects that would be typical of those you anticipate completing under the DCAMM Job Order Contract—similar in size, general condition requirements, and possible distribution of work items. You might perform this exercise for several projects to normalize the results. More detailed general information for developing a JOC coefficient can be found in the white paper provided by RSMeans by Gordian® file size1MB

How was RSMeans chosen as the developer of the DCAMM Unit Price Books?

RSMeans responded to an RFR for JOC Consulting Services, including the provision for Unit Price Books, and was selected under a competitive process.

Is the pricing the same as the commercial RSMeans books I have used before?

The structure of the RSMeans pricing is identical to its commercial off-the-shelf cost data publications which are based on national average pricing, with City Cost Indexes for localization of prices. However, for DCAMM, RSMeans conducted custom, primary cost data research and analysis in all 14 Massachusetts counties, resulting in localized Unit Price Books for DCAMM. Therefore, no City Cost Index is needed, and no such index will be used in calculating job order prices.

What are prevailing wage requirements?

Prevailing wage rate requirements of the contract will be imposed on a county by county basis. RSMeans has conducted cost research in all 14 counties and has based the DCAMM Unit Price Books on prevailing wage rates at the time of research and publication, as well as local material and equipment costs on a county by county basis. However, prevailing wage rates are dynamic and awarded contractors must comply with the legally required prevailing wage rates noted in the contract, regardless of the prevailing wage data used in developing the unit prices in the Unit Price Books.

How may the Job Order Contracts Support Minority and Women-owned businesses?

Studies of JOC in the federal government have shown that JOC increases opportunity for small and disadvantaged businesses. The type of work performed under the DCAMM proposed contracts (small maintenance, conversion, repair and alteration projects) should provide opportunities for emerging businesses, whether they serve as prime contractors or a trade subcontractors. Prime JOC Contractors can aid with government contracting requirements for those that are new to DCAMM work. DCAMM's evaluation of the pilot program will consider the degree to which MBE/WBE goals are furthered.

Each prime JOC contractor will be required to meet DCAMM's standard goals for the use of Minority and Women-owned businesses over the course of the contract

DCAMM will be conducting outreach through the Massachusetts Supplier Diversity Office and the DCAMM Compliance Office.

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Job Order Contracting and the Use of Pricing Coefficients - Source: [Stover Team](#)

This Blog topic has been developed in response to a question about Coefficients in Cost Estimating.

What is Job Order Contracting? Job Order Contracting (JOC) is a tailored contract type used in construction for renovation, remodel and repair projects. Job Order Contracting is authorized by the Federal Acquisition Regulation (See AFARS 5152.237-9000 Economic Price Adjustment (Job Order Contracts)). It is often a multi-year (Base +) contract using established and documented unit pricing at its base. It is similar to an Indefinite Delivery Indefinite Quantity (IDIQ) scenario that allows for a contractor to be assigned tasks (work orders) IAW the negotiated book (IDIQ) price. Once a Job Order Contract is in place, individual work orders are issued that can be priced and executed in an efficient and timely manner. The negotiated book price is determined ("marked up or down") by the coefficient applied by the contractor to the base to achieve the contractor's price.

Job Order Contracting is used broadly by the Federal Government, state governments, universities and community colleges, hospital systems, K-12 school districts, city, county and municipal governments and clients who have significant facilities infrastructure needs. A successful Job Order Contracting program exhibits a process to select qualified competitive contractors and the use of pre-agreed pricing that combines industry standard price information (e.g., a price book) and a contractor's pricing coefficient.

What is a Coefficient? The coefficient, also referred to as the "multiplier "or "factor", is the markup or markdown (discount) applied to the base IDIQ price to arrive at the contractor's price. Examples: 1). A coefficient of 1.08 means the contractor will perform line items in the unit price book for an 8% markup. 2). A coefficient of .97 means the contractor will perform line items for a 3% discount. The coefficient is considered "fully loaded" and includes all costs including general conditions, overhead and profit.

Center for JOC Excellence

As the designated non-profit association for Job Order Contracting, SABER, and related IDIQ contracting methods, Center for JOC Excellence provides best practices, education, JOC certification, resources, and networking for the collaborative Job Order Contracting project delivery method. Are you interested in certification? Contact CJE to enroll!

CJE exists to help public entities access information and experience success using best practices. We invite our members and network of estimators and managers to join our collaborative efforts. CJE is partnered with Arizona State University, the Alliance for Construction Excellence, Leadership in Capital Projects, SAME, NASFA, IFMA, and many more great organizations to provide the best unbiased resources to enhance LEAN project delivery.

CJE is composed of professionals working together to create solid foundations for collective success.   We invite the 4Clicks users to access research, best practices, discounts on educational seminars, and gain a competitive advantage through the **JOC Certificate** program and the professional designation program as a **Certified JOC Professional (CJP)**. The next certification class will be held in August.

Please visit our website JOCexcellence.org or our certification page for more information. To request a workshop session, webinar, or schedule a presenter, contact the nonprofit resource center's Director at 832-754-3044 to help you realize the attributes of a successful construction IDIQ program.

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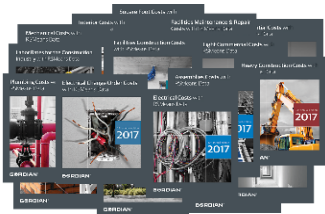
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We can't say it enough – our success is based on great clients and partners. Please tell us what we are doing right or what we are doing wrong, and send us information for our newsletter!

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Give Us a Review on Capterra!

Do you love our software features? Let others know by giving e4Clicks Project Estimator a review here!

4Clicks Solutions, LLC
P.O. Box 20635
Cheyenne, WY 82003

Technical Support:
719.574.7724
866.742.5425
support@4Clicks.com

Sales:
719.574.7721
866.438.4254
sales@4Clicks.com

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