

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25

Army MILCON Transformation
Industry Forum
Dallas, Texas
April 14, 2005

1 MR. MOY: My name is Howard Moy. I would like to
2 welcome you to this industry forum. These are interesting
3 times for the Army, a time of change, not only in the
4 structure in the Force but the structure of how we are going
5 to provide quality facilities to our soldiers in a less
6 expensive manner and more quickly. With that said, let me
7 quickly run through what we plan to go through today. On
8 this slide you will see that we will have four presentations
9 with regard to one is the vision from the Pentagon viewpoint
10 of where we are going in this initiative and the next three
11 are the three focal areas of which the strategy is being
12 developed, planning and programming standards and criteria,
13 acquisition and execution. Also we will have a discussion on
14 small business concerns then we get to the meat of why we are
15 here, the dialogue with you, the private sector, our partner,
16 invaluable partners in this initiative to make all this
17 happen. Let me turn this over to Michael Duffy, who will go
18 through some of the ground rules for today's proceedings.

19 MR. DUFFY: Good morning, everybody. I have been
20 e-mailing most you and talking to you on the phone. It's
21 nice to see you in person. We do have some ground rules we
22 would like to make sure we follow. First one, locations of
23 the projects basically we will not be discussing. All the
24 work is going to be nationwide, so installation across the
25 nation. That's about all we can tell you at this time.

1 Please keep your questions until the end of the presentation.
2 At that time only questions concerning clarifications will be
3 allowed to be asked at that time. After all the speakers are
4 done, then we will go into a question and answer phase. Also
5 please speak only if you have a microphone in front of you.
6 We have a court reporter here who is recording everything.
7 If she can't hear you, she can't get it recorded. It's very
8 important we can get all the information we possibly can down
9 and in print basically.

10 And if you have questions and you don't feel like
11 standing up in front of a crowd and speaking, we do have
12 question and answer forms. They should be in some of your
13 packets. If not, you can write it down on the note pages
14 that were basically provided by the hotel, and we will pick
15 them up and make sure we get them addressed. Also please
16 keep your discussion focused on the topics. We are going to
17 go through each individual focus area and discuss those
18 particular questions at that time. We ask that you focus on
19 those questions and not try to change the topic until we get
20 to that topic that is of that concern. Also please limit
21 your comments concerning marketing your firm.

22 We understand you want to try to get your name out
23 there for everybody to know who you are and what you can do,
24 but we are not here for marketing briefing basically. We are
25 here to get information from you on how we can do things

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

1 better. So please speak up, talk to us and let us know what
2 we can do and answer our questions and we will hopefully be
3 able to answer all of yours.

4 MR. MOY: At this time, I would like to introduce
5 Mr. Don Basham, with the Corps of Engineers, Chief of
6 Engineering Construction with a few opening remarks.

7 MR. BASHAM: Good morning. First of all, I want to
8 thank you on behalf of the Army. While a lot of folks that
9 you see here today and will be working with here today is
10 from the U.S. Corps of Engineers, you need to know this is an
11 Army initiative. It is not a Corps of Engineer issue.
12 That's important and hopefully will unfold as we go through
13 today as we work this. It's already been kind of mentioned.
14 I would like to set the stage this morning for the day's
15 activities.

16 And while Michael kind of went through some of the
17 rules, like any other rules, kind of structure this thing.

18 I don't want this session today to be so structured
19 that we can't have a dialogue. It's not about you answering
20 our questions. It's about starting a dialogue with us over
21 the next few months of how we are going to transform doing
22 business in the Army and delivering facilities for soldiers
23 in the Force. As many of you see out there, fighting the
24 war, we are getting ready to go through a BRAC, an Army
25 transformation, Army transformation. If you don't understand

1 what that is, that's where we are bringing a large amount of
2 troops back to the United States to deploy from here in the
3 future.

4 Instead of housing in different parts of the
5 country or the world, now the notion is in the future we
6 don't know who our enemy is going to be and we don't know who
7 we going to fight. We are going to develop our objection
8 platforms here in the United States and troops will deploy in
9 the future. There are three different things going on and
10 the folks will lay out for you. In the morning, a couple of
11 things in the morning is to kind of give you a sensing and
12 set the stage of some of the dynamics and some of the issues
13 that we are facing, have to deal with and how we are going to
14 try to transform to deliver those facilities.

15 Some of you, let me ask you, how many of you either
16 have done work for the U.S. Corps of Engineers. Okay. How
17 about the Navy and the Air Force, a lot of the same group.
18 How many here are small business? Okay. Let me ask how many
19 architect engineers, contractors, suppliers. Okay. How
20 about, and I may not be getting the right words. Help me
21 with the broadness of it because I know there are a number of
22 different terms in the industry, pre-engineered
23 pre-fabricated, tilt up modular type fabricators. Okay.
24 Good. Small business. Okay.

25 Just helps us up here to get a flavor of the group

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

6

1 that's out here that we are talking to today. I will tell

2 you all those ones that I just mentioned are groups that we
3 are going to look to interact with as we move forward here.
4 I kind of gave you a sensing that there are three major
5 pieces here: Our traditional MILCON program, BRAC that will
6 be coming out here in another month and restationed. The
7 reason we can't share numbers with you today is not because
8 we are trying to hoard the information, don't want to share
9 it with you.

10 As you know, until BRAC is announced, that's the
11 President's discretion to do that. We are not at liberty to
12 start giving you numbers. Quite frankly, some of the folks
13 up here on the stage have limited knowledge of that to start
14 with. Quite frankly, it's a need-to-know basis right now
15 because that's information that could spread pretty easily.
16 There are only a few small groups of folks that have a
17 understanding and depth of breadth of what those are.
18 Frankly, by the time I get back to D.C., they will probably
19 change again. We are not really here today, we will engage
20 you in other forms in the future down the road to help better
21 define when BRAC is announced, to get some more specific
22 information out there about the volume of work that is going
23 to be in certain areas and certain installations. The best
24 thing I can tell you right it looks like the 13th of May,
25 which is Friday the 13th, the BRAC announcement will be made.

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

7

1 That will help you give you a better perspective right off
2 the bat where the future power objection platform in the Army

3 is going to be.

4 The Army has fought the wars in the past. Some of
5 you have served in the service here, done military work for
6 the Army, know that we have base divisions. The Army is
7 moving away from divisions to brigade units. They actually
8 call them modular units where they can plug different units
9 together to make a bigger brigade and can pick and choose
10 what it wants, whatever war effort and conflict is going to
11 fight. On that same concept, we are looking to how we are
12 going to help house those folks in the future and how we are
13 going to be able to change and adapt our facilities to
14 support our installations, that modular Army in the future.
15 It's got to be adaptable, flexible. It's got to change.

16 The BRAC program that comes on here is a five-year
17 program, and so we have got things that we have learned from
18 previous BRACs. We've got to change the way we do business
19 to deliver facilities and installations faster in order to
20 accomplish that five-year window, not drag that out. Also
21 you are going to see that we are looking to change
22 drastically in the way we deliver services. If there is
23 anything I can leave you with today, you need to understand,
24 this is not about incremental change.

25 In previous forums, we have had two of them. This

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

8

1 is the third one we have had. Some of you tell us you
2 deliver a billion dollar project in 12 months. Those of you
3 who do business with us today in the Corps of Engineer know

4 we don't even deliver a 15 million dollar project in less
5 than two years. We are looking to move to start delivering
6 on average most of our programs in 12 to 18 months from start
7 to finish.

8 We are looking to move to the Secretary in the
9 Army's notion is to start turning dirt in the year of
10 appropriation. Again, most of you that do business with us
11 know our goal right now is to award a contract in the year of
12 appropriation. That's a board of design contract or design
13 bill contract. And so those are some huge changes. They are
14 not incremental changes. What we would like to do is
15 dialogue with you today about is start a discussion of how we
16 are going to make those changes. And why it's important to
17 dialogue with you today is a hundred percent of our
18 construction business is done by you in the private sector.

19 In any given year, at least 25 percent, excuse me,
20 75 percent of our technical engineering services are provided
21 by you in the private sector. So the success we have in
22 transforming the way we deliver services is going to be
23 dependent on you. You have got to understand and got to
24 participate in the discussion of how we are going to make
25 that change because if we make a huge change here and throw

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

9

1 something out there and you are not ready for it, you are not
2 engaged for it, we are not going to be successful.

3 We really want to have your thoughts and ideas. We
4 are not making any decisions here today. We are taking a lot

5 of input. We will have future follow-up sessions as we start
6 trying to define this animal better and start some eaches. I
7 will come back in a little bit later and be the MC for the
8 day, help to process the dialogue. First we're going to
9 start out with a brief overview of the three major areas we
10 are trying to look at to kind of structure this around and
11 then we will open it up for discussion. Thank you again.
12 Appreciate you very much for coming today.

13 MR. MOY: At this time I would like to introduce
14 Wendy Schmidt from the office of the Assistant Chief of Staff
15 for Installation Management.

16 MS. SCHMIDT: Good morning. There is a little
17 change on the agenda. I think your agenda it shows Andrea
18 Shoulders. I am Wendy Schmidt. I work with Andrea. We both
19 work for Dave Reed in the construction division at
20 Headquarters Department of the Army. The headquarters is
21 organized in different directorates. Our directorate where
22 we fall into is installation management and our division is
23 focused on the construction that we do worldwide for Army
24 active installations, active people.

25 Our construction planning and programming and

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

10

1 budgeting and execution is for the active component as
2 opposed to the Reserve or the National Guard. Now, the crux
3 or the problem or the dilemma that we have is really this
4 slide. This is really the heart of the overview. Our normal
5 construction program on a yearly basis for active component

6 installations is about two billion dollars a year, roughly
7 about a hundred projects. Those are relatively small
8 projects. Well, they run from small projects to large
9 projects, the largest being around 50 million dollars,
10 barracks complex. Then you can have small shoot house range
11 projects running about one and a half million dollars each.

12 But in addition to that, we have three initiatives
13 that the Army is coming up with and trying to implement over
14 these next several years and that's going to be on top of the
15 existing two million dollars or one hundred projects or so a
16 year that we have for the active component. Those three base
17 initiatives are the BRAC realignment and closure initiative
18 which will be announced this year.

19 We also have a global posturing initiative. This
20 is where we are trying to bring our troops back from overseas
21 and station them in conus, to deploy from conus in the
22 future. So we are changing our footprint. We are really
23 changing our footprint of our installation with BRAC also
24 gaining additional troops from overseas in conus. We also
25 have what we are calling the Army modular force, AMF. That's

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

11

1 really the term that we are using now for Army
2 transformation. You probably read in the newspaper where
3 Secretary Rumsfeld is pushing the Services to really change
4 the way they do business, think more joint force, more
5 integration, more high speed, flexibility. And the Army's
6 portion of that is known as Army Modular Force, AMF.

7 We will have a slide later on that goes a little
8 bit into that detail. But as you can see at the bottom, we
9 have got these three initiatives that are going to be
10 implemented over the next several years. In the normal
11 planning, programming, budgeting and execution and getting
12 the construction of the project on the ground normally takes
13 about five years in the Army to do that.

14 And we can't afford, with these initiatives coming
15 on line we can't afford to spend five years from the time we
16 plan a project until the time we can actually get the troops
17 in to occupy them. Now, with BRAC and GPI, the Global
18 Posturing Initiative, we are going to be announcing where the
19 permanent stationing of these, where these troops are going
20 to be coming back as part of the BRAC 05 initiative. And by
21 law, the Secretary of Defense has to provide a list of
22 projects to the BRAC Commission by May 16th. There has been
23 discussion or the scuttlebutt is that it's going to be
24 announced before the 16th.

25 But basically by the 16th, DOD has to provide a

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

12

1 list to the BRAC commission for recommendations for closure.
2 We have a short period of time then from when those
3 recommendations go to the Commission to when we can start to
4 program, plan a program for those projects. And we are
5 estimating that we are going to have to plan and program and
6 identify those projects, scope them out by mid summer, and
7 that's in order to meet our budgetary requirements to OSD to

8 get into the president's budget in January of next year.

9 The law itself for BRAC is going to become law
10 anywhere between October and December. The Commission has to
11 present its list to the President and the President has to
12 present the list to Congress by the first of October. And
13 then the Congress has 45 days to act on that BRAC initiative,
14 that BRAC recommendation by the President. And so it will
15 take anywhere, the Congress can act right away in October or
16 it can wait the full 45 days. So somewhere between October
17 and November, middle of December of '05, the BRAC will become
18 law and those decisions will be final.

19 There is always the possibility of somewhere along
20 the line either the President or Congress might not submit
21 the list or Congress might vote it down, but we are
22 proceeding that it's going to happen. What is Army
23 transformation. Basically what we are doing is the Army is
24 going from a force that normally deploys at a division level
25 to a force that can deploy and be self-sustaining at a

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

13

1 brigade level, which is a step below the division level. So
2 we are creating these brigade combat teams from the
3 divisions, and we are making each of the units within those
4 brigade combat teams modular in concept. And one of the best
5 ways I guess it was explained to me why we are doing that and
6 why we are basically going to standardize each of these
7 units, right now the Army and in the past the Army has units.
8 You might have an infantry battalion, a lay infantry

9 battalion.

10 The name is exactly the same as some other 1st
11 infantry battalion but they are configured differently. They
12 have different troop strength. They have different equipment
13 and we are going away from that and standardizing these units
14 so that you have the same troop strength type. You have the
15 same type of unit in one place and the same type of unit in
16 another place. The population, the troop strength, the
17 equipment will all be the same. And one of the problems we
18 are having now, one example that was given was an aviation
19 unit that deployed to Kosovo or into Europe had a troop
20 strength with certain amounts of equipment. The joint force
21 that they were working with worked with them and worked with
22 their troop strength and with the equipment that they had.

23 When they left and a new unit deployed, it was the
24 same type of unit, same name. It had different troop
25 strength, different equipment. So they had to adjust how

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

14

1 they worked with one another because even though it was the
2 same unit, the units weren't standardized. We are going
3 towards standardized units in the Army. That's what we are
4 trying to do. We will be able to work with our sister
5 services better and also with our allies better. We will
6 also be going towards high tech and communications and
7 flexibility.

8 So there is a tremendous effort going underway with
9 transformation right now. Now, with the Army's

10 transformation, we also for construction have to transform.
11 We are going towards these brigade combat teams. We have to
12 provide facilities for these brigade combat teams. What we
13 are wanting to do is look at how we can transform and make
14 our construction a faster process. And in order to do that,
15 we need to look at the whole length of the program from
16 planning and programming to designing and then executing and
17 building the facilities. We can't look at just one piece and
18 not look at another piece.

19 We really have to look at all of them and realize
20 if we change one piece, we are going to affect the other
21 pieces of the construction business within the Army. And
22 what we needs to do is leverage our private industry as much
23 as possible in order to get us to where we need to be and be
24 responsive to the Army. Now, there is three basic areas that
25 we are looking at. We have broken it into three basic areas,

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

15

1 planning, programming, standards and criteria and then
2 acquisition. You will have a briefing on each one of these
3 in more detail, but basically what we are trying to do is
4 package for planning and programming purposes, are going to
5 package our projects in terms of brigade combat team and put
6 that all into one project and concentrate on our soldier set
7 of facilities first.

8 And the soldier set being primarily barracks,
9 vehicle maintenance shops, brigade and brigade and battalion
10 headquarters and company operations facilities. Those are

11 the basic and organizational parking. Those are the basic
12 soldier set facility types that we really need to have on the
13 ground first in order to make that unit operational at that
14 particular installation. We also will need to take into
15 account the increase in population from these brigade sets
16 being stationed at a particular installation. It will
17 increase requirements for some quality of life type projects
18 and there we are concentrating on three basic facilities:
19 Child development centers and physical fitness facilities and
20 chapels.

21 Now, we are trying to deliver these projects faster
22 and on the ground and able for the troops to occupy them
23 faster. We don't want to sacrifice quality and that's where
24 the standards and criteria are in place. We have standard
25 designs and design criteria for basically all those facility

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

16

1 types that I just had mentioned, the soldier sets and also
2 quality of life type facilities. And we want to at least
3 continue to at least glean from those standards the good
4 functional requirements that are needed to make them function
5 and usable for the soldiers. But we don't want to continue
6 using very prescriptive type criteria.

7 We want to get away from that and go to performance
8 type requirements instead of being so restrictive. We also
9 want to go to 25 years useful life as opposed to trying to
10 make the building almost indestructible. So we are easing up
11 on that and going to 25 years useful life. We want to make

12 sure that maintainability of the facilities is kept so that
13 we don't increase our maintenance and repair cost in the
14 future. We also want to make sure that the building can be
15 flexible because we might change our operations in the
16 future.

17 We need to be able to reconfigure or rearrange the
18 facilities so that if we change operations, we can also still
19 use the facility and make it useful to the soldiers. Then
20 the acquisition and execution group is working on how we can,
21 from the time we award the project, how can we be quicker and
22 less expensive in our delivery of the projects. That's
23 basically the overview from the ACSIM's viewpoint.

24 MR. MOY: Are there any points for clarification
25 for Wendy? Thank you, Wendy. At this time I would like to

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

17

1 introduce Barry Saltsberg from North Atlantic Division to
2 discuss planning and programming focus.

3 MR. SALTSBERG: Good morning. I am Barry
4 Saltsberg, as Howard just said. I am the division architect
5 of the North Atlantic Division and for the past 12 to 15
6 years I have been involved in among other things
7 certification of 1381, which is the services basic planning
8 documents. I already know how many of you folks have worked
9 with the Corps before because you indicated the show of hands
10 earlier. But I have another question for you. How many of
11 you have been frustrated by all the regs and reviews. Okay.
12 I don't need a show of hands. I hear it from the laughter.

13 Okay. Well, my headquarters is in Brooklyn, New
14 York. As we say in Brooklyn, forget about it. We are going
15 away from all those regs. We are going to commercial or
16 industrial standards, and we are going to be doing away with
17 a lot of those reviews. To show how we plan, develop the
18 facility requirements and design and submit budget requests
19 to Congress, when we are successful, this method results in
20 construction projects for our soldiers. The facilities we
21 are planning is not the same you have experienced in your
22 military careers that you built before.

23 This is a new Army and an example of our barracks
24 for unmarried soldiers, they are not open gang latrines,
25 rather like college dormitories concept or maybe two bedroom

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

18

1 apartment. It's not your father's Army. The basic apartment
2 that we have been using, barracks as we use the word is two
3 single bedrooms, shared kitchen and bath referred to as a one
4 plus one standard. This is a representation of force
5 structure. The entire triangle would be a brigade, 4,000,
6 6,000 soldiers. A brigade is broken up into six battalions
7 with 350 to 650 soldiers and 29 to 36 companies with 65 to
8 300 soldiers.

9 The Army force structure of level of echelon with
10 comparative population of soldiers for each level is
11 reflected on this slide. This is one brigade set, a brigade.
12 The next slide will talk about the 20 of not only soldiers
13 but family members that accompany them to the installation

14 and civilian communities.

15 Tell you the entire Army is transforming does not
16 provide you with an appreciation of this action or its
17 impact. To understand the magnitude of the change your Army
18 is undertaking, the brigade size organization is the
19 representative model of which there are a total of 77
20 brigades involved in restructure, including 43 in active Army
21 and 44 in Reserve and National Guard. To understand the
22 impact to installations and civilian communities, we are
23 showing you the total population including family members or
24 dependents of our soldiers, which is wives and children. The
25 Army average is 2.6 family members for each soldier.

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

19

1 That's one wife and 1.6 kids. Okay. You figure
2 out what point six of a child is. If we look at one brigades
3 at the in-state total population increase is 21,600 people.
4 This is the beginning of the Army's transformation. There is
5 more transformation to come. This represents the tip of the
6 iceberg. The brigade set is the representative model for
7 change. Mission critical facilities are classified as
8 operational in nature. Army terms, the analogy to the
9 public's comparative facility would be the brigade
10 headquarters or administration, battalion headquarters,
11 administration, company operations, administration building
12 plus warehouse.

13 These are office buildings. Listed on the company
14 personnel housing, otherwise known as barracks, think

15 apartments. Again, this is not your father's Army. Dining
16 facilities, think cafeteria, maybe a Mars or Piccadilly.
17 Vehicle maintenance shop, the truck maintenance shop, also
18 been described as Jiffy Lube on steroids. We are not
19 servicing cars. The smallest thing we are servicing is HUMV
20 and on up. An organizational vehicle parking is really a
21 parking lot for Army vehicles, place where we park the HUMV
22 and trucks and so forth. Unit storage, think mini-storage.
23 They are all over, the storage, you know them.
24 Specialized facilities, aviation units and some specialized
25 facility requirements such as hangar, aircraft parking areas,

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

20

1 in other words, what we are looking for here is house them,
2 barracks or apartments, feed them, dining facilities or
3 cafeteria, organize them, get them to their unit command
4 headquarters, equip them, get them to their maintenance shops
5 and storage areas, train them, get them into the training
6 complex, maneuvers and arrangements.
7 To give you an idea of the magnitude of
8 construction to be provided, these figures represent quantity
9 of facilities for one brigade set for 4,000 soldiers.
10 Apartments, two single bedrooms, one kitchen and one
11 bathroom, cafeteria, again think of Piccadilly or Mars
12 cafeteria concept. Vehicle maintenance shop, like I said, is
13 a Jiffy Lube on steroids. Overall maintenance capability for
14 Army organizational vehicles, HUMV trucks, maybe Army
15 personnel carrier and sometimes even tanks. Organizational

16 parking for Army tactical vehicles, this is not personal
17 vehicles, not soldiers' own cars. It's the, as I said, the
18 HUMV trucks and so forth. Unit storage, this is for soldier
19 equipment, not personal storage.

20 Again, like a mini-storage and like it's for the
21 issued equipment. And as you can see by the slide, the
22 magnitude of it, office buildings, 11 and a half acres of
23 apartments, 750 two bedroom apartments, cafeteria, Jiffy
24 Lube, 6.4 acres of shop space, parking lot, 36 contiguous
25 football fields. And mini-storage is like 325 single car

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

21

1 garages. This chart reflects the basic process involved in
2 obtaining Congressional approval for military construction
3 project. What we show here is a similar process the public
4 sector uses, planning for use, developing business
5 development plan.

6 For us it's determining what is needed and where it
7 could be constructed on the installation including supporting
8 facilities, that is project site selection, environment
9 documentation. Programming, for you it's development of
10 financing options, getting the dollars to support your
11 project. For us it's validating the need based on Army
12 standards and criteria and for preparing the 1391 documents.
13 Design, same for both processes, being to develop the floor
14 plan and construction plan. Construction, once financial
15 approval is granted, begin construction activities.

16 That's the same. There are two situations. One,

17 concept one is the green grass plan. Green grass resolutions
18 for standard brigade set is constructing all new facilities
19 in a single contiguous complex, to separate the integrity,
20 keep the family units together. It's based on completely
21 open land, unused land, no buildings and start from scratch.
22 An area that probably has no infrastructure facilities is
23 referred to as green grass. The master plan is green to
24 develop a site and complex with minimal constraints and
25 obstacles. The other alternative in a brigade set site plan

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

22

1 alternative is the in-fill plan.

2 This is where we utilize existing available
3 facilities to offset some of the new facility requirements
4 and then attempt to construct new facilities in close
5 proximity again to support the unit integrity. The plan is
6 to utilize open space in and around existing buildings, new
7 facilities and obviously adapt existing buildings to the new
8 users. We expect most installations will be involved in
9 developing green grass site plan as available existing
10 buildings are not common occurrences in our installations
11 today. Are there any clarifications? Thank you.

12 MR. POTTER: Good morning. My name is David Potter
13 from ATV Corporation. I was wondering when you were going
14 over 65,000 square foot of this mini-storage, what element
15 would this serve? Would that be brigade level or parking lot
16 level?

17 MR. SALTSBERG: The numbers I have given you is per

18 brigade.

19 MR. CHRISTENSEN: Erik Christensen, STZ
20 Construction. Did you say you were leaning toward in-fill
21 site type project or green grass?

22 MR. SALTSBERG: Mostly we expect it's going to be
23 green grass.

24 MR. C. BASHAM: Chris Basham with Parsons. I did
25 hear right, you said most of them would be green filled

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

23

1 sites?

2 MR. SALTSBERG: Green site, unused sites, open
3 fields or maybe slightly forested or whatever but no
4 buildings.

5 MR. C. BASHAM: Two questions with that, how big
6 would that total green fill site be? I didn't calculate it
7 up there. And is that really feasible on existing land or
8 are you going to be buying new land?

9 MS. SCHMIDT: If I might add, really it's going to
10 be a combination of green grass and in-fill. It really has
11 to rely on the master planning at any particular installation
12 and also the outcome of the BRAC initiatives as to troops
13 moving in and out of installations and the available on-hand
14 facilities. So we expect it's truly to be a combination of
15 both green grass and in some instances there will be a need
16 for green grass but others we will have to backfill.

17 MR. SALTSBERG: As to the size of brigade set, you
18 will be getting a set of these slides and you can pretty much

19 calculate them but it's big. Yes, sir.

20 MR. SIDER: Carl Sider with Fuger, Wilson and
21 Ratcliff. Pertaining to master planning, will these green
22 grass sites be pre-planned or will the Army be working with
23 master planners, you know, private industry master planners
24 to create a master plan or are these going to be all stamped
25 just the same footprint?

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

24

1 MR. SALTSBERG: My understanding is that it will be
2 a partnership between you and us. We will work together to
3 plan it out. Wendy, am I wrong?

4 MS. SCHMIDT: Yeah. Well basically we will have to
5 use private industry master planners to do contracts with
6 them to do master planning. We already are doing a limited
7 amount of master planning on what we think our sites where
8 the permanent stationing of the modular force is going to be.
9 But we haven't done any planning at this point in time for
10 projects per se on BRAC initiatives because they haven't been
11 announced yet. We don't know where they are going to be or
12 what the impact will be.

13 It's going to be a very short time frame, but I
14 believe Huntsville Corps of Engineers has kind of positioned
15 themselves so that they have contracts available to do master
16 planning for the BRAC initiative in the summertime.

17 MR. BASHAM: Okay. Thank you.

18 MR. ARGARE: This is Hal Argare, TechniCal. Did
19 you say standard designs that are Corps facilities are what

20 is planned for these or is there some flexibility on those
21 standard designs in going up versus to all the kinds of
22 features on those?

23 MR. SALTSBERG: Well, my colleague to my right will
24 address that in a few minutes.

25 MR. FIELDER: Jack Fielder with RS Corporation.

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

25

1 Does the Army at this time have design frameworks or design
2 guidelines to start the process for master planning?

3 MS. SCHMIDT: Could you explain that again? I
4 guess I am not quite clear when you say the framework.

5 MR. FIELDER: Often the military work that I am
6 involved in deals with design guidelines before we get to the
7 stage of master planning. Has the Army gotten to the point
8 where they have criteria in order to get these configurations
9 and these facilities for grade sets? Is that something that
10 private industry needs help with?

11 MS. SCHMIDT: We do have the criteria. We are
12 using existing criteria that we have for company ops and
13 battalion brigade headquarters. That's what we are using for
14 criteria for master planning.

15 MR. SALTSBERG: As each brigade set is contracted
16 out, I am not sure if you will be doing the master planning
17 or we will be or if we will partner on it, which is my
18 assumption, that we will partner, you and the government and
19 the Corps. Any more clarification required? Thank you.

20 MR. MOY: At this time I would like to introduce

21 Jessie Kidd from our Corps Headquarters in Washington to give
22 us some insight on where we are going on standards and
23 criteria.

24 MR. KIDD: Good morning, everyone. It's good to be
25 here back in Texas. I came from this area, been gone for

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

26

1 about three years. It's good to see a lot of friendly faces.
2 This standard criteria and focus area, this area is probably
3 where the Army needs your help most at. What is the industry
4 doing out there that can help us through this transition
5 period. We have been in the standardization business since
6 1985 and basically our criteria is made up of functional,
7 functional, operational and technical requirements. The
8 functional and operational vary.

9 They could be a definitive design for a complex
10 facility type or it could be just architectural criteria and
11 functions and special relationships on similar type
12 facilities. The technical requirements, that's basically our
13 roofing manual, seismic manual, ATAC manual, a number. We
14 have a ton of them. Also it's our engineering regulations.
15 It's our Corps of Engineers guide specs and now unified
16 facility guide specs. The goals and objectives, we need to
17 leverage private industry standards, capture best practices.
18 We need innovative design and construction practices. We
19 need to maintain an acceptable level of quality and value.
20 We need to optimize life-cycle costs, find a balance between
21 maintenance standards. We need to execute faster and design

22 these facilities for 25 year life.

23 They have identified the priority facilities for
24 us, barracks which now we are going to designate those are
25 apartments. Dining facilities, these are cafeterias. It's

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

27

1 Luby's and a Picadilly. Company operations facilities, these
2 are industrial admin warehouses, Italian brigade
3 headquarters. These are administrative office facilities.
4 Tactical and vehicle maintenance facilities, these are heavy
5 maintenance shops. This is an interesting slide. In FY 00,
6 01, this is kind of case study at Fort Meade complex, around
7 concept stage of design. This was designed in-house. Around
8 concept stage of design, they identified that they were
9 having budget and scope issues.

10 The design branch took the project back. They
11 redesigned it from a Type Two construction to a Type Five
12 construction and used residential materials and methods. The
13 project came in under budget and it was built in about half
14 the time. It had better finishes and there were contractors
15 that couldn't have been on this project before that were
16 allowed to do that now. I'm just going to look over the
17 various types of facilities that we are talking about and
18 compare them with what private industry does and what we do
19 on post.

20 As we were talking about barracks, we budget \$168 a
21 square foot for our office, Secretary of Defense unit cost.
22 2,005 means budget set at \$99 a square foot. What is the

23 difference of building the same structure, an apartment
24 building or complex inside the gate than outside the gate.
25 Where we can take -- where are our problems and why can't we

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

28

1 do that? We need you to help us figure this out. The
2 occupancies are the same, the residential type of
3 construction, yes. Whatever the international building code
4 allows us to do, it can be any type of construction.

5 We need your help in trying to figure this out.
6 The next type of facilities, dining facilities, our cost is
7 228 a square feet. Picadilly and Luby's, 2005 means has it
8 at like \$160 a square foot. The occupancy, the same,
9 assembly occupancy, we don't want to do type one or two. We
10 are looking for innovation. We want any type of construction
11 that the international building code allows. That is what we
12 want to do. The company operation facilities, these are
13 basically industrial admin warehouses. There is arms vaults
14 in them. There is storage laid down. This is where the
15 backpacks are and gear.

16 We need something that's very flexible. Our cost
17 for doing these facilities is \$140 a square foot. 2005 means
18 has \$68 a square foot. This is something that could be very
19 adaptable. As Barry was saying, they are just unit storage
20 buildings.

21 Type construction again as you see, we have always
22 had to go with type one or type two because it was some
23 military handbook requirement, but we have opened our

24 criteria up and we're adopting, we have adopted international
25 building code. We want to use -- we are not going to force

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

29

1 you to use our guide specs or our unified facilities guide.
2 What you guys are using in the industry, that's what we want
3 to do. We want your help in getting these costs down and
4 building these projects faster. Brigade to Italian
5 headquarters, this is basically office building, no different
6 than any office buildings down here in downtown here.

7 Again, type one, type two non-combustible, we want
8 to do any type that's allowed by the code. We build these at
9 \$155 to \$170 a square foot, 2005 means builds it for \$92 a
10 square foot. We need your help, the difference inside the
11 gate and outside the gate. Tactical equipment maintenance
12 facility versus and basically it's a heavy equipment
13 maintenance facility. It's something that would do
14 Caterpillar or Peterbilt. They also have admin area, have
15 training, possibly arms vault to take off the equipment.

16 So they need that. This facility is factory type,
17 monitored to high hazard, basically that they do the same
18 thing. It's just repairing vehicles. Our cost of this
19 facility is \$159 to \$70 square feet. The means has this same
20 facility for \$133 a square foot.

21 Summary, the Army needs your help. We need to
22 maintain quality and value improvement. We need to leverage
23 industry's best practices. We need to improve the execution
24 time, life-cycle costs improvements. We need a balance

25 there, an operation of maintenance and energy. We need to

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

30

1 look at areas of opportunity for innovations, identify
2 roadblocks and barriers and what we can do to resolve those
3 areas. And lastly we need to reduce costs. Any comments,
4 clarifications?

5 MR. NANCE: Randy Nance with Flanco Construction.
6 Are any of the facilities under the transformation being
7 considered being privatized as housing as the Army Lodging is
8 under consideration? Heard rumors that barracks may be in
9 the future, are any of these facilities that be built under
10 this transformation being considered under the privatization
11 program?

12 MR. KIDD: As of this time, I don't believe so. I
13 know that's a highly political issue, but it has to go
14 through the Office of Management Budget. And I don't think
15 we have proceeded with that yet.

16 MR. ALGARE: Hal Algare again. Could you clarify
17 life-cycle costs? You mentioned these are all first costs
18 that you talk about in construction. Do you have any plans
19 to change how you look at life-cycle costs on this work?

20 MR. KIDD: No. We want to optimize it. We have
21 problems with maintenance out in the field and on our posts.
22 We need to just optimize the best as we can as far as
23 maintenance versus energy and come up with the best solution
24 we can.

25 MR. SALTSBERG: Our target is 25 years life. We

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

31

1 are looking for a set of buildings which will require minimum
2 maintenance over that life and but we don't expect no means.
3 We expect normal maintenance over the life of the 25 years.
4 I am not sure if that answers that.

5 MR. SANDBERG: Carl Sandberg with PWR. One hundred
6 percent of all this construction design will be done with
7 design built type parameters.

8 MR. KIDD: I think we will wait and talk
9 acquisition strategy a little bit later.

10 MR. LOMAN: Ron Loman out of Reese Associates here
11 in Dallas. Are these going to be a mix of design built
12 projects and type typical design bid build projects, my next
13 question.

14 MR. KIDD: I would suspect that, yes.

15 MR. LOMAN: The Navy is looking at trying to pilot
16 project using design built project and operations. Any idea
17 if the Army is looking at that?

18 MR. KIDD: I think we are holding our options open.
19 We need to look at all factors. Exactly.

20 AUDIENCE MEMBER: With respect to the comparison of
21 the operations facilities, is there really apples to apples
22 when you consider sensitive items, storage and on the
23 civilian industry side there is not quite the same
24 requirements for sensitive items storage?

25 MR. KIDD: We will identify Army specific issues

1 when we go out with our solicitations. We will do that, for
2 sure. There is certain specific Army traits that we have to
3 do in each of these facility types. We will identify those.

4 MR. C. BASHAM: Chris Basham from Parsons again.
5 Could you explain on what you mean by 25 year life more as
6 comparison to what you are doing now and how is that
7 different. Does that mean 25 years, we dispose of the
8 building? What does 25 years life mean? Go back to World
9 War II, temporary facilities that are still up in certain
10 places. What does 25 year life really mean?

11 MR. KIDD: It probably means 67 years. I think
12 that's what probably is what it's going to end up. We will
13 try to reinvest.

14 MR. SALTSBERG: If it doesn't fall apart after 25
15 years, we will be happy.

16 MR. BASHAM: Let me try to see if I can hit that.
17 It's come up two or three times in the presentation. I
18 think 25 years, we are talking about functionality. Just
19 like in the private sector, different industry forms are
20 designed for facilities for different functionality life.
21 Some of that is predicated at functionality here in this room
22 like in the restaurant business or retail business. We
23 change our taste every five to seven years. The industry
24 builds their own facilities to accommodate they know we are
25 going to want lights different, different colors.

1 We don't want to have the Big Mac. We want to have
2 something else. That's to accommodate that. One thing you
3 will see in this initial wave of the Army transformation is
4 here, what is really coming about here is the Army is going
5 to continue here and in the future, going to transform
6 itself. As the enemy changes and the combatant changes, the
7 Army has to be flexible. We are looking to design
8 facilities. It's not going to be torn down and done away
9 within 25 years but most likely within that 25 year period
10 of time, that the function of that facility is going to
11 change.

12 We want to have something that doesn't put us in a
13 position that costs us as much. As you saw early on,
14 building out green space versus in-fill. We are going to
15 have more of that in-fill as we build this. The likelihood
16 that the U.S. Army is going to be buying more ground out
17 there to expand facilities, I don't see zero, but it's going
18 to be small. There is going to be a lot of consequence to
19 that. Most major installations are around a metropolitan
20 area. It's environment issues about expanding installations.
21 We are trying to try to stay pretty much in the footprint.
22 It will be the eaches.

23 The BRAC may drive some of that buying some
24 additional ground. It will be the eaches if we do that. So
25 it's more about the functionality. How are we going to

1 design and change them. Give you one example and please,
2 just a snapshot. One of the things you saw on the slide is
3 in addition to all these soldiers coming back home, they are
4 bringing their family. That means in some cases some
5 soldiers and family will live on post. Some of them will
6 live off post. They will have to make that decision with the
7 funds that get to do that. But those that live on the post,
8 their lifestyle is going to change. How do we feed them.

9 I will tell you the example. My wife, if I lived
10 on the post, is not going to go to the old commissary to eat
11 meals. Our kids aren't either. They change. And so once
12 you build out a complex, somebody was talking about lease.
13 When you build out a small, what I used to call a old strip
14 mall arrangement or in the Atlanta airport, a small complex
15 and you lease out to the Burger Kings and Picadilly and
16 chinese food restaurant and over time, guess what. You quit
17 going to that little booth to get food. They go away and
18 somebody else comes in its place that meets the needs and the
19 interest.

20 That's just one very small example of what we are
21 looking at here, how do we accommodate that. Instead of
22 having a great big dining hall facilities, do we have a
23 series of smaller dining hall facilities. Can they be built
24 more efficient. There is space issue. This has to be dealt
25 with. Can you re-utilize some of those facilities. What you

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

1 build it for today, in 15 or 20 years, if the unit size
2 changes, the troop changes, the makeup changes, can we adapt
3 and adjust those facilities at a lot cheaper price than what
4 we can do today. I will tell you, we have got some monuments
5 here today that cost us a fortune to try to move walls and
6 reconfigure those buildings as a troop unit changes in size.

7 You probably at the end of the day are going to
8 deal with the size of the force changing. Like we are
9 talking about here moving from division size to brigade size,
10 the size of those are going to change over time and what have
11 you. So how best do we accommodate that as the units change.
12 Does that help a little bit with that? We will get more
13 into, Ms. Greenhouse is going to talk a little bit about the
14 acquisition piece. Again, there are no decisions being made
15 here today. We made a decision to go design built, are we
16 going to go more design built.

17 That's part of what we would like to have a
18 discussion with you-all today. Clearly hoping you are going
19 to start asking some questions while we are here. It's a
20 system. There is a lot of moving parts here. And we have
21 got to look at all these moving parts to make them all fit
22 together to execute this program and look at an array of
23 possibilities. I will talk to you in a few minutes about
24 some of those to help generate your thinking about it. I
25 would like to touch briefly again so you can be thinking

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

1 about the master plan.

2 I don't want to get confused. We definitely need
3 the private sector to help us do some master planning. It's
4 a huge uphill. The master planning is not going to be done
5 coincidental at the same time we are putting out the contract
6 to build this thing. Remember I have got to turn dirt in the
7 year of appropriation. I am not going to get there if the
8 first thing I have got to do now is figure out what the
9 master plan is for this site. There will be a lot of things
10 working in parallel, developing master plans. I can tell you
11 there will be a lot of people scurrying around here on the
12 14th day of May because they now figure out if they are a
13 winner or a loser, if you look at it that way in the BRAC
14 exercise.

15 Those that are going to be winners are going to be
16 looking at some tremendous buildup. Where are they going to
17 put it on the post. How are we going to get it laid out. If
18 we understand all that's going to be done up front, if we
19 award a contract, whatever that contract is to go build, you
20 are ready to start building within a week to ten days. In
21 conception that's what we are talking about. You know, you
22 have done business with us, you don't turn dirt in six
23 months, much less 6 days. Okay.

24 MR. MOY: At this time I would like to introduce
25 Bunny Greenhouse, Corps's Principle assistant responsible for

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

2 MS. GREENHOUSE: Like Mr. Kidd in his remarks, it's
3 very good to be back here in Texas. I lived here for about
4 three years and really loved the area and loved to see the
5 improvements that are being made from year to year,
6 especially in the roads. I think we need to learn something
7 back in Washington on all the mixers that you have here that
8 really push the traffic and get us around a lot faster than
9 what we are doing right now. Also as I got here last night,
10 usually when I get off of the plane and walk out to where I
11 am going to find a rental car, there is a wall of heat. Last
12 night I didn't experience that wall of heat. And so that was
13 such a welcoming here, not to have the wall of heat.

14 I think you are going to hear a lot of the things
15 that we do here today that are all going to be pretty similar
16 to what we are trying to do in Army Corps of Engineers to
17 meet the Army's needs in this transformation. One of the
18 things that I'm sure all of you have learned if you have been
19 around to do business with the Corps with the Army that
20 installations have changed. You heard a few years ago that
21 we were going to a forward projection Army. That forward
22 projection Army meant at the heart of much of what we were
23 going to be doing, even when we were on the battlefield were
24 going to be back there at those installations.

25 So if that was true, then we had to think of

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

1 looking at the installations a lot differently and improving
2 the quality of life on those installations for our troops as

3 well as for the installation managers that were going to be
4 there. You start hearing about Army transformation and now
5 we are hearing about Army MILCON transformation. So that
6 infuses the Corps and because as Don had said earlier, one
7 hundred percent of our construction is done by the industry
8 as well as a large percentage of our design and so forth. So
9 you are very important to us. In this transformation with
10 the installation there is a lot of reach back. The Corps has
11 been a part of that by doing tele-engineering, whereas now we
12 can reach over to Iraq and see bridges and roads or whatever
13 that need repair and reach back into our laboratories and be
14 able to on the spot improve those.

15 You notice that axiom and ACA, the Army contracting
16 agency that was newly formed with consolidation of
17 installations and the information management agency. All of
18 those are managing installations differently. We had to
19 start thinking consolidation. We had to start thinking smart
20 consolidations and versus bundling. So it's not about
21 bundling. It's about smart consolidation and I hope that you
22 will be convinced of that when you leave here today. You are
23 going to find that this program, this is about forming
24 programs for acquisitions rather than in the eases. I
25 thought that Mr. Ken, I believe, had given you a good insight

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

39

1 into, you know, what those facilities are going to be.

2 Now, you have got to help us decide what of these
3 types of facilities that can be packaged into programs that

4 will be deliverable and not fall into that catch 22 type
5 emphasis that some people had remarked in our last forum,
6 saying that boy, you got all of these objectives that you got
7 and can all of these objectives be met. That's why we are
8 having these forums to see if you can help us form that. So
9 we are about smart consolidation, but we are also about break
10 outs.

11 Small businesses are here to hear those words. We
12 are about break outs. We need to know from you where are
13 your capabilities that we can break out, you know, certain
14 activities that will not have to be under the IDIQ type
15 contract or the umbrella type contract that the Corps usually
16 is dealing with in the Corps. So you tell us where those
17 capabilities are. Somebody mentioned in one of the other
18 forums that the transportation, the location, of people,
19 buildings or whatever, that they had a facility capability of
20 being able to do that. It did not have to be under an
21 umbrella type contract.

22 What do you bring to the table today as a break out
23 mechanism for us to get there. You know, the Corps has a lot
24 of broad experience in this transformation. There was a
25 while where the Baltimore District actually challenged the

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

40

1 jocks because the jocks were not delivering over a period of
2 time where the commander wanted to have it on his clock. So
3 we had 8(a)s, were actually awarded what were called TACC,
4 they were task ordered construction contracts. They

5 delivered in six months. So we are looking for those type of
6 things as well.

7 RCI, we have been the ones that have done that
8 residential communities initiative. This is not about an
9 RCI. This is not about our privatizing. This is not about
10 our getting out of the business. This is about the MILCON
11 that we have had to manage along with the RCI initiatives
12 that we have had. So just want that to be kind of crystal
13 clear to you.

14 Forums, we believe that the forums, this is a great
15 opportunity for you to early be a part of framing this
16 initiative. There are a lot of criticisms out there with
17 government as to how do we contract, all these dumb
18 government people put out a solicitation like this, how is
19 this making any sense whatsoever to industry. Forums are
20 going to give you that opportunity to make a difference. So
21 it is an opportunity for you to make a difference. It is an
22 opportunity for you to participate and I hopefully want you
23 to leave here today knowing that you came here and you made a
24 difference.

25 You asked the right questions. You challenged us.

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

41

1 You asked the tough questions. You were having us leave here
2 thinking a lot differently. Mr. Kidd was so convincing to
3 me. When he said that the Army needs you and kept on with
4 that theme throughout his process, his voice, his passion of
5 commitment to that, I hope you heard it. I was really

6 convinced over there, that he really means for you to ask
7 those tough questions and get involved into this process.

8 We want to hear how you can move us from the way we
9 operate today to one where we are going to bring about more
10 effective competition. What do I mean by more effective
11 competition. A lot of times we don't have a market survey
12 process to get into all the nooks and crannies to know where
13 all the capabilities are. Those businesses that are maybe in
14 garages but still have best value for us. You are here to
15 tell us where those capabilities are so we can think
16 different than just simply the umbrella. We can think about
17 where is the opportunity for the break out.

18 This forum is about listening, really seriously
19 about listening to you and about providing some information,
20 about making sure we remove a lot of the myths and
21 misunderstandings about how the Corps of Engineers does
22 business so that we can survey all the capabilities out there
23 for analysis. Don has clearly told you that we have made no
24 decisions. You are helping to frame those decisions over
25 these regional forums that we are trying to do. So we want

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

42

1 you to be our think tank today, your opportunity to get us
2 straight now to think about commercially how we should be
3 infusing some of those processes into the way the government
4 is doing business.

5 I think we are very serious about that. You have a
6 lot of different experiences with a lot of different agencies

7 within the commercial world. Share that with us and so that
8 it can make a difference for us.

9 As the PARC, I am not only just the principal
10 assistant responsible for contracting. I am also the
11 competition advocate. So I will be listening for those
12 interests that you have of increasing that competition and
13 also the acquisition reform advocate for trying to make sure
14 that we weed out, you know, some of the processes that just
15 simply don't make sense and don't make good business deals
16 for you. So it's a chance here for you to leave here to say
17 that you are going to make a difference. This is the PARC'S
18 mission.

19 If you will notice there, the Corps of Engineers is
20 about trying to be the premier organization in our nation.
21 These are the kind of things that help to get here. U.S.
22 partners must understand that's where we are trying to go.
23 You notice there I have a bullet on total value creation.
24 That is what best value means to us. Someone asked the
25 question a minute ago, what does it mean by that tail, that

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

43

1 ONM tail. ONM in the Army is broken. We are looking for
2 holistic approaches. It may not be the eaches of repairing
3 them. It may not be the eaches of maintenance as periodic
4 maintenance. We are looking for you to be able to assess, do
5 assessments of what are the integral parts of a building, of
6 a facility and then note when different facilities need to be
7 substitutable or whatever to bring out about the intended

8 life of the ONM manufacturing. So we are looking for a
9 different concept, energy and all that included in this
10 process. We are looking for small business participation and
11 you are going to hear that from the small business office in
12 quite a lot of detail here and incentives.

13 We throw out things, as I said to Don, not trying
14 to put, infuse for the AE contractors of which we have done a
15 lot in Alaska providing stipends for the ones who are losers
16 in our different competitions in order to keep the quality
17 ones interested in doing business with us. You might want to
18 talk about that, of what you have heard about the stipends
19 and how you think the stipends would encourage you to bring
20 out about, become a quality partner for us. Innovation is
21 where we are. Changing our business practices is where we
22 are.

23 I wanted to show you, I hope you have copies of
24 these slides. If you don't, make sure you try to get them.
25 I wanted to show you some of the typical strategies that we

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

44

1 have already and some of the new strategies that we have gone
2 into. Look at those strategies. Think about what you are
3 doing with other agencies in the commercial world and try to
4 come up with how can I infuse these strategies to make a
5 difference here to meet the objectives that seem a little bit
6 ambitious as we are. But those are the kinds of things that
7 we do.

8 One solicitation, multiple competitions, multiple
Page 42

9 awards type contracts but where we are at 8(a) group where we
10 will have a unrestricted group. Because of some restrictions
11 in the small business world, we may not be able to have a
12 small business, you know, set-aside type of competition
13 because that is not, in certain years that is not allowed
14 because of the participation in the years before. Look at
15 those strategies, see how you can improve on them for us.
16 These are basically, I have two sheets here of slides here on
17 goals of where we are trying to go. Flexible solutions
18 reduce costs and save time.

19 We will never sacrifice quality in what it is we
20 are trying to do. We always want quality built into our
21 process and not inspected in. I think you have heard that.
22 Good project management you know that is part of the
23 concurred engineering that we must consider, you know, if we
24 are going to have successful endeavor.

25 Innovative contracting approaches. We are looking

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

45

1 for your ideas. Those traditional strategies that I placed
2 up there, provide us some more. We are trying to make sure
3 that we determine whether we are going to have a
4 concentration on a fabricator. Someone spoke on that
5 earlier, whether we are going to bring in these modular type
6 walls to quickly put up frames. I saw something wonderful at
7 the Pentagon the other day, no cubicles but actually rooms
8 that were made out with metal light switches, all of that.
9 It was wonderful. We didn't have wood but it was

10 functionally doing exactly what it was supposed to do.

11 Market research is not what we do very well. We
12 are looking for you to change that today. Multiple award
13 construction contracts, how do you like them. Are they
14 viable. Are you getting good experiences out of them. Are
15 we going to be looking more with some of this locally, only
16 then some of the endeavor will be national and then others of
17 the endeavors would be regional. We want to look at that.
18 We want you to bring up to us the challenges you may be
19 having in the trade industry utilizing the same folks or is
20 there a deficit in the trade industry.

21 Of course, everything is about capitalizing on
22 economies of scale. How can you get us there. Many of you
23 have asked questions already, wanting to get into what are
24 those contracts going to look like, solicitation is going to
25 look like. We are trying to streamline this acquisition

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

46

1 process. We have a team out there that is being led by J.R.
2 Richardson out of Huntsville. But I do want to introduce you
3 to, I believe Ms. Butler is also here from Huntsville. She
4 is helping with that streamlining process to take these
5 processes out. And also in your area we have Maureen Taylor,
6 who is the chief of contracting at the Fort Worth District.
7 And we have Sandra Easter, who is the Chief of Contracting
8 at Little Rock District and Jennifer Heath, who is working in
9 the contract office at the Fort Worth District.

10 There are folks here that if you get a chance to

11 talk to as to how we are trying to streamline, you know,
12 these processes and reviewing the processes as they are today
13 and then making them a lot leaner so we are looking at Lean
14 Sigma, so forth that you hear all the buzz words. They gave
15 us in the Corps a little booklet so we can make things
16 leaner. Templates, that's been part of what I hear a lot in
17 my open door at headquarters. Every district is a different
18 solicitation.

19 I can never know how to look at Corps solicitation
20 and be able to develop my proposal very easily. We are
21 trying to do some standardization with those under this
22 program. Performance based contracting. We are not here to
23 tell you how to do it. We are here to lay out to you what
24 the instate must be functionally and so forth and technically
25 with all the criteria and standards. You get there. You get

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

47

1 there being able to bring us to all the objectives that we
2 are trying to get.
3 Design build is there. Do you have a better
4 approach or do you have something to add on to that design
5 build. We heard so much. The Air Force is doing things this
6 way and the Navy is doing them this way. We want you to help
7 us to leave here today where we are the best as the Army
8 because you have helped infuse all that is in the Air Force
9 and Navy that you like into this program that we are coming
10 up with. We are looking at site specific approaches. IDIQ
11 contracts I still say is the Corps bloodline. They can be

12 framed a little differently. Tell us about that. Awards
13 local regional, nationwide, multiple award contracts and so
14 on.

15 We are trying to get all the data we can to go back
16 and make some good decisions. This is advice. I want you to
17 pay attention to the chart. Small businesses are very
18 important to us, and you will hear this from Ms. Overstreet
19 coming up soon, extremely important. But this is what I as
20 PARC trying to looking at the point of solicitation that we
21 have a annual small business coverage every year. I want you
22 try to attend that. That will help us get mutually
23 beneficial agreements. Under IDIQ contracts, there is a
24 minimum guarantee that your prime contractor is going to get
25 or your general contractor is going to get.

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

48

1 Make sure when you make a mutual agreement with him
2 that you are getting some return on your investment as a part
3 of that minimum. So it's about thinking unrestricted. It's
4 about making sure you understand what our hot spots are from
5 our website, that you are making sure that you address those
6 as you develop your proposal. And if you are
7 unsubstitutable, tell us and market that with passion.
8 That's what it's all about. So small business, really want
9 you to come here to know that you are included and not
10 excluded.

11 Large businesses, want you to sit here as you hear
12 these small businesses tell us about what the improprieties

13 are about and the impediments for them getting into business.
14 Think about how you are going to mitigate those things that
15 the small businesses are thinking about because we are trying
16 to think about how we are going to make sure that's not a
17 level of effort, your best effort. It is really trying to
18 make those small businesses into viable primes. I didn't
19 have a card for everybody, wanted to make sure you have all
20 the information in that.

21 I do have an open door policy at the headquarters.
22 If you are ever in Washington on business, just call. You
23 come in and talk about some of your ideas. Send in your
24 white papers or be able to send in marketing brochures that I
25 put a letter on and send out to all of our commands to let

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

49

1 them know what it is you do.

2 MR. KIDD: The slides were changed recently. The
3 copies you have don't have all the current slides. They will
4 be posted. You will be able to download those and get full
5 copies.

6 MS. GREENHOUSE: Any questions how we are trying to
7 energize you to really leave here today knowing that your day
8 that you are spending here is to make a difference. I don't
9 care from what vantage point that you are coming from, make a
10 difference and we will be happy.

11 MR. HANSEN: Sid Hansen with Beck Group. I
12 applaud your efforts here. I understand what you are trying
13 to do. It's a tremendous undertaking but getting to some

14 specifics and solicitations and criteria you require of us to
15 make a submittal. For instance, you come out with a project,
16 we have to show past performance for that kind of project for
17 the past three years or five years. Maybe we did several of
18 those in private industry but we are not allowed to show
19 those. Are you looking at your qualification requirements in
20 the solicitation to open it up so that we don't have those
21 type of problems?

22 MS. GREENHOUSE: Absolutely. You have heard from
23 Don. You have heard from all the speakers that were before
24 me that we are really trying to infuse what has been working
25 in the commercial world in here. We are not looking closed

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

50

1 to the installation as to the way you may have known many of
2 our solicitations to have been. We are infusing that
3 commercial world. So I expect as our team is working on
4 trying to revamp that as we give our criteria, evaluating
5 criteria, it will be different, not closed to just simply
6 military because we want to bring in the Wal-Marts and the
7 K-Marts and all that. So we need to know what you have done
8 in that area. Good question. Thanks.

9 MR. MOON: Andrew Moon with Cytex. Some of us have
10 been to multiple forums. Some us are here the first time.
11 The question that I have, is it too soon or can you tell us
12 what is the Corps taking away from what you have heard from
13 us in the past two forums?

14 MS. GREENHOUSE: I will let Don take that later on
Page 48

15 when we get through. He brings the assimilation all
16 together. He is the one who is the head of this whole
17 project and initiative as project manager on this. I am sure
18 he is going -- Don, I don't know where he is right now. I am
19 sure that Don Basham is going to be able to bring that all
20 together when he starts with getting you prepared for your
21 roundtable. Is that okay, Don?

22 MR. BASHAM: I will share some thoughts. We have
23 had two forums. This is the third one. We have two more
24 next week. If you are interested, we will tell you what we
25 got out of the Atlanta forum this week.

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

51

1 MS. GREENHOUSE: We are serious about hearing from
2 you and know that it's not about bundling. Talk about your
3 capabilities as to what we need to hear to take back so that
4 we can do things differently if it's going to bring best
5 value and bring us to the objectives where we are trying to
6 go. Thank you so much.

7 MR. MOY: Thanks, Bunny. I would like to introduce
8 the speaker of our last formal presentation, Debbie
9 Overstreet representing Corps of Small Business Office.

10 MS. OVERSTREET: Good morning. Great show of hands
11 earlier when Don asked how many small businesses are out
12 there. And I would like to ask you to please raise your
13 hands again if you are a small business, please. I am very
14 impressed. I want to congratulate each one of you because
15 you have taken the first step that needs to be taken to

16 demonstrate to the individuals sitting here at the table and
17 to the other Corps of Engineers folks and Army folks sitting
18 out there in the audience that small business is interested
19 in getting a piece of this work.

20 And what we are looking for is now that you have
21 demonstrated interest, we need to know what your capabilities
22 are, if you have experience in this area, what your bonding
23 capacity is. This is the first step that you can take to
24 show that you want to be a part of this. How many of you
25 that are small have done work with the Corps of Engineers

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

52

1 before? Okay. That's very good. What I would like to say
2 in FY '04 the Corps of Engineers had about an eight billion
3 dollar Continental U.S. program. Those are our contract
4 dollars that we are obligated and about 40 percent of that,
5 those were direct contract awards went to small business
6 concerns. So we are doing a good job, but how many of you
7 out there think we could do a better job of involving small
8 business? We agree with you. I think what you have been
9 hearing here is we want your suggestions.

10 That's very important. And Ms. Greenhouse
11 introduced a few people that are here today from the
12 contracting office and I would like to ask the small business
13 folks from Corps of Engineers, please stand up. I know we
14 have Shirley and Malea here. These are individuals I would
15 really appreciate you get to know today. I know you want to
16 talk to me, and I want to talk to you, but these people are

17 actually out in the field. When we start making set-aside
18 decisions, they are the ones that are going to be your voice.
19 They are the ones talking to the technical folks. Thank you,
20 Shirley and Malea.

21 I would also like to introduce Mr. Paul Stone who
22 is from the Small Business Administration and he is the
23 chairman center representative in Fort Worth. Thank you,
24 Mr. Stone, for being here today. I think it's important to
25 understand we are partnering with the Small Business

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

53

1 Administration to ensure that we get the assistance to small
2 business that you need as you face the challenges on how you
3 are going to work with us from a prime and subcontractor
4 perspective. Some of these contracts are going to be very
5 large.

6 What we are trying to figure out today as we move
7 through these procurements, how can we structure them, how
8 can we package them, how can we break things out so we ensure
9 we involve small businesses from a prime and subcontracting
10 perspective. You are here today expressing your interest. I
11 want to point out that each of you have this document in your
12 package of materials today. The first two pages deal with
13 questions specifically for small businesses to answer. We
14 need to know what we can do to better ensure that you are
15 able to have an opportunity to participate.

16 And then the last few pages are for everyone here
17 in industry for you to help us, to give us some feedback on

Minutes from DFW Forum.txt

18 what can we do to do a better job cost wise, quality wise and
19 timeliness wise in delivering this project to our customer,
20 the Army and the soldiers. A lot of the speakers have
21 already mentioned how important small business is to us. I
22 really appreciated Ms. Greenhouse bringing up some very good
23 points. We do have our annual conference at headquarters. I
24 would invite you all to consider that. It's very important
25 for the small businesses to stay involved now, tomorrow, next

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

54

1 year.

2 This is a program that is going to be growing and
3 as we move into it and we make decisions on how we are going
4 to conduct procurements, we are going to be learning. We
5 learn from the small businesses on how they can do a better
6 job. The burden does rest on you to stay informed, though.
7 Certainly you can go to FedBizOpps and set up certain
8 automatic notices to yourself based on NACE codes based on
9 procurements that are going on. But the burden does fall to
10 you to stay informed and stay involved.

11 We really need you to respond to information
12 request and sources sought and continue attending forums like
13 this so when I say I would like a raise of hands on who is
14 small, the Corps of Engineers folks in the room and the Army
15 folks in the room see how many small businesses are out there
16 and help us do our job. That is what we need to do. I would
17 like to share with you a little bit of the challenges that we
18 face lately. We do a lot of construction work, and we have

19 really focused on involving small business.

20 We want to continue to involve all the different
21 small businesses from the HUBZone to the 8(a) to the women
22 owned firms, and we are also ensuring that bring up our
23 participation in service-disabled vets. Recently there have
24 been sources sought synopsis issued from our Omaha District
25 and our Norfolk District on construction jobs they wanted to

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

55

1 set-aside for service-disabled vets. Unfortunately, in not
2 enough instances did they get enough response back so that
3 they could conduct a set-aside for service-disabled vets.

4 I think what happens, the companies might be out
5 there but they think, oh, great, the Corps is looking at
6 conducting a set-aside. I am sure they are going to do that
7 and then when the announcement comes out, then I will put in
8 my proposal. It doesn't work that way. We have to hear from
9 every company that's interested in participating in a
10 procurement like that. If we're saying we think we are going
11 to conduct this as a set-aside for service-disabled vets, you
12 must affirmatively come back and say yes, I am interested and
13 specifically give them the information that they are looking
14 for.

15 What is your bonding capacity. What are your
16 capabilities. What's your experience. Answer the questions
17 that they have in sources sought. Tell us what we need to
18 know so we can make an affirmative decision to set-aside the
19 procurement for small businesses. The other thing the Corps

Minutes from DFW Forum.txt

20 is doing working with the Small Business Administration is we
21 recognize that some of these procurements are going to be
22 rather large. As an individual small business it may be
23 difficult for you to participate as a prime contractor. We
24 want to emphasize we are open to joint ventures. We
25 encourage joint ventures and we also encourage using the

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

56

1 mentor-protége program.

2 I strongly recommend you talk to your local Small
3 Business Administration point of contact about how you might
4 be able to position yourself to be prepared to submit offers
5 for some of these larger procurements that might make you
6 more competitive and more attractive to use if you use joint
7 venture mentor-protége arrangement in your approach. We are
8 serious about small business and I think what you are hearing
9 from us today is we are also very serious about high quality
10 timeliness.

11 We need to meet the needs of the military and cost
12 efficiencies. So please keep that in mind that when you talk
13 to us, yes, we want to know your small business, your
14 service-disabled vet, your HUBZone firm. How are you going
15 to make us comfortable. How are you going to reduce the
16 perceived risk that we have if we conduct this procurement as
17 a set-aside. We need to know that if we restrict competition
18 to small businesses we are going to get some good pricing,
19 going to get a good quality product and it's ready to operate
20 when we need to operate.

21 We are also serious about enforcing the small
22 business prime self-performance rules. When we conduct
23 set-asides, there are requirements based on limitation on
24 subcontracting that the prime contractor must perform. We
25 want to make sure that when the small businesses receive

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

57

1 these procurements under a set-aside, that they perform the
2 amount of work in-house they are supposed to perform by
3 statute. We have often, few times in my experience we have
4 gone to the Small Business Administration and asked them, we
5 might have 8(a) firm.

6 He is having a little difficulty performing the
7 amount of work in-house. Can we reduce that percentage a
8 little bit because we really like to work with this 8(a)
9 firm. The answer is no. Those percentages are statutory.
10 So as you think about conducting set-asides within these
11 different programs, if you are HUBZones or an 8(a) firm,
12 recognize that that means you are going to have to provide a
13 certain amount of labor with in-house forces. Maybe you
14 don't have that capability right now. What is your plan to
15 ensure you will have that capability if you are going to be a
16 prime contractors.

17 Subcontract plans, we recognize, the Corps
18 recognizes that this is a major issues for us, that we need
19 to ensure that large prime contractors are, as Ms. Greenhouse
20 said, not just making a good faith effort but actually doing
21 what they said they were going to do and involving the small

22 businesses and their subcontracts. We certainly will have
23 subcontract goals for participation of small business in all
24 of our contracts for construction over a million and services
25 over 500,000. So that's basically everything that deals with

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

58

1 this program that is going out on an unrestricted basis.

2 There will be a mixture of prime and subcontracting
3 opportunities. We will be performing market research.

4 Certainly as these procurements come about, as we figure out
5 where the work is going to be occurring, what the magnitude
6 of the work is going to be, technical staff and project
7 management staff and contracting staff and small business
8 staff will be getting together and trying to decide how are
9 we going to best package and structure this procurement.

10 That's something we are going to want back from you
11 today when we get into the question and answer session is to
12 help us with suggestions on how we might better package or
13 structure these procurements to ensure small business
14 opportunities. For each of the procurements that go out, if
15 there is sufficient time and we always try to do this, we
16 will issue sources sought and try to get feedback on that
17 particular procurement. We will always be conducting market
18 research and CCR.

19 And in CCR as well as in -- it's not Cronin
20 anymore. It's dynamic small business search, that's NCCR.
21 Many times our small business specialists, our contracting
22 folks or project managers will go into the dynamics small

23 business search and they are going to look at your company
24 profiles. They are going to look for what is your bonding
25 capacity per project and aggregate, what government work have

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

59

1 you done in the past. They are going to go and possibly
2 check into C-Cast and A-Cast rating. We have the ability to
3 do that.

4 We will take all of that information in as part of
5 our market research to determine how we can best conduct that
6 procurement or structure that procurement to involve small
7 business concerns. We have said it's impossible to predict
8 the projects or specifics of procurements. It does make it
9 difficult for you to be best positioned to participate in the
10 procurements, but I think the folks here have given you a
11 pretty good idea of what to be prepared for and so you should
12 have different alternative approaches that you are
13 considering based on where the work might be performed, the
14 magnitude of the work and how we might package the work.

15 As things change we will keep everyone posted with
16 as much information as we have so you can better position
17 yourself and be prepared to participate. The potential for
18 the set-aside depends on the work. So I know you want to
19 know what can I do to influence the Corps using a 8(a)
20 set-aside or HUBZone set-aside or service-disabled vet
21 set-aside. The way you can do that is respond to sources
22 sought. Go talk to the small business people at the military
23 districts within the Corps of Engineers. You can identify

24 that district through military missions through our website.
25 We need to know up front that you are out there.

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

60

1 There will be very few sole-source procurements. We are
2 looking for competition. The Small Business Competitiveness
3 Demonstration Program is the program that Ms. Greenhouse was
4 referring that actually precludes us from conducting using
5 small business set-asides for construction. We still can use
6 HUBZone, service-disabled vet and 8(a). So those programs
7 become especially important to us in trying to meet our
8 goals. I said we did 40 percent of our work to small
9 business last year.

10 Huge projects like this make it really difficult
11 for us to keep percentages like that up. So we have got to
12 figure out with all of this work coming along how are we
13 going to package it so that we can still ensure that we
14 provide 40 percent or award 40 percent of our contracts to
15 small business.

16 Service requirements if there is like we have
17 talked about master planning, specific design contracts or
18 environmental services type contracts, we can conduct small
19 business set-asides for those. We do need to know about your
20 capabilities. As I said before, we will require subcontract
21 plans and certainly we will be looking at evaluating small
22 business participation proposed for the instant contract as
23 well as past performance. More information from us, FedTeDs
24 has a lot of the information. Huntsville center is posting a

25 great deal on their website.

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

61

1 We are going to use FedBizOpps to announce sources
2 sought, particular procurement requirements. I put on here
3 the DOD small business website, Army. You have the Corps of
4 Engineers small business website, which is my office as well
5 as our e-mail address. So I would encourage you to give us
6 feedback. If you don't want to do it today or think of
7 something after you left, send us an e-mail. I also
8 encourage if you have a unique, as a small business, if you
9 have unique challenge that you have been experiencing, please
10 seek out the small business folks with the Corps of Engineers
11 that we are here today. When we are in open forum that is a
12 great opportunity to give us positive feedback suggestions on
13 what we can do to maximize utilization on small business.
14 Thank you.

15 MR. BASHAM: Any questions on small business before
16 we move on? We are going to break in a few minutes and then
17 we will come back and get started on the next round. That
18 was the last, I guess, what I call formal presentations,
19 slides. The rest of the day will be spent dialoguing. I
20 will do the best I can to help try to facilitate that
21 discussion on the floor here. We will start off with asking
22 the panel members each, maybe each ask you a question at some
23 strategies that we are thinking about to initially provoke
24 your thoughts and responses to that.

25 Don't start writing that down as well, they made

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

62

1 that question, they must be thinking about where they are
2 going. No. I have asked them to frame some questions to
3 generate some discussion here and start the dialogue. We
4 will kind of go through that once. It might take us up to
5 lunch and then when we come up back, I will open the floor
6 and have you provide us if you've got some questions and
7 answers. A couple of other things to try to set the stage
8 here.

9 Somebody else in another forum mentioned this was a
10 perfect storm. I hope it's not a perfect storm. Most likely
11 '06 and '07 budget years are going to be transition years.
12 When I say transition years, when we get through today, when
13 we talk about what we are going to transform into, as you
14 know, the federal government, the Army at the end of the day,
15 as you are seeing through some of these presentations, there
16 is a whole lot of inertia here. You don't turn this boat on
17 a dime.

18 We are going to start some of these things we
19 talked about in these forums in '06, '07 time period. But
20 the big year will be budgeting cycle in '08 as we moved
21 forward to that. I will tell you that to put you in context.
22 What I mean in transition years, it might be just as simple
23 as the slide you saw for barracks. If that really is an
24 efficiency we get out of going to type five construction for
25 various and the 06 program will be type five construction, at

1 least we will try to set up if that's an efficiency we get
2 fifty percent of the time at tremendous savings per cost per
3 square foot. That's not often where we want to go. It's
4 transition area to get there. Some other facilities, again,
5 we use predominantly type one and type two. If there is
6 other methods to get there under the eaves we will look at
7 doing that on '06 and '07.

8 How many of you are familiar with the current
9 initiative at Fort Stewart, Fort Bragg and Fort Benny on the
10 modularity piece, seen some of that. We built that at Fort
11 Stewart. What I want to make clear here is while we are
12 using the term in some cases modularity and those type of
13 terms, that's not the construction we are talking about for
14 the future. That was an interim measure. We had troops
15 coming home. It gets down to balancing what is the end of
16 the game here. I got troops coming home. I got to house
17 them now.

18 We had to make a judgment call, quality and
19 schedule to getting them here. So I don't want folks to
20 think that the future here is the Fort Stewart model of
21 temporary facilities. We understand those are temporary.
22 That is not what we are looking for here.

23 There might be another model out there of modular
24 type construction that would be of a more permanent nature.
25 We don't plan on those Fort Stewart facilities, Fort Bragg,

1 and Fort Benny be the facility we are talking about of the
2 future. Having said that, having gone over every two weeks
3 to brief Mr. Whitaker, the secretary level he has challenged
4 us also on this '06, '07 time period as best we can leap frog
5 over this modularity, we need to do that because all we are
6 doing at Fort Stewart, we spent 73 million dollars for these
7 temporary facilities that are probably three to five year
8 facilities. Most of you-all know that's not a very good
9 investment but again, you are driven. In private sector you
10 are driven by the market. The market in this instance was to
11 bring troops home.

12 A couple of other things. We understand there is a
13 number of key things that drive our system today that causes
14 us to take too long and cost too much. I will give you a
15 couple of examples of those. One of the key drivers is the
16 Army has moved two years ago to create the IMA, Installation
17 Management Agency, created two star bills, said you are in
18 charge of the installation. You are going to decide what the
19 facilities are and bring them up to facility standards.
20 That's critical. That's huge. All of you-all know that you
21 do business with us, we do one building at a time by one
22 commander at a time, one installation at a time. So every
23 facility becomes unique.

24 There is somebody out there wanting to put their
25 unique touch on that building in their tour of duty. We are

1 told that that's gone. Two weeks ago General Miller, General
2 Johnson and General Cheatham, the three Army facilities folks
3 met with the installation commanders from across the United
4 States and the DPW from across the United States and
5 delivered that message. You are no longer in control of the
6 design of your facilities. I am the facility engineer. If
7 you need a barracks, I am going to give you a barracks. You
8 tell me what your mission requirements are. I will deliver
9 the facilities to you. We will not be delivering them in the
10 future one building at a time. That's critical. You-all
11 have seen that happen. Just down the road you've got a
12 district. Every district is unique.

13 One of my challenges when I came up to the
14 headquarters two years ago to take this assignment as the
15 Chief's challenge was one of your missions while you are here
16 is to move us from 41 autonomous districts to one U.S. Army
17 Corps of Engineers national engineering organization to where
18 anyplace that you go in U.S. Army Corps of Engineers in
19 context we are talking about here, you will have the same
20 acquisition tools, same acquisition process, same RFP's.
21 Whatever they come up, they will be same.

22 We heard in the Atlanta forum the other day that
23 one of the things that get you-all, we put a package out on
24 the street, give you 30 days to bid it and then we expect you
25 to trip through all the paragraphs in this great big volume

1 of stuff and figure out what this district added versus what
2 this district added, that's different from that and oh, by
3 the way, when you miss it, that's your problem. I understand
4 that's a problem.

5 That gets to risk. It's a risk that you take that
6 you start building into your price that I catch everything or
7 do I leave it out. At the end of the day, I am paying for
8 that risk. I understand that. So part of our discussion
9 today I would like to be a discussion of not only acquisition
10 methods and the way we do things but talk about, like to have
11 some discussions about the risk, the sharing of the risk. We
12 have grown over the years in our acquisition methods. I
13 accept that, that we push as much risk to you as we can.

14 Well, I am not naive enough to understand that with
15 pushing that risk comes a cost to it. Maybe I need to start
16 sharing some of that risk. Maybe when we acquire things in
17 the future, I will have to start sharing that burden and
18 risk. You go back 200 years ago, I wasn't here then but I
19 read the history books, the U.S. Army Corps of Engineers were
20 the master builders of this country. If we didn't have the
21 employees on staff within the U.S. Army Corps of Engineers to
22 you go out and build forts and installations, we hired them
23 through architect engineers and contractors and we brought
24 them all together. We didn't just bundle it up into one
25 package and put it out. Don't go away from here thinking the

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

1 U.S. Army Corps of Engineers is going to go back to that.

2 There is a notion maybe there needs to have some
3 more shared risk in this venture if we are going to get there
4 quicker, faster and quality facilities. Just food for
5 thought. I need for you to know the two main pieces I know
6 that bother you-all in moving this train forward is the
7 installation consistency across the United States and the
8 consistency within our Corps districts. We understand that's
9 part of this overall process and system piece we have got to
10 address. We are going to do that. I guess the best way we
11 can characterize it, the strength of the Corps of Engineers
12 in my 37 years with the Corps have been centralized
13 management and decentralized execution.

14 We have allowed ourselves, quite frankly, to get
15 away from, my humble opinion, from a little bit more
16 centralized management. When I say centralized management,
17 we need to have some standards out there how we are going to
18 operate because again, you have to execute that and every
19 time that you've got to make a different interpretation, look
20 at a different set of how it's put together or wondering how
21 this district works or how this installation works is time,
22 effort and cost associated with that. So we want to get
23 consistency. As you know, consistency can be a bad thing
24 too.

25 How can we get consistency and deviate where it

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

1 makes sense. I will tell you within the Corps, and I believe
2 the Army is committed, we are going to make it a little bit
3 painful to deviate from the standard, standard we come up
4 with. We think that we got to know if we are changing that
5 standard, why we are changing the standard and should we be
6 changing the overall standard or is it site specific what we
7 need to change. Part of what we would like to talk to you
8 about as was mentioned to you before, there are two major
9 pieces here I need for you to kind of think about.

10 It was shown earlier that we have a traditional two
11 billion dollar a year, give or take, MILCON program that is
12 here today, that will go on tomorrow that will go on after
13 BRAC, give or take a little bit. There is this five-year
14 window here that is going to be a combination of BRAC and the
15 restationing which will be an order of magnitude above that,
16 three times that. That's the best I can give you right now.
17 Okay.

18 How do we execute that five-year window and how do
19 we execute the two billion dollar year in year out window.
20 It may be different. It may be just a spring board into the
21 future. I need for you to help me, as we work through this
22 today, to understand that there is a five year piece of this.
23 There is a long-term piece of this, the just normal MILCON
24 construction that some of you-all have seen in the past, how
25 do we execute all of those. This effort here is not just

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

1 exclusively addressed this five year window and how do we

2 build up higher, quicker, faster and once we get out of that
3 we will go back to a traditional MILCON way of doing
4 business. No. It's my plan, at least right now to tell the
5 chief we are going to use this as a spring board, come out of
6 this, we as Corps of Engineers, we the Army are going to be
7 transformed in the way we do business in the future MILCON.

8 A couple other examples, food for thought of the
9 two billion dollar program we execute today, I think somebody
10 said it was about a hundred, a hundred and ten projects,
11 there about, we procure every one of those one project at a
12 time. We do a design. We do a construction, do X number of
13 barracks a year, X number of dining hall facilities, X number
14 of this. The Army says I am not paying to do those designs
15 over and over and over again across this country. When you
16 take that much money and you spread it year after year,
17 that's a tremendous amount of design volume and fees that go
18 out for barracks.

19 Come up with a standard model. What is that
20 standard model and get it to the point that it's site
21 adaptable. Part of that site adaptability is not just the
22 site work but maybe somebody mentioned installations and
23 further master planning will have installation design guide.
24 That design guide may get in some exterior planning finishes
25 will be some options too and there always is HVC and some

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

70

1 other amenities that's got to be unique whether you are
2 building in Florida or Alaska, could you develop a standard

3 model, whatever that standard model is. And I would also
4 like to discuss with you what does that look like.

5 What does that standard model look like. How
6 standard is it. At least it needs to be standard enough in
7 our initial thinking here it's not starting out with a 35
8 percent or a 25 percent design on every project and carrying
9 it to a hundred percent.

10 Two reasons. One is again the cost, not
11 necessarily the project but multiply it over the years, but
12 the other piece is the time that I am spending doing design
13 is not turning dirt out in the field. The second piece of
14 that is, all of you know we have gotten into the design built
15 business. And we kind of led that effort, we the Corps led
16 that effort to start with, the Army, Navy and Air Force.
17 Navy and Air Force, quite frankly, are trying some
18 initiatives now that we are working with them on that are
19 fairly unique, I guess.

20 I don't think they are unique to the private
21 sector. Let me tell you one of the things we have never
22 done. While we call it design built, at the end of the day,
23 in my humble opinion, the only thing the U.S. Army Corps of
24 Engineers has done is take the bid out of the middle of
25 design built in the old concept. Even today when we award a

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

71

1 design built contract, what do we do. We generally complete
2 a hundred percent design. We do all the multiple reviews and
3 some of you probably are going to tell me that today. We

4 have heard that in the other forums. If you want to cut time
5 of this thing, you have to get out of the multiple review
6 business.

7 Every time you get into that it takes time. Then
8 you issue a notion to proceed to go build. Design build,
9 design bid build, the only thing I have taken out is the bid
10 piece in the middle.

11 How do I move to an environment to within days of
12 awarding a contract, design build or some other acquisition,
13 within of days of awarding the contract, I already know what
14 the foundation of this building looks like. I have
15 sufficient enough information that whatever platting I put on
16 it is not going to influence that. We understand we are
17 going to have to do more geotechnical work up front instead
18 of putting that off on you. Again, you can't be out there
19 doing geotechnical work and design foundation if I want you
20 to turn dirt with weeks. Literally the award of that
21 contract, you are going to be out there turning dirt, digging
22 those foundations and putting those puttings in the ground.

23 We literally collectively don't know what the
24 exterior platting and what the final design on SPV and other
25 salient pieces. We will figure that out currently as we

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

72

1 build. That's what I see what goes on in the private sector.
2 You can help me figure out if that's right or wrong. So
3 another, how do we adjust that, change that. If we are not
4 here attracting that, I don't think we are going to get

5 there.

6 The last piece to give you some thoughts. I don't
7 think in the long run that we can do business one project at
8 a time. I think we are going to have to start looking, I
9 know at least I believe when the BRAC and the restationing
10 five-year window, we are going to have to look at how we
11 package these to get some economy of scale in some
12 efficiencies. I am not talking about economy of scale in the
13 number of buildings but how does it allow you to go out and
14 make multiple buys for HVAC systems, roofing systems, whatever
15 they are across the country. Whatever minimum design you do
16 do, whoever we give this to can package that and get some
17 efficiencies out of it.

18 Should we talk about preferred providers. Some of
19 you have talked about is the way you are able to hit the
20 ground and start construction within days of a project. As
21 you sit down with your architect you bring 68 preferred
22 providers to the table. When I say preferred providers, I am
23 talking about window folks. I have got five window folks I
24 have contracts with. I have got five folks I have roofing
25 contracts with. You bring them to the table. You sit them

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

73

1 with the architect. You pick out what it is you want.

2 You don't have a great big elaborate set of
3 drawings. You pick out what you want. Once you do that, he
4 executes that order and goes builds it. That's what we hear
5 from some folks how you do that. Do I need to be in that

6 business. Should part of the risk sharing here, is there any
7 advantage, if I went out and let's say some of the facility
8 types we are going to talk about later in the day. Some of
9 you suggest there is a industry out there that produces some
10 of these facility types to pre-engineered, the tack type
11 shop.

12 It's kind of a pre-engineered metal building or
13 pre-engineered something facilities. Deviate, I will come
14 back. One of the things you have told is as you go out here
15 in the BRAC arena, we could be putting too much on the market
16 in any one location if there is not sufficient labor force
17 and work force to accomplish that work. Okay. Let's think
18 about that. Is there certain parts of these facilities that
19 I could fabricate off site in a way in another area of the
20 country that's not burdened with that labor market. Then I
21 could bring it to the site.

22 Would that help the labor market piece and help us
23 get there quicker and faster. Otherwise, you are going to
24 have to import the labor to do it. If you have to import the
25 labor in, you are going to pass that cost to me. What is the

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

74

1 right balance to doing that. Do I have a national contract
2 out here for tack shops that I go out and bid and award five
3 year, ten year contract with somebody and then you pick up a
4 1-800 number and call this vendor, they deliver the building.
5 You do all the rest. They situate and put the building on
6 the ground. You put all the rest of the platting on the

7 exterior, you finish out the finishes on the inside.

8 If I get it ready earlier where you can execute and
9 do that or do all of you have these preferred providers you
10 can bring to bear. All of those have intended and unintended
11 consequences for you and us collectively in how we execute
12 that. At the end of the day a contract is nothing more than
13 a relationship. We have done business in the past. Corps of
14 Engineers has pushed partnering for a long time. Those
15 partnering relationships are essentially one project at a
16 time.

17 One of the things we are hearing from the private
18 sector, they are long-term relationships you develop over the
19 years. Well, maybe we need to think about having long-term
20 relationships with some of you-all that is not one project at
21 a time so we can develop some systems and processes to work
22 here.

23 Models, somebody mentioned you need to come up with
24 models. We have got centers of standardization right now,
25 but those centers basically were developed back in the mid

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

75

1 80's to develop what was a programmatic floor plan and a
2 programmatic standard because Congress and Administration
3 says every barracks you sent up here, they are all different.
4 They all got different unit prices. So we developed a
5 standard but basically that standard when we talk about a
6 standard is basically a standard layout and footprint of the
7 building versus some folks would say a standard, talk to the

8 Wal-Mart folks, their standard is completely designed
9 facility. They call it a model.
10 They have got a group of folks that maintain that
11 model. They award a bunch of contracts in a year to one
12 vendor that goes out and builds those models. If there is
13 any changes to that, it comes back to that basic model and
14 Wal-Mart refurbishes that model. Somebody said it was 140
15 changes a month. Gary was in the session, they talked about
16 that. They get 140 changes a month to their model. That
17 seems like an awful lot to me. They crank that back into the
18 model and then the next year round or whatever the next round
19 of solicitation is, go build the next series of Wal-Mart
20 stores, that's in the model.
21 I can't capture that today in the current market
22 with building one project at a time. The system gets too big
23 and too onerous to capture all those lessons learned without
24 having some basic foundation to work from to do that.
25 So that's what we are looking to have dialogue with

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

76

1 you is how do we look at packaging these. What are the
2 standards. Again, somebody mentioned you can help
3 tremendously, don't be putting in your specs that you follow
4 this code, this code, this code, this code and they go on for
5 pages and oh, by the way, we want you to follow whichever one
6 is most stringent. Oh, guess what. I got an engineer out
7 there somewhere that is going to tell you, you missed the one
8 that is most stringent. Is it one code. We understand we

9 have got military standards out there. We need to change
10 those, not only change them but in some cases maybe do away
11 with them.

12 Every standard we got, and Wal-Mart has got this,
13 too. I think they have got a different way of looking at
14 because their changes is their standard. Every standard we
15 got and every guide spec requirement we have got, I will tell
16 you over the last 30, 40 years came from having a failure
17 somewhere. Something goes wrong, it's like everything else.
18 You start building all these bells and whistles into this
19 thing, and we will correct this problem and this problem, now
20 you've got this big animal out here you call guide specs.
21 That's driven our cost to what you saw some of our numbers up
22 here. So we need to go back and look at that. I will tell
23 you at the end of the day, we are not going to sacrifice
24 quality. Maybe we need to have a discussion of what really
25 defines quality here.

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

77

1 So we want to have some of that discussion with
2 you. Lastly, we will take a quick break and then come back
3 and we will start the dialogue, in defining what that quality
4 is. We need to understand in our traditional system of both
5 design and construction, the reason that we get a hundred
6 percent design, the reason we think we get a hundred percent
7 design, then we have this three phase inspection system and
8 this elaborate quality control system we go through,
9 submittal reviews and all that, you tell us all that drives

10 up time and cost. That's our way of ensuring quality.

11 When I get 99 percent of this project done, I am
12 paying you on a monthly basis, I have got a complete, usable
13 facility. Now, if I am going to move away from that, then
14 when I get to 99.9 percent done, what assurances do I have
15 that I have got a completely usable quality facility. Some
16 of the nationals that we have talked about in the last two
17 forums, it was interesting, some of them were reluctant to
18 say this. We pay on a monthly basis. I am told we might be
19 one of the few that pay on a monthly basis. Some people pay
20 in periods of completion.

21 Some people, when you get the 50 percent, you don't
22 get another paycheck until you are done and you turn over a
23 complete and usable facility. Do we need to look at the way
24 we bill and pay. I will tell you, having spent 12 years as
25 an area residence engineer, I don't mean this as a slap on

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

78

1 anybody. It's just a reality. When you get 99.9 percent
2 done, when you've got 99.9 percent of your money, you are
3 going to move on to something else. You've got to move on.
4 That's debatable. But it's reality. So quite frankly, what
5 is it I've got to do to keep your attention.

6 We hear from some cases from some of the owners we
7 have talked to, the Duponts of the world, Wal-Marts of the
8 world, how they go about sharing this risk in the private
9 industry. We don't pay them. We have got their attention.
10 Part of that other thing is how they assure it is not from a

11 payment piece but from the relationship piece. We do
12 business with this gentleman for ten years. The reason we
13 keep doing business with him, he gives us what we want. We
14 put the incentive out there. If he doesn't give us what we
15 want, he is not going to get the next building.

16 That is another incentive to try to get there. I
17 don't mean that in a negative but what is that relationship.
18 Again, it's a risk assessment. There again, it's another
19 piece of this system piece we have got to look at. I am
20 convinced whenever we change one thing, we have got to look
21 at one thing, we have got to look at the unintended
22 consequences. This gives you some idea this is not business
23 as usual. We did not put up here for intentional reasons.
24 All of you know what our current process is. I am not
25 looking to review our current process and say if you quit

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

79

1 doing this, you save some incremental piece.

2 I want to start out with a clean sheet of paper,
3 figure out how the best way to get there in the future. I
4 think we are talking about tremendous change here in the way
5 we deliver our facilities. I am looking to cut time in half.
6 As I mentioned to you earlier, the gentleman said we billed
7 out a million dollars on a project in 12, 18 months. I can't
8 even bill out 20 million dollars in two years. I can't even
9 turn dirt in the year of appropriation. I've got to get to
10 those and the only way I can get there is it's got to be
11 revolutionary how to do that. I understand having said that

12 I need to change my design process.

13 I need to change the review process. I need to
14 change the on-site quality control and quality assurance
15 process. But it's not looking at those incremental pieces.
16 It's looking at the whole acquisition piece, how you put
17 projects together, how you execute them. Let's take 20
18 minutes.

19 MS. GREENHOUSE: Before we have everybody leave,
20 because one of the contacting people were not sitting locally
21 with the others, I did not introduce him. But I do want Rick
22 Hedrick in the back is the chief contracting for the Tulsa
23 District. He is a great resource that might be helpful to
24 you today. Thanks.

25 MR. BASHAM: Let's come back about 25 till.

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

80

1 (Short Break.)

2 MR. BASHAM: The next piece, again this is a
3 dialogue and only help facilitate this further transitioning
4 in this dialogue today. I have asked the panel members to
5 hopefully put some questions out there to provoke your
6 thinking but also I would think as the team has worked these
7 issues for the past two or three months help formulate that.
8 They have some thoughts and ideas. Some of them have come
9 from the last couple of forums they are trying to formulate.
10 So I have asked them to say what do you think about this.
11 What do you see as the pitfalls of that. In some cases I
12 have asked them to make comparisons between the way we do it

13 today and the way we might be doing it in the future for
14 those of you who do business with us now might be able to
15 give us a contrast. I want this to be an open forum, try to
16 keep it structured and not be all over the place and work
17 through everything we need to work through. One thing before
18 we do that, some of you have given me your cards, can we come
19 see you. Can we have further dialogue. Yes to all of those.
20 We are going to continue to have dialogue.

21 We will have dialogue in a forum like this in the
22 future. Each one will probably ratchet it down to a smaller
23 group of people. To give you an example of that, if we were
24 to decide that major piece of strategy was to look at some
25 type of pre-engineered something, then we would probably have

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

81

1 a series of workshops. We invite the pre-engineer folks to
2 come in and sit down with us and say what is this. Is there
3 competition. Is there a marketing out there to do that.
4 There will be opportunity for continued dialogue. At the end
5 of the day, Howard will put up a slide for you. Is it there
6 now? Here is a slide here that we will post all the
7 information that we have briefings we have had for today, not
8 only information but we also post the proceedings of this
9 forum and all the other forums so that you can look and see
10 what other folks have said through these various forums to
11 look at.

12 Also be a place there for you as you look at some
13 of that, if you want to offer some more feedback or offer

14 more suggestions, it would be a place to post that as well.
15 And we will be more than happy to meet with you one-on-one if
16 you want to. Give us a call. We will set up a time to do
17 that. I understand some of this stuff in your view is maybe
18 proprietary is too strong of a word. It's your niche of the
19 world. It's what got you to where you are. I want to
20 respect that. I appreciate you would be willing to share it
21 with us and maybe don't want to share it with your
22 competitors.

23 I understand that. So we can have some of those
24 forums to do that. I don't want to do anything that cuts off
25 or doesn't allow this discussion today. So when you leave

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

82

1 here today, it's not over. Please look at this website.
2 Look at the information out there, and we will start trying
3 to, as we also develop these things, we will start posting
4 some thoughts out there, encourage you to go out there once
5 in a while and give us some feedback. I sure would encourage
6 you to go in that direction for these following reasons. So
7 hopefully we can continue this discussion. Who is going
8 first.

9 MR MOY: Wendy.

10 MS. SCHMIDT: What would you suggest to modify in
11 the current USACE processor requirements to reduce
12 acquisition time and construction time.

13 MR. GORMAN: Richard Gorman from Tetra Tech. One
14 of the things I would look at is more of a, say maybe more

15 I like Air Force DB program where you have ten teams that you
16 have pre-qualified. You know what these teams can do what
17 you need to do. That way when you get a project, you are
18 able to turn that project around literally within a week or
19 two by just having a simple response. You have already
20 qualified them. You don't have to make the world perfect.
21 You give that project to one team. As soon as you get
22 another one, if you have a tie, if you think those two teams
23 are close, give them the next one instead of spending hours
24 and days and weeks trying to get the perfect team for the
25 perfect project, pre-qualify and get them out the door.

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

83

1 MR. LLOYD: My name is Bobbie Lloyd. I am a
2 service disabled vet contractor, been working for the Corps
3 over 20 years. I was involved in the first IDIQ contract
4 ever let force com contract probably 12 years ago. And you
5 guys have got, that was a perfect vehicle and an answer to a
6 lot of problems I am hearing today. It has been modified
7 over the years. At one time IDIQ, when it was first invented
8 I believe, if I am correct, Tim Thomas was the father of that
9 deal and had his organization which was called a technical
10 assistance team and they went out and issued IDIQ
11 solicitations.

12 And you know, they went and analyzed contractors,
13 their management, technical and price proposals and picked
14 the best contractors they felt under those guidelines. They
15 were clin items in the pricing proposal so after that we

16 would go out and do site surveys and design, give them the
17 cost and get the work done within 120 day period because we
18 didn't compete against the other awardees only the IDIQ
19 contractors.

20 Once someone come up with the brilliant idea, well,
21 you have already competed on the IDIQ process and we chose
22 you, but now we are going to make you compete internally, it
23 slowed the process down considerably and it drove the cost up
24 because now we are not going to pay the site survey either.
25 You are going to have to pay to look at the jobs. I would

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

84

1 encourage you to consider trying to get back to the old style
2 of doing business under IDIQ contract. If a contractor, if
3 you feel comfortable with them to select them under the
4 technical and management criteria, then you should feel
5 comfortable enough to give them a task order and letting them
6 design it and work the price.

7 You are already doing a government estimate. So
8 you pretty well know from your square footage and guidelines
9 what you think stuff should cost and if you've got IDIQ
10 contractors. Another thing, you have identified some
11 contractors that want to continue to do business with you and
12 they don't get the next job if they don't do good on this
13 job. You have got a captive contractor that already says I
14 have got to perform. I have got to do quality. I have got
15 to do value engineering or else another IDIQ contractor is
16 going to get the next task order instead of me. There is a

17 lot of incentive for IDIQ business but some of it's been
18 taken away. It's turned into another bid process. You are
19 qualifying to be able to go bid against each other. That is
20 one comment.

21 MR. FIELDER: Jack Fielder, RSU Corporation. I
22 agree with what these two gentlemen have said. I did hear
23 some concerns from some folks in the Corps with the multiple
24 award cost order contract, if they pick one, they don't
25 always get the best price and they feel like the competition

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

85

1 is over and they are kind of stuck. I have heard that
2 concern. One thing I would suggest on a small project, maybe
3 just taking a round number, small under five million dollars.
4 Those could be selected out of the pool, pre-qualified teams.
5 If it's something large, something that's got a lot of
6 visibility, it is a large project that with proper bridging
7 documents in the case of design build, that could be a
8 competition, then it would be worthwhile for people to
9 develop those criteria for proposal.

10 MR. FILER: My name is Danny Filer with HNTV once
11 again. On larger contracts we found some success with A plus
12 B bidding system. In case you are not familiar with that, it
13 gives the opportunity for the contractor to bid not only on
14 the amount of cost he is going to incur but also on the time
15 and numbers of days with the value put to each of those days
16 rolled into the overall bid. We found that sometimes the
17 contractor with the higher cost may have saved money on the

18 time, which saves the client, you guys the money or the time
19 and actually comes in under, even though he is going to spend
20 more money on construction because it saves the time.

21 I have a number of examples that we have worked
22 with that I would be more than happy to provide. That's just
23 a thought that I have had. And I believe that would be a
24 good vehicle, especially on the larger projects with saving
25 time. It also provides incentive and disincentive with going

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

86

1 beyond time and incentive for finishing ahead of time.

2 MR. C. BASHAM: Chris Basham with Parsons. The
3 multiple award, three things on the IDIQ. If you are not
4 aware of it, I think you are in some cases. I know the Air
5 Force on design build contract already has awarded like 16
6 contracts under one IDIQ. Six went to small disadvantaged
7 businesses and partnerships JPs, partnering program, the
8 other nine went to full and open. So they got 16 different
9 firms all pre-qualified and they either can award directly or
10 they can compete internally. They are going through that
11 type of strife right now. Secondly, you might want to
12 consider in addition to design build, what I could call plan
13 design build.

14 In a nutshell, it's basically tell me what you
15 want, tell me how much money you've got and let me go build
16 it for you. It backs up design build all way to the planning
17 stage. You hire somebody. In the private sector, we do
18 that. We have private clients. They have chosen us. We are

19 their service agent to provide the whole package from concept
20 to concrete. And then also something that we have done very
21 successfully with the Air Force, sequencing of the awards.
22 You get follow-up work. You have a master plan. You have a
23 multi-year contract to build phases. You get the second
24 phase if you do well with the first phase.

25 You can work that same program under the brigade

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

87

1 development. You either get to do all facilities if you do
2 well on the first set or even break it up into you do one
3 kind of facility at different kinds of locations. You pay
4 for a design once at one firm or multiple of firms maybe
5 regionally takes that particular facility and does it at all
6 of your locations but he has designed it once.

7 MR. BASHAM: When you talk about, what is the
8 geographic area that's reasonable to look at. If you are
9 looking at hiring one architect or one design build to build
10 multiple facilities, is that installation? Is that by the
11 multiple installations within the Southwest? Is that
12 multiple installations from the East Coast to the West Coast?
13 How would you package something like that?

14 MR. BASHAM: We have seen it done several different
15 ways. Usually it's done regionally, east to west, south to
16 west. It is done by installations. It's primarily driven by
17 the climate because there is some climatic things that have
18 to be dealt with design. That maybe the northern tier has
19 something different than the southern tier and east versus

20 west and it depends on facility too, I would say.

21 MR. LYNN: Gary Lynn with 3DI. I would echo what
22 my friend Chris just said, Don, that primarily, and we can
23 take Air Force dormitories, for example. You really could
24 take an Air Force dormitory as a serial facility. There are
25 going to be a ton of them all over the country, all over the

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

88

1 world. They really lend themselves because of similarity of
2 requirements to doing exactly what you are talking about. So
3 you can imagine that you really could hire one firm to handle
4 all the design of Air Force dormitories and site it out on
5 base by base. It would work if the federal acquisition regs
6 and some of the other constraints that are currently in place
7 were not necessarily set-aside but could be worked with
8 creatively. There would be a way to do that. There would be
9 tremendous economies for the government to do that.

10 MR. C. BASHAM: I had another idea that would tie
11 on with Gary. Something else to consider that I have seen
12 the Air Force do and Navy, they put a lot more emphasis to
13 hiring program managers, basically that program managers
14 would do some of what the Corps does now. You would hire
15 someone to manage the whole process, the acquisition as well
16 as selection of other AE's, put the same levy on the same
17 small business requirements that you put on yourself.
18 Basically hire a program manager to take a chunk of your
19 business and basically manage it and follow that whole
20 process.

21 AUDIENCE MEMBER: Actually what you are doing here
22 is really more land development. The Corps has been focusing
23 on building construction. The brigade level development is
24 more of a land fill project. One thing you want to consider
25 in private land development, typically through master

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

89

1 planning and site work is one package. Architecture is
2 different. You have a site that's ready to go. You are
3 ready to put a building on that site. It's a different
4 package, approached differently. You can probably get into
5 that site work a whole lot quicker than the building package.
6 Maybe really approaching it is more like a commercial land
7 development would be a good way to look at it.

8 MR. BASHAM: Along that line, the notion of us
9 pushing the concept of programming in our thirteen
10 ninety-one, that entire brigade complex versus in the past we
11 were looking at the brigade complex and programmed each one
12 of those project components and combination would help you do
13 that. Now I have got the total brigade complex. I could
14 break out of that package, site work and utility work further
15 developing that because there again, I am trying to fit all
16 the pieces together. What I've got to do in the programmatic
17 piece to do that site development piece that allows you to do
18 that.

19 AUDIENCE MEMBER: Typically, in the land
20 development you've only got two or three two years of
21 military, really more 30 years plus the land development.

22 Typically we get right up front. We have the site
23 established, what uses we are going to put where. We get
24 that infrastructure in place and really you look at how you
25 phase the infrastructure based on needs and which building

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

90

1 can come on line earliest. I think you could really buy a
2 lot of time with that kind of approach.

3 It's really a master planner civil engineering kind
4 of approach versus the big A little E approach which is
5 typical. It will get you the infrastructure in place so when
6 the building contractor that's specialized through the type
7 of building shows up, they are in a format that they are used
8 to working in. I think you will get better bids because they
9 are not worried about a lot of things that they would worry
10 about on a Corps project versus a commercial project with the
11 pad sitting there ready to go.

12 AUDIENCE MEMBER: If I could add to that. I was
13 the Public Works Director on three different Army
14 installations. I would echo the comments of the front end
15 planning of this. We have focused a lot on one building at a
16 time at an installation that you have talked about. I think
17 where we have really struggled on the Army side is trying to
18 get ahead from a standpoint of master planning, what this
19 installation needs to look like and how it needs to grow with
20 the years. I know the places I have been, we have always
21 struggled with infrastructure. We have privatized a lot of
22 that.

23 We are still going to pay you for that if we build
24 in green areas and don't think about the implications of
25 that. I would suggest that whatever we end up doing, that

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

91

1 the front end of this piece, the planning piece needs to get
2 more attention or we are going to end up doing a lot of
3 construction very quickly but maybe not the way we would plan
4 it if we had put some resources on the front end.

5 MR. BASHAM: I think we agree with you. That's why
6 one of the focus planning budget piece is critical. It's not
7 just planning for that particular construction project but
8 the planning for the whole complex, the planning and
9 installation. I think the Army understands from a
10 installation perspective we have got to do a lot better not
11 only in the BRAC arena but out here of managing the program,
12 doing a lot better job of master planning piece and probably
13 need to look at expanding what is needed in the master
14 planning, prep the ground work and the development piece.

15 I like the notion of the concept somebody else made
16 in one of the other forums is we have got project managers.
17 We have got program managers. When we talk in terms of
18 program managers, we talk in terms of program managers that
19 manage the whole MILCON program or the whole Air Force
20 program versus the program manager that maybe manages the
21 brigade complex or program or concept like that.

22 MR. MECKY: Gary Mecky from Trans Systems. I want
23 to get back to the initial question which was how do you do

24 it faster. I heard it but the industry can do it faster if
25 there is enough initiative or incentives out there and if you

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

92

1 have an early completion with an award. I mean, when we had
2 earthquakes and the early completion on how they built roads
3 very fast with a large lump sum. I know that's hard to do on
4 the federal side but another option is if you complete early,
5 you get a job, another job with much less competition, maybe
6 one individual contractor. But we need to figure out a
7 better way to have more initiatives for the contractors that
8 can really perform fast.

9 MR. BASHAM: What would that be? Obviously, what
10 comes to mind, give me X number of dollars a day for each day
11 completed early. The other one you mentioned is repeat, set
12 up a structure that allows you to have repeat business
13 without having to compete if I do a good job.

14 AUDIENCE MEMBERS: I have seen contracts on like
15 commissaries where they literally say if you complete by this
16 date, you get a million dollar incentive. If you can have
17 those incentives out there, have a real short time frame, the
18 industry will find a way to do it faster.

19 AUDIENCE MEMBER: We are talking about changing a
20 lot of the rules but there is something out here we are
21 looking out there called FAR. That is our contract and a lot
22 of our conditions. Is your initiative going far enough to
23 address changing that?

24 MR. BASHAM: Yes, I would say. Our task from the

25 Army right now is to get this started. I don't want to

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

93

1 change any laws, anything that's going to drag this out. But
2 changing laws or changing FAR are clearly on the table. That
3 might be in the '06, '07 transition. Things that are not
4 completely within our control to make that change, it's not
5 off the table. But he doesn't want us to say this whole
6 program can't go forward until you do this, this and this and
7 then sit here for years. If in going through this and
8 particularly you mentioned FAR, if there is FAR changes that
9 need to be made, then we will package that up and go to the
10 Department of Defense and others and look to making those
11 changes to deal with that.

12 AUDIENCE MEMBER: In the interim, those changes to
13 the FAR for a particular project would be part of the
14 solicitation?

15 MR. BASHAM: Yeah. And I think somebody else made
16 the comment, made notion that in some cases it's interesting,
17 and I know one of you-all said it. It's interesting to look
18 at least the three services. We don't all interpret the FAR
19 the same way. Some of us are more liberal in interpretation.
20 We need to talk about that. The first thing I would
21 challenge us to do, are we interpreting the most liberal way
22 we can to maximize that without necessarily jumping in to
23 change it. At the end of the day, I would say there is
24 nothing off the table about making major changes like that or
25 making major changes to law or legislation or statutes. If

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

94

1 we have to, it's going to have to be a timely piece. We are
2 not going to hold up the train waiting on that. What is the
3 incremental piece I can do in the meantime to get this thing
4 going.

5 MS. GREENHOUSE: We have a lot of evidence where we
6 have already made changes for programs that guarantee fixed
7 price with insurance where we wanted to get away from, you
8 know, everything, that it's going to be a cost environment.
9 Level of effort wasn't good enough for us. So we wanted to
10 say we are going to do it at a firm fixed price but we are
11 going to do it with insurance where there is a guaranteed not
12 a long tail, a reutilization of this in environmental work.
13 We have opportunity here for pilot programs that for a short
14 period of time in order to meet the objectives that we need
15 to make, we can query and get those pilot programs one time
16 only.

17 Even I can give some one time only deviations from
18 the FAR. The Secretary of the Army can give even more
19 deviations from the FAR. So those opportunities are there
20 and this is what we want you to put on the table today. What
21 are the deviations that need to be there in order for us to
22 meet those Catch 22 objectives that you have. So there is
23 opportunity.

24 AUDIENCE MEMBER: I wanted to ask if the Corps and
25 this deals back to the planning discussion. What have you

1 considered in this or maybe, if anything or have you learned
2 from other sessions of the Corps' overall relationship with
3 DPW and entities like that in the planning process. Are they
4 going to be involved in anything you restructure or redo
5 here?

6 MR. BASHAM: Wendy.

7 MS. SCHMIDT: Well, we already have contracts with
8 Huntsville to have master planning done for the modular force
9 permanent construction, permanent by looking at the
10 facilities and doing master planning where we look at the
11 requirements, having requirements analysis, determine what
12 you have on hand that could fit and what additional
13 construction you would need to build out in order to fit the
14 combat team. I guess over the years, the last several years,
15 both probably on the FAR side, also on the DPW side, master
16 planning positions have really gone by the wayside as we have
17 had budget cuts and things like that.

18 This is an effort that really does need master
19 planning. We are kind of behind the eight ball, if you will,
20 because we have reduced our staff for master planning in the
21 last several years. So now we are going to play catch up.

22 MR. BASHAM: I think clearly one of the things that
23 we will be telling Mr. Whitaker and the Vice Chief of Staff
24 of the Army is we are not investing enough money up front.
25 And one of the things that's coming out, not just these

1 forums that you hear over and over again. It's the old S
2 curve. The more investment you make up front, even though it
3 appears to be a bunch of money, is it going to save you a
4 tremendous amount of money down the road, whatever down the
5 road is going to get you. Whether they get you in design,
6 there is an incremental additional cost to get in
7 construction.

8 It gets to be in order of magnitude that multiplies
9 itself in two, three, four, five times. So we have allowed
10 ourselves over the years to not put the emphasis where we
11 need to put them, in the master planning piece. Clearly
12 that's going to be a key component. Do you do master
13 planning in the future on an installation basis or do you
14 maybe say now that you have got the ITMUs stood up and got
15 the regional, maybe do the master planning on a regional
16 level, then has that region at least looking across the
17 installations within that region to help look at that. Maybe
18 you need a regional master planner. This gets down to the
19 installation piece.

20 MR. SIBEN: I am Bernie Siben of the Siben Consult.
21 A few years back there was a conference similar to this about
22 a FAR 12 initiative for helping the government to learn to do
23 business the way business does business that I attended. In
24 spite of a lot of horror stories about firms that didn't go
25 after procurements where the Corps thought they had the best

1 product and the reason they didn't go after that was because
2 of the requirements of the RFP that had to be met where you
3 scratched your head and said why in the heck do they need to
4 know that.

5 We still see the same kind of thing in RFP today.
6 It looked like somebody borrowed an RFP from down the hall
7 and issued it and changed the name of the project but never
8 actually read it. So I applaud this initiative, when you
9 talk about revolution rather than incremental change. It may
10 be easier to implement if it's revolution rather than
11 incremental change. As you talk also about standardizing
12 things about RFP, we have to be careful. When you
13 standardize them, it's the same as RFP that comes off the
14 shelf.

15 Make sure you don't limit the amount of competition
16 you have and limit accessibility out there by good firms by
17 putting onerous requirements on the submittals in the first
18 place. So you make it easy for them to get to it,
19 particularly easy for small businesses that don't have a lot
20 of full-time marketing staff resources to come after your
21 projects because they are not having to spend a lot of time
22 putting together a lot of information that nobody understands
23 why you want it but you have always asked for it.

24 MR. BASHAM: I am going to ask to save that
25 thought. Jessie is going to cover that when he talks about

1 and ask the question about what is RFP, what does it look
2 like and have that discussion, if you would hold that
3 thought.

4 MR. C. BASHAM: Chris Basham with Parson again.
5 Just another thing to expedite the process, something that we
6 could do but something you could do once you-all decide what
7 form this thing is going to take, what packaging is to
8 educate the folks out in the field on your side so that when
9 we were out there trying to execute, we are not re-educating
10 or trying to educate ourselves how do a lot of design build.
11 I am still training the client how to do design build and
12 what it means still having to react to the old design build
13 mentalities and expectations.

14 MS. SCHMIDT: Apparently in some of the other
15 forums there has been some discussion as to what the
16 government or what the Corps feels is site adapt standard
17 design versus in private industry what is meant by site
18 adapted. I guess the question I would like to ask, when we
19 talk about site adapt, what do you think that means in terms
20 of taking a standard design and site adapting it?

21 AUDIENCE MEMBER: My opinion is site adapt is an
22 often abused term because McDonalds and Wal-Mart are
23 extremely guilty of taking the same box, same spec, same
24 plans and using them in Alaska, in Puerto Rico and places in
25 between. Of course, I am biased because I am an architect.

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

Minutes from DFW Forum.txt

1 Site adapt means you take your concept. You take what you
2 need, things you have. You start there because what you
3 build in Elmendorf is not what you build at Langley or Fort
4 Polk. So site adapt means you are taking your standard and
5 you use what you can but you still always have to look at
6 where you are building at and who you are building it for.

7 MR. BASHAM: Could you define in your definition
8 what is the standard? What is the level. Is the standard
9 just a basic footprint or complete built out design or the
10 standard model or what degree.

11 AUDIENCE MEMBER: In my opinion, it would be a
12 footprint. It would be some basic standards for elevations
13 because things change by degrees. You will use plaster at
14 Bliss but they will want you to use brick at Langley. There
15 are some things you can't standardize. You do have some
16 basic things you like to use time and again. You find some
17 systems for force protection, what in window glazing works
18 best. You have a package of those kinds of things plus
19 concept in elevations and footprint.

20 MR. BASHAM: Could I design a standard, could I
21 design a standard shell, let's say, and so the only thing
22 that you are going to vary that's site adapted is the
23 plating on the exterior, maybe some of the exterior
24 finishes.

25 AUDIENCE MEMBER: I don't think so because if you

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

100

1 are going in a zone three seismic as opposed to zone zero,
Page 96

2 all that would change.

3 MR. BASHAM: So then I've got to look at where the
4 variances are, my installations and maybe I've got two or
5 three models or maybe I assess what the difference is between
6 the seismic zones and what that is going to cost me in that
7 model. I just choose one of them. Again, I would ask you in
8 this discussion, I am building these facilities every year,
9 year in and year out, one at a time. How do I deal with that
10 at the same time of what you are saying is a site adapt or
11 the minimum standards that you've got to have out there
12 because you do have certain conditions, whether it's the
13 seismic and everything.

14 What is that shell or what is that model, help me
15 with the term, that gets me to some resolution here that I
16 don't have to repeat time and time again. And I understand
17 from the architect. Please, there is this uniqueness to
18 facilities. Folks, I am housing 18 to 22 year old men and
19 women. I am not about building architectural monuments on
20 installations. I hope my name doesn't appear on the front
21 page of the paper tomorrow. I am all for great architecture
22 and great engineering. Some of this is bread and butter
23 work. It's basic facilities.

24 I applaud those folks that want to go out and build
25 those type of facilities. I don't believe the Army is in the

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

101

1 business of having a design awards program for the most
2 unique facilities. We've been doing some of that. We've got

3 an installation commander and a former Air Force person here
4 maybe will help me validate that from the Air Force. The Air
5 Force is one of my most challenging customers. That two star
6 or three stars wants to put his mark on that installation so
7 in six years, ten years back down the road, he can look back
8 and say that's my building. At least from the Army's
9 perspective, the ITMUs is saying no. I am the installation
10 commander

11 AUDIENCE MEMBER: I agree with what you are saying.
12 I spent most of my career on the construction side. I am
13 here to tell you that, yes, architects are usually guilty of
14 making pretty buildings and not thinking of the details. We
15 are talking seismic, expansive soil conditions, talking about
16 the whole realm of things to make the thing work. It's not
17 the aesthetics. It's to make sure the thing will last 25
18 years.

19 AUDIENCE MEMBER: Could I add on to that. I think
20 the standardization of the prototype, if you would, is
21 functionality. If you standardize the functionality of the
22 project, the obvious things are going to vary, foundation
23 depending on where you are and the snow load or no load or
24 seismic and all these other things. Those parts are easy.
25 Utilities coming to the site is easy. If you are building on

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

1 flat or side of a hill, it's easy to adapt. If you can
2 standardize the functionality so we don't have to start over
3 with the program, I think you would go a long ways to cutting

4 out some time.

5 MR. BASHAM: Functionality by your definition.

6 AUDIENCE MEMBER: You have got standards. You need
7 so many square feet for a person to perform whatever he is
8 doing or whatever it is. You know what works best. We don't
9 need to redo that. In a normal design build world, we would
10 sit down and do a program with the owner to help him solve
11 his particular situation. You have already got all that.
12 You can convert that to some floor plate sizes to some of
13 preference of one floor, two floors, three, whatever. Those
14 kinds of things having to do with functionality of the
15 building, what works for you. And maybe you have got more
16 than one standard. Maybe you have got -- eventually you are
17 going to come up with standards for various kinds of
18 foundations as you build more and more, go through your
19 portfolio and see this is what works.

20 MR. LYNN: Gary Lynn with 3DI again. It was a
21 great question. Obviously, you are going to ask that
22 question, you are going to get from 200 people probably 150
23 different answers. The thing that my experience showed was
24 that you can't talk about site adapting everything. It
25 really depends on the facility. Some facilities lend

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

103

1 themselves more to site adapting than others. And when you
2 talk about how much standard design or standardization or the
3 old, those of you that were around back in the 70's and 80's
4 working with the Air Force will remember the definitive

5 drawing book.

6 This is 11 by 17, about two inches thick. Every
7 facility you can think of that was going to be built on a Air
8 Force base had a floor plan and a set of elevations in that
9 book. And it failed miserably. The reason, two reasons that
10 it failed miserably. One was the Air Force compared to the
11 other services has a very decentralized decision making. The
12 wing commander is the king. So if the wing commander at
13 Cannon Air Force base wanted to change it, it got changed.
14 The other reason that it failed is it focused strictly on the
15 product. What we learned from that was, if you want to
16 standardize, you have to think about two things.

17 This is the diagram, Don, that I left with you-all
18 after the Washington industry forum. It depends on
19 authority, the decision making. Is it highly centralized or
20 decentralized. It also depends on similarity of
21 requirements. So Wal-Mart is pegged at the upper right of
22 this diagram because they are very centralized decision
23 making and their requirements are very, very similar. An
24 example at the other end of the diagram would be the St.
25 Louis Arch or some kind of monument where you are going to do

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

104

1 it one time and you don't need to worry about standardizing
2 it.

3 The reason the Air Force definitive drawing book
4 failed, it was a good idea. The reason it failed is it only
5 focused on the product. You can't do that. You have got to

6 implement the kind of paradigm shift that you all have been
7 talking about. It has to be product. It has to be the
8 process and it has to be the people. That's kind of what I
9 have heard today at different times, different people
10 emphasizing those three things but take all three of those
11 together and be very careful about the facility that you want
12 to standardize or site adapt as Wendy said and then work.

13 I am here to tell you that there are numerous
14 examples across the Air Force right now that are award
15 winning designs that used basically the same floor plan that
16 was designed from another base. It's certainly possible to
17 do it, but you have got to address all these things.

18 MR. SALTSBERG: I would like to clarify something.
19 We are only talking about the kinds of facilities that you
20 have seen on the screen today, the Tier One facility. We are
21 not talking about any of other ones. The ones that were on
22 the screen are the ones we are looking to, well, perhaps site
23 adapt. And in that context I would suggest that perhaps we
24 shouldn't be talking about design build as much as adapt
25 build. If I could throw in a question now, I would say in

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

105

1 that sense in order to build it faster, better, cheaper, what
2 do you need from us. Do you need a concept plan. Do you
3 need more than a concept plan. Do you feed a fully worked
4 out plan including the mechanicals and electricals and so
5 forth. Should we leave that up to you?

6 MR. ROSEN: Chuck Rosen from PBS. We had a
Page 101

7 contract with the United States Postal Service. They used
8 what's called kits of parts center. They have modules like
9 distribution center front lobbies, mailboxes. They are all
10 standardized but you can rearrange them. They had to meet
11 functionality so that the site adapt allowed you a little
12 more creativity but you still get the economy of savings.
13 You might want to go to the Postal Service and look at
14 theirs.

15 MR. BASHAM: The Army has that now. In a couple of
16 former lives ago, the Corps of Engineers in the Global
17 District went to the Postal Service with the Army Reserves
18 and stole the kits of parts concept. The whole Army Reserve
19 program is built around. It's not kits of part. The general
20 at the time didn't like that term. It's a modular design
21 system is what it evolved into. Just two or three weeks ago
22 I went to meet with the Reserves.

23 They are looking at reinventing that, the same
24 concept. If you look at all Reserves across the country,
25 they are all the same, same functionality and then they vary

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

106

1 a little bit another functionality in small, medium and
2 large. Over time what we did was develop a series of boxes.
3 That box was self contained. If it was a assembly haul,
4 everything was assembled in that box for assembly haul for
5 classrooms, small, medium, large. Everything was assembled,
6 all automated. All you did was rack and stack them.

7 Not only did we do that, that's been developed now
Page 102

8 to go all the way through the budgeting through construction
9 process. Whatever you build on in your budget and
10 development laid out, that initial floor plan, you've got
11 cost estimates built into that. You keep moving that down.
12 A lot you heard in the industry, the whole NIST put out a
13 report here back in February, said 14 billion dollars
14 annually is wasted in the construction industry based on
15 inoperability, the transfer of information, transfer of
16 input, out one system in another one.

17 The Reserve has captured that. We have scheduled a
18 brief to brief General Miller on that concept in the Army,
19 which may be a part that fits this. I think the Reserve
20 program has taken the postal program and taken it one step
21 further.

22 MR. JOHNSTON: Curtis Johnston from E Square M. I
23 looked at the diagram for concept one green grass site plan.
24 I have a question. Is the Army going to build one plan for
25 every brigade or will they be planning on going with infantry

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

107

1 brigade, mechanized army brigade, a deviation brigade because
2 every one of those are going to have different numbers of
3 troops. Your concept, I guess, that's based on average is
4 the plan when you planned them. Will you lay them out for
5 the biggest entity so that you allow for future growth, but
6 build what you plan on putting there to economize and save
7 your funds. Then will you have a different brigade concept
8 size for each type of different brigade you are going to

9 have, a medical or brigade or aviation. There are so many
10 different types of brigades.

11 MS. SCHMIDT: We have developed templates, if you
12 will, for light, a light BCT and heavy BCT. We are not going
13 into a whole lot of variation on the different BCT.
14 Basically it's light BCT versus a heavy BCT. We also have a
15 support brigade and they will have a set template, if you
16 will, for their requirements. So we are developing, if you
17 will, templates to marry up with teller to the type of
18 brigade you are going to have. But we are not going to have
19 a huge variation in brigades.

20 MR. BASHAM: I think one of the things we've got to
21 answer that is another part you are getting at is we talk
22 about twenty-five year functionality piece of this for the
23 Army changing, how much flexibility you can build in. I
24 think all of you would agree with building of a whole complex
25 for more flexibility and adaptability, you build in potential

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

108

1 more cost there is. You've got to make a judgment call. How
2 much you want to invest in that. What is the possibility
3 that's going to happen in installation, AV. That's one of
4 the things we are struggling with right now, what is that
5 investment decisions even down to the building level.

6 What do you want to invest and how adaptable and
7 flexible do you want to make this building because we can
8 make it very adaptable and flexible. There is a up-front
9 cost that comes with that. It never comes down. The price

10 of that building is astronomical. If it does change itself
11 over three or four times it will pay for itself in the long
12 run. So we are wrestling with that, having that flexibility
13 and adaptability built in.

14 MR. BRANS: Dave Brans with Hub Contractors.
15 Everybody has got some great points regarding standardization
16 as far as from the architect's viewpoint with the aesthetics
17 of the base commanders coming into play and seismic
18 conditions. One thing to keep in mind is there is a certain
19 degree of comfort for troops or personnel when they move from
20 one base to the next to know that they are going to know
21 their way around the facilities in the interior in the
22 layout.

23 I think the standardization should be focused on
24 the interior layout, floor layout where the exterior it could
25 vary depending on the weather conditions, seismic, base

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

109

1 command or whatever.

2 MR. BASHAM: I think Mr. Whittaker has told us that
3 he wants that soldier and use the tack shop as an example,
4 when that soldier walks into that front door of the tack
5 shop, they go down this way 16 feet, they go this way 14 feet
6 and that way that wrench is hanging on the wall no matter
7 where you go anywhere in the country. He wants to build that
8 in so he doesn't have to train that soldier every time he
9 moves where to find that wrench. Having said that, where
10 there will always be troops moving, the notion is there will

11 be less movement of troops from installation to installation
12 to installation in their career in the future because the
13 notion will be we are going to be moving them enough in
14 deploying them to go to conflict.

15 So wherever they kind of reside will be their
16 homeroom for some period of time and that they will only move
17 in the future more so if the units of action, their makeup
18 changes, then that might cause them to move. Then it won't
19 necessarily be the individual soldier that moves. It will be
20 that whole unit that moves. They want to try to give some
21 more stability to the troops in the future with the notion
22 just like you see now, people are gone a year, come back.
23 They reconstitute them, some training, they are back off
24 again. If you have a family you are already pushing back
25 over and forth to conflict, in addition adding rotation, it's

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

110

1 an impact.

2 The bigger piece of that standardization is
3 wherever you are in the United States on installation, every
4 soldier is treated the same, same accommodation, same type of
5 quality facilities. You don't have the haves and have nots.

6 MR. SIMONS: Bernie Simons from Consult. As we
7 talk about standardization and site adapt, all this, I think
8 we have to keep in mind that the United States covers lots of
9 time zones, lots of climatic zones, lots of soil regimes and
10 also different parts of the country that have what you call
11 signature styles of architecture and look and feel of things.

12 So I think we have to keep in mind that the more detail you
13 want to put into the standard, that instead of thinking about
14 a model or a prototype, it simply makes a good case to think
15 about models or prototypes so you can choose the prototype
16 for Alaska and know you are not building something that would
17 be great in Florida or choose something that is the top of
18 the Rockies that might not work in a coastal installation.

19 I think if there are multiple prototypes and you
20 start by choosing the one appropriate to the climate soil
21 conditions or the part of the country and then you look at
22 the flexibilities built in from there, that you might have a
23 lot of the economies of scale you are talking about. You
24 might have to have a couple of different prototypes for
25 different parts of the country.

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

111

1 MR. BASHAM: I like the notion, I like the
2 portfolio of any type of facility type. That gets back to
3 the concept of reserve modular design. I have got a modular
4 design here instead of rack and stack, you've got basic
5 facility that you can move around. I like that concept.

6 MR. MURILLO: My name is Sal Murillo. I am with
7 Murillo Group out of Lewisville. Standardized your boxes,
8 you can take a standardized square footage, get that with
9 standard foundations. If you want to double it, you double
10 the size of it. Stick with the same, if it works, stay with
11 it. The master planning would come in effect whether, I
12 heard seismic. You've got frost lines to deal with. You

13 take the same foundations, go deeper. Rugged terrain and
14 flatlands are going to be some other obstacles. Utilities
15 come into play a lot. These I think we can separate them
16 into regions, if not states may be a little too much,
17 possibly four different lands, separate these into regions.

18 MR. AZEEM: I am Yasin Azeem of 2CMD. I guess I am
19 trying to understand, get back to specifics of architecture
20 and seismic soil and everything. I think you are seeing most
21 of the time for the job and opportunity to work with also, I
22 think the initial thing, you are going to save a lot of money
23 and time, which is the object of this thing is initial
24 planning that you talked about, you pre-plan a lot, spend a
25 lot of money on initial planning. Back to them if you do it

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

112

1 right other part, construction management. If you look at
2 the design build or see at risk in order the time charges for
3 construction and design, you know, put on the government is
4 true, how much time you do in the initial planning and review
5 with the Corps of Engineers and data part of the job.

6 The incentive is there and initial planning as part
7 of the project to go to projects planner. Use regions and
8 program manager and the latter part envision the project,
9 finish the project that he can modify and do it at the design
10 build concept. I think that's in between parts of our
11 seismic functionality or whatever the brigade wants it could
12 be adjusted to save the initial and final.

13 MR. BASHAM: Let's hold the discussion about the
Page 108

14 design build which is part acquisition, execution a little
15 bit later on when we get to that piece if you don't mind.

16 Any others?

17 MR. C. BASHAM: You asked what we needed to go
18 forward. I think was the question with it. And I would say
19 that there is, it's EFG, kind of really keep it simple. I
20 need to see elevation. I need to see the equipment, make the
21 equipment choices that you need, spend a lot of time in the
22 process going forward and what is the equipment. I need
23 floor plan or functional diagram, show me what you want. I
24 need finishes. I spend a lot of time spent in the process of
25 deciding what the finishes are. If I have them up front, I

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

113

1 can price it, go ahead and order them.

2 I need to see if you changed your goals. What are
3 you trying to accomplish with this, whether it's
4 aesthetically, environmentally, flexible wise, and last G is
5 a go. I need dollars. I need your support in the process
6 after it's awarded to make sure that this thing moves forward
7 so the process itself doesn't slow us down after it's
8 awarded.

9 MR. MACKIE: I am Mike Mackie with Modular. I
10 wanted to clear a point that was brought up earlier on the
11 planning and programming. When you talk about interim
12 solutions versus permanent and part of the discussion that
13 came up about these kits and these modules and how does all
14 this go together, no one would ever advocate using a

15 construction trailer as an Army barracks or CDC center.
16 However, there is several options available that have come
17 into the market over the years with steel and concrete
18 modules that can be constructed and ready to go to any type
19 of zone or region.

20 All you have to do when you get them there is
21 finish them out with any finish that a general or some other
22 direct would want to direct. These modules are available in
23 single and multi-story. They come fully ready to finish out
24 and use. As Ms. Murlough said, a lot of these things, the
25 only difference that changes them is where you might be

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

114

1 possibly locating them and you have to change your foundation
2 design.

3 But it's still a standard. It's just adapted. I
4 guess I just said site adapt but anyway. That is the process
5 now. I think that's what I am hearing now. If you want it
6 faster and cheaper, you are going to have to mix the site
7 work with the construction time at once and there are some
8 ways to do that.

9 MR. BASHAM: Who is that community out there that I
10 need to pull together to figure out what is actually out
11 there and what will they adapt or adjust to and what volume
12 of business is it going to take to get them to adapt or
13 adjust to.

14 AUDIENCE MEMBER: The industry, of course, is the
15 modular building industry but there is a whole new sect of

16 those where you have the manufacturing base that builds the
17 construction trailer, then you have what higher league
18 builders that are professional in steel and concrete, that
19 have engineers on staff that understand seismic in different
20 parts of the world. I am not applying for a job, but I did
21 want to ask one of the questions. And I kind of debated
22 whether to ask it, but you opened the door, so I am going to
23 ask it. Have you considered or has the Corps considered
24 hiring someone that could consult or could be on the staff
25 with the Corps that understands this industry and could bring

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

115

1 that together for you.

2 That's in trying to take what you normally do, if
3 this is really the direction you are going to really go and I
4 believe it is with these forums, yes, I would go that way, I
5 would get a consult or something like that. To better answer
6 your question, the people that are out there that understand
7 this are the manufacturing bases, which there are several
8 throughout the country, multiple plants that are very
9 interested in this concept going forward.

10 To bring them together, I think this might have
11 been an attempt to do that and some us are here and some us
12 aren't. But the MBI, the Modular Building Institute is a
13 good resource. That's where I would go to look at these
14 products.

15 MR. BASHAM: When I get asked this question this
16 morning, it was kind of to get a feel for all we had here. I

17 think there was about a half dozen, dozen that went up in
18 pre-engineering modular building. If we went to the
19 institute to help us put together a forum, is that the right
20 place to go to try to pull a group together to have this
21 discussion?

22 AUDIENCE MEMBER: I don't disagree that there is a
23 pre-engineered solution to a lot of design build type
24 approaches. There is probably some pre-engineered
25 manufacturers in here, and I will tell you my car is parked

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

116

1 outside. You can get my tires later. We do a lot of health
2 care. We do a lot of housing. We are an architect here in
3 town. We do a lot of design work with a lot of very good
4 builders around the country. Our owners put a lot of
5 pressure on us to do all the things that you said that you
6 need to do already.

7 I need to get it done. I wish I could have told
8 you last week, but I need it done tomorrow. So how do we do
9 this. We do hospitals on a design build approach. Those we
10 need yesterday, maybe four months ago, we have done several
11 of those MOB, several kind of small scale hospitals, but you
12 know, 90,000 square foot projects. We are going to
13 pre-engineer this building. We are going to fill it up later
14 with the programming that we need to do.

15 We looked at that and we found that a lot of the
16 approaches we were taking to modularize or pre-engineer a
17 particular type of building and make it work regionally for

18 our client, because our client has several installations,
19 didn't work as a pre-engineered steel building. First of
20 all, it's the blue Bug outside, pre-engineered buildings
21 sometimes, steel is all about tonnage and I can employ my
22 structural engineer working very closely with my building,
23 and I can design a steel building using a specific process
24 where my fabricator is already picked ahead of time.

25 My owner has said I will go ahead and let you pick

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

117

1 my fabricator ahead of time. I will purchase the steel ahead
2 of time. We will design a building. We will design a steel
3 frame that's lighter and very flexible but give me a chance
4 to do the foundation work and steel design earlier. We call
5 it speed and steel. We call it a lot different things.
6 Maybe pre-engineering probably works for certain building
7 types but it hasn't worked for us and several other building
8 types.

9 I'm probably talking to some structural engineers
10 that are working on the edge of lighter, better, faster
11 designs and pre-packaging designs might be industrially.

12 MR. BASHAM: I agree while we are talking about
13 this, I don't believe it necessarily fits every facility
14 niche for some of this and probably not for others.

15 MR. PRESS: Bill Briss with Butler Builders. I am
16 not going to slash anyone's tires. I think one of the things
17 you lose when you do the eaches instead of the program buy
18 across the board is you lose your economies of scale. When

19 you have a project that's this size, you really need to try
20 to level off those things across the entire project.
21 Certainly pre-engineered manufacturers the size of the
22 company I work with are large enough to buy long on steel and
23 give you price protection for four or five years, especially
24 ones owned by steel companies.
25 So not to bluntly say entirely there are buildings

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

118

1 that are not a good solution when they go pre-engineered but
2 for the majority of the buildings you do get economies of
3 scale. That's one of the reasons the company is as large as
4 it is.
5 MR. BASHAM: There again, we can start looking at a
6 particular facility or I guess a particular technique to get
7 the facility. It gets back to some extent the acquisition
8 strategy that you use to get there. My experience in my
9 career has been much along if I do this one project at a
10 time, I am going to get the pre-engineered building. You are
11 in business to offer pre-engineered buildings, which is
12 pre-fabricated and pre-made. And what I am trying to get at
13 is if I am going to move in that direction, I would also want
14 to have a discussion about what is my acquisition strategy to
15 do that. I don't believe it's going to be one building at a
16 time.
17 What I want to do is get with these structural
18 engineers. Over time I want to challenge you. I want you to
19 give me this building the most efficient, effective way you

20 can. By the way, you and mine relationship is not based on
21 amount of tonnage of steel you deliver. It's based on
22 long-term delivery of X number of buildings that will far
23 exceed that tonnage in the long run.

24 My sense is, what you are saying, I understand that
25 that's what they are in business for. I have seen that in my

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

119

1 career when we tried to do a lot of more pre-engineered. We
2 take 250 pages in a safety specs to try to define this
3 building and we try to define it down to every eaves strip
4 and every bolt in this pre-engineered building. Every one of
5 them is different. So now I have got some submittal in here
6 that don't match. I am spending months reviewing these
7 submittals trying to describe a generic building that doesn't
8 sole-source my procurement. How do I get around that.

9 I have asked Jessie, when he asked you-all some
10 questions about how do we, whichever form we use, whichever
11 form the RFP is in, whatever standard is, we get the standard
12 facility we put out, we've still got to talk about how do we
13 spec the quality or the finishes, not just talking about the
14 colors and the carpet but the HVAC system. I still don't
15 want to have 45 pages of specifications defining the generic
16 HVAC system that you are out there hunting and pecking to put
17 the pieces together. So I would like to have some discussion
18 about this when we get to that and pre-engineered leads us in
19 that direction. And what is those requirements that you put
20 in that RFP that helps define that. Jessie, walk us through

21 that a little bit.

22 MR. KIDD: We have been talking about a more
23 descriptive type RFP solicitation. I was wondering about the
24 performance solicitation and would that be advisable,
25 something like as a dining facility or a cafeteria. You

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

120

1 might think, well, this facility serves three meals a day.
2 We serve 18,000 meals. Now, with that information, you could
3 develop the size of your kitchen, your storage, your dining
4 area. Would there be any advantage to doing anything like
5 that and having industry come back with us rather than
6 provide you with a definitive design?

7 AUDIENCE MEMBER: I have always looked for a
8 solicitation like that because coming from the industry I
9 come from, one of my personal goals is and our company goal
10 is to demonstrate how we can dovetail this site work
11 simultaneously with the actual building. That's what is
12 going to give you the time. None of the solicitations I have
13 ever seen have given you the opportunity to do that. They
14 are pretty specific.

15 They want a certain trust. I can still achieve the
16 square footage and the requirements you are looking for but
17 because I want to do part of it off site, I am restricted.
18 When you develop the RFP so geared towards one construction
19 method, then we are out.

20 I think what you just said is throwing it out there
21 and saying who can do it better, the firm over there or the

22 guy back there or this guy. Let's loosen it up and let us
23 come in and show you what we can do. Let me come in with my
24 concrete and steel modules and set them up. I am not worried
25 about my tires either. That's exactly where I would hope

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

121

1 these discussions would lead is the opportunity for more than
2 just one way, like the Air Force book that became antiquated.

3 AUDIENCE MEMBER: There are a number of ways we are
4 hearing about how to expedite the process, how to get things
5 quicker. There has also been some discussion about reduced
6 cost. Now we are talking about different kinds of buildings
7 and structure. I haven't heard any discussion about
8 sustainable design construction. I know the Army took a step
9 forward here through the Corps and said all FY 06 buildings
10 would be built to the SPIRIT standard. I know having looked
11 at that and worked at a few installations one of the
12 challenges we all have on the Army side is life-cycle cost.
13 I know having worked with senior leaders that they are very
14 much interested in getting it quickly the way they want it
15 but over time, they want something that holds up.

16 I guess it's more of a question than a comment.
17 Are we going away from SPIRIT lead goal or are we looking at
18 again life-cycle cost versus initial cost, which is kind of,
19 although we say life-cycle cost, it really comes down to how
20 much does it cost per square foot when we build it on the
21 front end, which may not necessarily help us life cycle wise.

22 MR. KIDD: The Army is not backing down from those
Page 117

23 requirements. We are still going to require sustainable
24 design. We are also going to require ADFP. Those are things
25 we are still going to have to do. Those military

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

122

1 requirements are going to be identified in the solicitation.

2 MR. BASHAM: I was going to give you a yes, no
3 answer. One of the significant things that has happened here
4 in the last few months, the Army decided to move away from
5 SPIRIT and embrace lead, which is again industry standard.
6 Quite frankly, what drove us there, I am two generations
7 behind in updating SPIRIT. So even I would argue even though
8 the Army, quote, has decided to go gold, that is two
9 generations ago. I don't know what that is, but I believe
10 it's gold. And gold is not the same as golden leave.

11 So there again, I have got a standard out here that
12 if I don't keep updated and keep state of the art is going to
13 get outdated very quickly, and it's going to get going in
14 opposite directions from the industry is going to be going.
15 The notion is we are going to move to SPIRIT leave like the
16 way the Air Force has moved to, I think is one of those steps
17 in that direction because the industry keeps that up. There
18 again, I have to say I want sustainability according to elite
19 criteria.

20 Elite has been updated, I might be missing it by
21 one or two, but has been updated, I think, three times since
22 we initiated the SPIRIT program. I updated it once. So I am
23 out of date already. So you have already got a criteria you

24 have used that is not even the system close anymore to lead
25 and now it's outdated. So the products and materials that

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

123

1 you updated the lead standard to help embrace, I am still
2 back here trying to catch up still.

3 MR. C. BASHAM: I guess I wanted to get back to the
4 original question to prescriptive solicitation as opposed to
5 putting together a set of bridging documents. Again, we are
6 assuming we are talking in context of design build. One of
7 the problems is every time a design build team is asked to do
8 something, it costs money. And if a prescriptive program
9 were to come out for a response and that's competed, that
10 requires a certain amount of work, whereas if you have a
11 complete set of bridging documents that requires less time
12 and effort by the design built team. And there is pros and
13 cons to both.

14 One thing I would say is and I think this in
15 response to some of the things that were said earlier. If
16 that design build process comes in planning where they carry
17 it through when they get it earlier, then prescriptive
18 becomes great. The prescriptive criteria will always include
19 things that need to come through, leads, IDG, whatever
20 military requirements have to be added to standard code. The
21 earlier you do that, the more prescriptive becomes an
22 advantage.

23 MR. BASHAM: What does a set of bridging documents
24 look like. What would a set of RFP bridging documents in

25 your estimation look like.

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

124

1 AUDIENCE MEMBER: Well, the program I have been
2 involved with, bridging document would be a performance
3 specification. It would be probably a floor plan, a site
4 plan. It would include the survey, phase one, EA, soils
5 report so all of the firms that are competing pretty much
6 have what they need to come up with a reasonable response
7 that would take what we consider background information plus
8 about 15 percent design and let them run with it so you can
9 get the best value.

10 MR. BASHAM: In your notion, if I had a standard,
11 set standard design out here, that bridging document would be
12 that document that would feed that standard that's got, I
13 guess, the site specifics. You've got to do some geotech.
14 You've got to do some seismic. What is that bridging piece
15 that allows me to take that standard to that final.

16 AUDIENCE MEMBER: Actually, there is a good example
17 now in the Army, Air Force exchange service. They have
18 recently completed their prototype drawings for certain size
19 facilities and they take that and they see how that size
20 prototype worked for that site and they developed survey and
21 all the other criteria. That seems to be working for them.

22 AUDIENCE MEMBER: Just a comment on bridging
23 documents. What we find is Corps district staff tends to
24 have problems with bridging documents and they tend to want
25 so much detail added in and added in, you lose that creative

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

125

1 and innovation on the contractor site. One of the things I
2 would say, somehow helping the Corps staff understand more
3 design build if they are going to use that method in bridging
4 documents, maybe mentor them how much they need to go before
5 they let it go really seems to be too specific and too much
6 spec and then it takes away the advantage you are trying to
7 gain.

8 AUDIENCE MEMBER: We have been involved in eight
9 design builds. We currently have one going on at Lackland.
10 That was bridging documents. Some our most successful design
11 builds was where the contractor and architect were together
12 early, were working on the system together, making design
13 decisions with the owner, creating guaranteed max, you know,
14 schematic sometimes so you've got guaranteed price and we can
15 break down with guaranteed price.

16 AUDIENCE MEMBER: Absolutely. That's an advantage
17 of design build. We have done, that's exclusively what we
18 do, do joint venture with architects and structural
19 engineers. We are in early on the ground floor 35 percent.
20 You can get, break ground so much sooner that way if the,
21 like the gentleman said, that's the way we are. We will get
22 RFP. Sometimes there are a few sentences if local RFP from
23 global, from the Navy. We can get together and give him a
24 price and a set of schematics and they can approach it. We
25 can start in a week's time. So that's definitely, I think,

1 the advantage if you want it quick, which is what you want.

2 MR. BASHAM: Jessie, other questions?

3 MR. KIDD: I was wondering about, I mentioned road
4 blocks earlier. What is different on post is what is off.
5 What is different than on post than off post that increases
6 our costs. Does anybody have a feel for that?

7 MR. C. BASHAM: I would say some of it is how you
8 handle the risk and what goes along with the risk is the
9 trust factor. When you do design build, one of the things
10 that we run into is people don't know when to stop designing.
11 It goes all the way up to I have got projects that are 90
12 percent complete and they are still making changes. One of
13 the things when you have a design build, you have a definite
14 stopping point. Who is assuming the risk. The risk factor
15 who is assuming it, who is not assuming it.

16 That part of it goes back to the trust, trusting
17 each other that we are not going to do things the wrong way.
18 So part of what causes that, we have to price our stuff
19 because we know there are going to be onerous reviews and
20 over and over reviews. One of the things we have learned in
21 the last couple of years in design build is the reviews are
22 even more onerous than they were in design bid build because
23 they keep coming. They never stop. That risk factor goes
24 way up. You never know exactly what you are getting. You
25 don't know what you are getting. We don't know what we are

1 getting. The better you can standardize that and close it as
2 to what is going to be built, that helps that.

3 MR. PYLES: Ron Pyles, Hope Contractors out of
4 Shreveport. There are a few things you kept asking why
5 things are costing more inside the gate versus outside the
6 gate. Private sector is not regulated by the FAR
7 regulations, obviously. They don't have the Buy American
8 Act, which is a good thing. They have don't have
9 Davis-Bacon. They also don't have the increased security and
10 access issues that you have at military facilities.

11 We are regulated by the ENB 385 which states a lot
12 of additional regulations in there that other agencies
13 already take into account for. We have OSHA. We have
14 standard building codes and other issues that are already
15 regulated by other entities and it's re-regulated back by the
16 Corps and technical inspectors. So that should sum up a lot
17 of the answers.

18 MR. BASHAM: Anybody else before we break for
19 lunch? When we come back from lunch, I would like to shift
20 and get into acquisition, execution piece of this. I am sure
21 that will bring us back to some of the discussions we had
22 this morning. I think that was the last focus area. I think
23 you have already mentioned acquisition methods, design build.
24 I would tell you the terms that's been used here, I don't
25 think, even when we talk about design build, we talk assume

1 risk about design built risk. If I talk to ten of you in
2 here, you would give me a different definition of how that
3 worked and what it is.

4 When we come back, I would like to maybe narrow it
5 down a little bit more when we say design built, what does
6 that mean. When we talk about design built, design risk,
7 built risk where we have got the architect out there and we
8 go hire and get a set of drawings to a certain level, and
9 then you go hire a contractor and bring a contractor on board
10 and they work together and the builder contractor winds up
11 being the construction, does the bidability and
12 constructability reviews for the Corps, does some of the
13 earlier front end and then somewhere along the line one of the
14 other groups has the notion that their design build risk
15 concept was that designer and builder would work along.

16 At some point in time we get comfortable in the
17 foundations and the contractors can go out and award a
18 subcontract even before we identify the contract to award a
19 subcontract. And again, it gets, every time you award
20 something and the government is involved in that award
21 process, you eliminate some of that risk that is on both
22 parties. Somewhere in the process there you then say we are
23 both comfortable with whatever risk is left out.

24 And we have a contract, makes guaranteed maximum
25 price but every guaranteed maximum price has got a

1 contingency built into it. And the earlier you definitize
2 that, the larger that contingency is. If you go all the way
3 to day 365 when I am done with the facility, the contingency
4 is going to be zero.

5 Where is that right now in the middle for both the
6 government risk and the contractor risk. That's one form of
7 this thing that might get us there quicker and faster. The
8 notion was from the other group that the contractor then
9 could literally bring preferred providers to the table. We
10 sit here and talk about writing specifications for whatever
11 else is left out there. You don't do that. You bring the
12 preferred providers to the table. I have got three of them,
13 look at what three of them offer, pick which one of them you
14 want and list that subcontract and move on and not be writing
15 is that a performance spec.

16 In some respects it's a performance invitation to
17 the guys coming before you and saying here is what my
18 training or carrier or my windows can do for you and you look
19 at that and you buy off on it without producing these great
20 big window details and all these windows specifications. So
21 think about some of those. When you come back, let's talk
22 about the acquisition execution piece and that will take some
23 of what does the RFP look like. I would like to get some
24 more thought, approach RFP piece of this thing a little bit.
25 Any other burning questions or comments before we break for

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

Minutes from DFW Forum.txt

1 Lunch?

2 (Lunch recess.)

3 MR. BASHAM: Let's see if we can get started back
4 here. As I said before lunch, what we will do now is kind of
5 shift into the acquisition slash execution phase of this and
6 will ask you a couple of questions, two or three questions,
7 see if we can get the dialogue started, ask you to continue
8 on to ask us some questions, what have you. If we are ready.

9 MS. BUTLER: Can you tell us how the private
10 acquisition process delivers from that of the government.
11 Specifically, we are looking for barriers that you feel that
12 keep you from executing the work quicker, faster and most
13 cost effective.

14 MR. BASHAM: The question was: Can you compare the
15 acquisition process within the Corps and the way we acquire
16 some of the services and facilities compared to how it's done
17 in the private sector and what are some of those differences
18 that might if we were to adopt or move to would get us
19 quicker, faster and more cost-effective facilities. Is that
20 basically?

21 MS. BUTLER: Yes.

22 MR. NANCE: Randy Nance with the Funtco Companies.
23 Do you ever see the process going to a pure qualification
24 based selection as opposed to best value? I know a lot of
25 the AE services are based upon qualifications. Is there the

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

1 possibility of the design build team being selected based
2 upon qualification and not quote, unquote, best value, which
3 is still perceived, to be honest with you in the industry,
4 still being lowest price or cheapest price?

5 MS. BUTLER: I would say that we, at this point we
6 are considering all options. We are trying to get the
7 information from you so that we can evaluate how we will
8 proceed with this.

9 MR. BASHAM: What we have heard from the previous
10 two forums and what I have heard elsewhere, that would be a
11 preference in the private sector as to move more towards
12 qualification basis selection. I will tell you we have moved
13 that way tremendously in the last couple of years not only
14 just for architect engineers but the construction side of the
15 house. I think that's -- whatever way we come out, I think
16 that's the wave of the future. We will be basing selection
17 upon qualification basis.

18 AUDIENCE MEMBER: You may not want to hear this.

19 MR. BASHAM: I want to hear everything. There is
20 no bad ideas.

21 AUDIENCE MEMBER: One of the primary differences in
22 the construction side and privately and government, there is
23 no Corps. There is no Corps. Circumstances dictate that
24 there be something there but because of that, it adds to the
25 time, sometimes adds to the cost. Maybe we need to look at

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

1 further streamlining your function. You have made a big step

2 today, trying to make a big step. Maybe there is something
3 there that could be, maybe there is a different class of
4 project to where you don't have all that bureaucracy,
5 particularly in the case of emergencies or something that's
6 got to be done yesterday or things like that, there may be.
7 I know you have some procedures like that now, but that's a
8 big difference that we need to work with.

9 MR. BASHAM: Let's talk about that for a second.
10 What does that look like. Obviously, you don't have the
11 Corps but what substitutes for the Corps. If not an entity,
12 what is in the process, the methods that gets the same end
13 state you are trying to accomplish.

14 AUDIENCE MEMBER: Okay. Could I answer that by
15 addressing our own company?

16 MR. BASHAM: Sure.

17 AUDIENCE MEMBER: We do design build work. Not all
18 the work is that but we could do it all that way. We are an
19 architectural construction company. We don't associate with
20 a firm. We are that firm. We have 60, 70 architects
21 in-house and construction guys. So we address the management
22 piece, even sometimes providing financing and the realty
23 piece, the land acquisition, the whole deal.

24 MR. BASHAM: On behalf of the owner?

25 AUDIENCE MEMBER: Directly with the owner. He

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

133

1 hires us for that expertise to provide the entire package.
2 Usually that is because he does not have those sort of

3 functions at all in-house. Obviously, the government does.
4 You don't need all of that. But that's typically what it
5 would look like and how that function is provided.

6 MR. BASHAM: Is there a third party that represents
7 the owner? Some owners are like all the others, some owners,
8 I am sure, in the private sector are real sophisticated.
9 They have some engineering staff that can provide oversight,
10 others are probably not. Do they hire a third party to
11 interface with you-all?

12 AUDIENCE MEMBER: We do both. Sometimes he hires a
13 management firm to be his representative because he doesn't
14 have expertise in-house. Sometimes that step or that
15 oversight piece is not included. He just goes directly to
16 us. I think that's the big difference.

17 MR. BASHAM: Others? Fourth row back.

18 AUDIENCE MEMBER: I think when you get back to
19 trying to compare costs that the government would incur as
20 opposed to Wal-Mart, some of the things that gentleman
21 brought out this morning in terms of the Davis-Bacon Act, the
22 security that you have on base, the FAR, one of the other
23 things would be the level of inspection and quality. You go
24 into a Wal-Mart building and there is not much there in terms
25 of quality. And the other big factor that I would see would

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

134

1 be they wouldn't have the diversity that you would have with
2 the type of facilities that you are discussing.

3 Once you build a Wal-Mart store, you just keep

4 repeating that same format over and over again. So
5 obviously, if you are using the same contractor, mostly the
6 same contractors, you would have a much greater opportunity
7 to get your price way down as opposed to the way the
8 government has to go about their operation. And the
9 government has another situation that Wal-Mart don't
10 necessarily carry out to the level that the government does
11 is the social function where they are doing business with
12 various categories of people and Wal-Mart don't necessarily
13 follow those formats.

14 So there is a lot of factors that you will have to
15 consider when you look at the square foot costs that Wal-Mart
16 would incur as opposed to perhaps what the government would
17 incur.

18 MR. BASHAM: Sure. We understand that there is
19 certain aspects of this that we are probably going to be able
20 to change. Our initial indications are some of these
21 programs you are talking about while they drive some
22 incremental costs, I am not convinced they are the main
23 drivers. I would tell you, like I think Jessie might be able
24 to help me, the Fort Meade project, while we still had to pay
25 Davis-Bacon, you pay a completely different rate with the

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

135

1 type five construction as you do type one and two I think
2 it's an order of magnitude of difference because we have
3 tried that a couple of other places and some of the unions
4 are stronger than others.

5 That's a huge debate, paying that. So again just
6 moving, while we can't avoid the Davis-Bacon, putting us in
7 type one, type two, type three, type four, type five puts you
8 in a completely different pay scale that contributes
9 tremendously to your cost. And like Jessie said before, in
10 that particular instance and may not be everywhere, also
11 contributes to the competition. Now you have got another
12 group of vendors that compete with that facility versus the
13 other ones.

14 MR. SALTSBERG: Our facilities may not be directly
15 repetitive as a Wal-Mart but once you have built, what is
16 repetitive is the administration buildings on each brigade,
17 the tack shops at each brigade set, the UEPH's at each
18 brigade set. In that sense, it is very repetitive.

19 MR. C. BASHAM: One of the things we did on a
20 recent project, we did at ten military installations was we
21 actually constructed a project on the base as it was off
22 base. The situation presented itself, it was close enough to
23 the perimeter that we re-fence lined the project so the
24 project actually occurred off base. I didn't have to keep
25 any of the requirements that I would normally on base.

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

136

1 People didn't have to get security cleared. The whole
2 construction could come and go. We worked the hours we
3 wanted to. It allowed us a lot more flexibility by just
4 putting in a new fence line in and took the project off the
5 base.

6 AUDIENCE MEMBER: Just follow up with what this
7 gentleman said over here about the Corps of Engineers being
8 an additional entity that you normally don't have in the
9 private sector. I am thinking a paradigm shift might be one
10 possibility because it's the United States Army Corps of
11 Engineers, which means this is Army work and the Corps is the
12 owner. So in one sense, you can hire out the program
13 management, the bridging documents, the construction
14 management, the design build because you can be the owner and
15 you don't have to have necessarily as much paperwork. There
16 is a case to be made for the Corps to be more like a private
17 sector owner.

18 MR. BASHAM: Others? How about talking to me a
19 little bit about in the acquisition, the difference, some
20 discussion we had earlier today about the packaging. How do
21 we package these. I understand where there is unique
22 facilities out there. They are all one of a kind. What you
23 have seen here today, that there is some consistency in the
24 facilities we have. There is not all one of a kind. Is
25 there a better way to procure those and package those that is

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

137

1 attractive to you and obviously attractive to us?

2 AUDIENCE MEMBER: I think it goes back to the
3 central theme here and that is the program management team is
4 selected by the Army Corps. They are out there doing these
5 kind of things day in and day out. They know how to put the
6 packages together best, something you don't have to school

7 yourselves on so much as to finding the right people to do
8 that. Like this guy said, you are making decisions according
9 to what the design team is putting together for you. They
10 deliver the thing at the best efficiency because they put
11 these packages together for the best efficiency.

12 MR. STARKS: My name is Cecil Starks here in the
13 Dallas area. First of all, we are very appreciative this
14 presentation came to our area. When we talk about the
15 procurement aspects, I think a lot of people shift down to
16 the level of the small business. How does the small business
17 entity or how does the Corps ensure that the level of
18 participation from this small business is going to be here to
19 not necessarily from the prime contractors. I have been in
20 the construction arena for some 20 years.

21 It's very easy and understandable to understand
22 once the prime relationships have established their
23 territory, so to speak, they have their relationships and et
24 cetera, then the requirements then shift to somewhat of a
25 good faith effort trying to secure contact opportunities. I

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

138

1 am also a director with the Black Contract Association. We
2 are in conjunction with the Hispanic Contract Association in
3 the Dallas Fort Worth market.

4 I would like for someone to give an explanation in
5 terms of whether or not packages can be broken out in some
6 form or fashion, size wise, dollar wise that doesn't mean
7 that they are going to go up under the prime contract. First

8 of all, the prime contract already have relationships in
9 which they have already secured with a number of months, et
10 cetera. We are interested in understanding how do we make an
11 entre into the marketplace to have projects and size of
12 packages that are not necessarily part of the big packages.

13 There are a number of packages and a number of
14 scopes of work that can be identified. I would be curious to
15 understand how does the Corps intend to ensure that that
16 smaller element is going to be a part of this opportunity.

17 MR. BASHAM: As a prime?

18 MR. STARKS: As a prime. Yes.

19 MS. OVERSTREET: Actually, that's a very good
20 question. That's why we are here today. We want to ask you
21 to provide us some input on that. That goes into two
22 different ways we want to involve small businesses, from the
23 prime and subcontracting level. So since you are talking
24 prime, my question to the audience then is we talked about
25 economies of scale today. We have all sat here and listened

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

139

1 to this. I have heard economies of scale from geographical
2 location to type of building, many different discussions
3 along that line. I have heard about leveraging
4 standardization that can get us what we are looking for
5 faster, better, cheaper.

6 And then we have also said we want to ensure we
7 address a proper approach to involving small business. So my
8 question to the small business firms out there is what are

9 some of your suggestions on how we might package or put these
10 together such that we have given you a better opportunity to
11 participate. And I will add one more thing to that. We
12 talked about regional versus national versus installation.
13 So when I get an answer, what I would like to know is, how do
14 you believe if we could structure something so that you have
15 a better chance of being involved from a prime contracting
16 level.

17 AUDIENCE MEMBER: There are of a number of firms in
18 the Dallas market that have regional, national and local
19 capabilities. One of the things I think would be
20 advantageous for the Corps to understand is that there is a
21 data bank of firms that are in this area that are represented
22 through organizations such as the Hispanic Contract
23 Association, the Black Contract Association as well as
24 different chambers, et cetera.

25 One of the ways of understanding the capabilities

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

140

1 and capacity that exist in this area is to possibly make, to
2 have an outreach program that is for the organizations an
3 opportunity to give you a sound feedback in terms of
4 capabilities that are possessed within our organization. We
5 have probably heard the old cliché so many times, we can't
6 find them. Well, we are trying to establish a central point
7 of information that allow that information to fall back to
8 you so that you don't have to go out and spend a lot of
9 resources and time trying to identify.

10 At some point in time I will be more than happy to
11 give you some information containing these particular
12 organizations that would be able to provide you an avenue of
13 that information that will let you know who is available,
14 capacities and ability to respond. Thank you for your
15 interest.

16 AUDIENCE MEMBER: I know the forum is set up mainly
17 to get input on small businesses. For the small businesses
18 that are here, yeah, there is CCR. There are databases but
19 you have to take the initiative to sell yourself. We are
20 government. We love you, but we will not find you on CCR
21 unless you step out there and sell yourself, contact us. You
22 have people on the podium. It is crucial. This is a lot of
23 money. This is a lot of money. You can't expect for us to
24 call you. We are limited on our resources, on our personnel,
25 on our labor just as you are.

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

141

1 So you have to take the initiative to say Shirley,
2 or Ms. Overstreet, this is what my firm can do. Forget that
3 I am a women owned, forget that I am a service-disabled
4 veteran. I am good. This is what I do. You need us for the
5 work you have coming up. Let me do it. I can do it. This
6 is the piece I can do and help the Corps in reaching this
7 small business goal. You have to sell it for yourself. You
8 have to give it to us and you have to take the piece that you
9 can do and bring it to us in a marketable format that we can
10 use. It's on you. If you wait on us, you will be waiting a

11 long time.

12 MR. BASHAM: Let me see if I can get more specific
13 to the question you asked us. If you will allow me to ramble
14 a little bit and not hold me accountable for it in the
15 context we are talking about that. Somebody has come up to
16 me in other forums. The pre-engineered community out there,
17 I am told that there is a lot of small business in the
18 pre-engineering community out there. For if the segment of
19 this went pre-engineer, that would be one option. Another
20 option I have heard, it's the opposite point of view is maybe
21 package it such that a pre-engineered for a certain segment
22 of some of these facilities would come in and erect the shell
23 and then the small business community come in and fill out
24 the shell.

25 I think those are just two options that kind of

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

142

1 opposite end of the extreme, to some extent. But I think
2 there are many ways of doing that and packaging that gets us
3 to the economies and efficiency we are looking for to engage
4 the large business and also the small business because to me,
5 the thing that I am wrestling with, quite frankly, is not the
6 small business, large issue. Don't get me wrong. It's not
7 about small business, large business. It's about packaging
8 and the thing that's killing me right now is packaging these
9 facilities on the eches.

10 I think I am getting a little bit of a drift from
11 you-all, there is probably a number of things but two things

12 that keeps resonating throughout all these sessions is the
13 facility types we are talking about here is standard. You
14 can make them standard. You-all have carried it one
15 resolution forward than the others, which I appreciate is
16 with the modern technology today, you can even have multiple
17 sets of that standard. You get a barracks built for the
18 northeast.

19 It could be a complete design to include HVAC
20 roofing, insulation and everything. Push a little button and
21 with a little bit of structural calculations and a little bit
22 of life cycle added to it, I can give you that same model
23 within minutes anymore of a building over here in the
24 Southwest. I mean, I think -- I don't remember if I am
25 repeating myself. The Reserves, I told you the day we met,

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

143

1 the Reserves they took the kits of parts. I met with them
2 the other week.

3 They want to reinvent that now. They want to start
4 designing in 4D so that they have more flexibility with these
5 models to push and range and adjust them. I am not too sure
6 the industry we couldn't do that today. Once you've got a
7 basic model built here and then you could start tweaking it
8 for different regions of the country. Before it was over
9 with, we would have a series of models here that would be
10 operated and maintained. You could push them forward.
11 Number one, I get the sense you've got to get more
12 standardization.

13 That's truly what you want. It's going to get you
14 economy of scale. The second piece I feel like you get,
15 you've got to package these things differently other than the
16 pieces to attract us to get some efficiencies and economies
17 out of procurements and buys of equipment. Whether that
18 equates itself to preferred providers or whatever and then
19 the third piece, you've got to establish long-term
20 relationships. They are not one relationship at a time and
21 one project at a time.

22 We talked about a lot of others but the sense I
23 kind of hold down today's discussion and the last couple of
24 days is those kind of three pieces. Am I missing the boat
25 here? Is that generally -- that's the real economy that you

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

144

1 are going to get out of that. Having said that, how do you
2 make all that happen. How do you package all that to make it
3 happen. That's the balance between large business and the
4 small business.

5 MR. C. BASHAM: One of the things I have seen in
6 packaging, the International Guard has had the fortune of
7 building some new installations in the last five or six
8 years. The way they packaged those was four or five packages
9 that were done to build a complete new installation. And
10 they would hire a program manager that would do the planning
11 and would be responsible for all of the infrastructure,
12 beginning infrastructure roads and utilities and also the
13 ending infrastructure, streetlights and landscaping.

14 They also act as program manager. Then they broke
15 up the rest of the base into groups, administrative
16 facilities and a firm selected to do all the administrative
17 facilities. Another firm for all the industrial facilities,
18 flat-line facilities, so forth. And then all four of the
19 firms worked together all at the same time. It was
20 concurrent. It wasn't one each. Each firm got four or five
21 facilities all working at the base under one program manager
22 that didn't work for the owner.

23 MR. BASHAM: I think that concept is heading in the
24 direction for the BRAC and the restationing piece where we
25 are looking at full brigades of deploying those. We are

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

145

1 talking about whole deployment of those. I think that's
2 heading in that direction. This five year seems to make some
3 sense how we can package that. Going back to that, then you
4 can take this full brigade that's 400 million dollars plus or
5 minus, 400 million, give or take a little bit.

6 Then you could look at breaking that out into
7 subsections that could go to small business and large
8 business and do that because once, just us moving in the
9 direction, which is different completely different for us.
10 The last time we did it in a major way, we programmed Fort
11 Drum as one big thirteen nine one program type. It gives you
12 a tremendous amount of flexibility how you put that facility
13 on the ground to conclude how you break down the package.

14 You look into the total green space and could you

15 have ordered site development package just like in
16 subdivision or out there. Somewhere you start putting the
17 streets down and utilities down and start ordering sub
18 packages off of that to build the facilities. That may be
19 the direction we go in the short-term. I have still got my
20 two billion dollar annual program that I won't necessarily
21 build a procure that way. They don't come in a nice, clear
22 package.

23 There is kind of two things here, the BRAC
24 initiatives restationing that's going to come in a five year
25 lump, it's going to come in complete brigades. And it was an

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

146

1 additional two billion dollar a year program that gets back
2 to some combination of the eaches and how we package those.

3 AUDIENCE MEMBER: I take it a step forward. I say
4 look at packaging with a particular program and installation
5 management. Oftentimes we just look at a MCA project. If it
6 doesn't come in a package with a brigade, it's an individual
7 facility that gets into a fiscal year in MILCON, and on the
8 installation side they may have plans through their owner
9 funds to do certain things that would link with that
10 particular project. And we handle those traditionally as two
11 separate things.

12 And oftentimes we will go to a facility on the
13 MILCON side and then six months later we will go tear up
14 something around the facility that was put in place to fix
15 something else that was part of the owner program. If there

16 is a way to package that together, we would end up with a
17 better product. I don't know if that goes along with what
18 you are asking.

19 MR. BASHAM: I think that gets back to the Army,
20 back in the planning and programming, trying to work that
21 better up front. It goes back to the master planning piece
22 to put that bag together. I think we would agree that over
23 the years by compartmentalizing MILCON dollars here and OM
24 dollars here, never shall the two come together to include,
25 we don't even want to put them in the same contract package.

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

147

1 As far as I know, there is no rules against being
2 able to do that. It does become a policing action to make
3 sure you are not using OM dollars to pay for MILCON dollars.
4 That's not hard to do. I have done that in the past. Again,
5 it's one of those risks. If it's the right arrangement there
6 that it makes sense to do that, as long as you assess the
7 risk, I think it can be done.

8 MR. WALL: I am Frank Wall with the Corps of
9 Engineers in Huntsville. I am a master planner. The point
10 you brought up there is probably quite valid. We have a tool
11 and planning vehicle called Capital Investment Strategy.
12 That is supposed to capture the various investments, either
13 management, how I use life facilities, OMA, OGA as needed for
14 install equipment or whatever and MCA and obviously that has
15 failed. We do need to reinstall the planning ethics or ethos
16 to Army installations that we may have lost. Thank you.

17 MR. BASHAM: Others?

18 MR. C. BASHAM: Don, maybe the idea like they are
19 doing in Iraq, you award and package by facility type so that
20 all administrative facilities are done on regional basis by
21 selection of firms. That's one way they are doing it in
22 Iraq.

23 MR. BASHAM: I was involved in putting these
24 contracts together and getting them out. I would like to say
25 there was a lot of neat work put into how we did that, but it

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

148

1 was fairly simple. It was not the most efficient way to do
2 it. The reason we did it that way, for you-all's interest,
3 that's the way Iraq runs their government. They are broken
4 up into sectors like that. Those few of us that got around
5 the table that worked on that initiative, one of the things
6 we decided early on in the process at the end of the day,
7 American people and the soldiers are hopefully going to leave
8 Iraq and leave them with 18 billion dollar infrastructure.

9 If we don't leave them with the wherewithal in the
10 way they do business, in another ten years down the road, you
11 are going to have lousy infrastructure. I know most of you
12 understand the infrastructure we are spending 18 million
13 dollars in Iraq for is not because of the war. It's due to
14 30 years of neglect in that regime over there and didn't take
15 care of their facilities. The pictures you see on TV and the
16 nightly news, that's where they blow them up.

17 I would tell you a big part of the work we are

18 doing over there is dealing with neglect over there, taking
19 care of those facilities. That might be the ultimate
20 strategy to go to. That's not what got us there to match
21 that. I think the sense is maybe the two billion dollar
22 program, you put them together that way across the country.
23 Since we are talking, since we are talking --

24 MS. GREENHOUSE: I would like to say one thing. I
25 want all of us to leave with, we are very serious about the

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

149

1 small business commitment to this. What we are trying to do
2 now, you are doing a very good job of that trying to come up
3 with what is going to be that programmatic framework and what
4 is going to be that packaging. I just don't want a lot of
5 what we are seeing here is like water over a duck's back. It
6 doesn't get close to decision making.

7 I think the comments that were made on the thinking
8 of groupings of administrative and industrial and so on, the
9 prototypes, the multiple prototypes, I think we are reaching
10 towards seeing that programmatic coming into reality. Just
11 know that we are serious about this, about making sure, as I
12 talked this morning, about the potential for breakouts. We
13 just need to know the capabilities. No one thing, when we
14 are talking about regional, local and national, that's going
15 to vary from region to local places and to national.

16 We might be using these various multiple prototypes
17 in one area different from in another area. There is a point
18 when Don is going to serve from his point of view as the

19 integrator. When we serve government as the integrator, we
20 are then able to bring in more of the groups of people that
21 have capabilities out there. When we see we are in an area
22 with a lot of capabilities of small business, government
23 might be the integrator there.

24 When we see then that there is an area where there
25 is not a lot of capabilities of small businesses, then we may

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

150

1 have a contractor who serves as that total integrator to
2 bring the subcontractors in rather than having primes as the
3 small businesses. So know that I hope, Don, that I can say
4 that this is catching root because you all have laid out some
5 wonderful things as to how we can group it administrative,
6 industrial and so on. So that we can get some closure in
7 your mind, someone commented to me during lunch, when they
8 leave these sessions, they go back to their home offices and
9 they start talking about how they can come up with other
10 think tank type ideas to give to the government along these
11 lines.

12 I think we have got to kind of shape it into that
13 we are getting there or that's feasible for us that meets the
14 objectives that Mr. Whittaker has talked about. We are
15 certainly going to be looking to throwing this out to meet
16 the objectives. Good points, just keep on going to where we
17 are going. I think we will have a good solicitation document
18 as a result. It may not look the same in every region. If
19 we are integrator, we can do more. You know, everything is

20 not going to be IDIQ, you know, umbrella type where small
21 businesses can only serve as maybe subcontractors.

22 MR. BASHAM: Have you've got another question?
23 You've got another good question?

24 MS. BUTLER: I want to ask this. We talked about
25 this before lunchtime. I was just curious if the design

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

151

1 build process on the government side was different from that
2 on the private sector side. We had a lot of discussion prior
3 to lunch about design build. And my question is, is the
4 design build process on the government side different from
5 the design build process on the private sector side?

6 MR. WITHAGER: I am Jim Withager with Michael Baker
7 Corporation. I think we kind of talked about that a little
8 bit before lunch, as you said. But it seems to me that one
9 of the biggies is we got the Corps in the middle. We have
10 got, we put together what we call an RFP, but then we end up
11 frequently going to 75 percent or 90 percent or 100 percent
12 design before we start turning any dirt. I think the whole
13 process of reviews and all of the requirements that have been
14 brought up many times already just simply make the process a
15 whole lot more complicated.

16 My sensing is that in the private sector it's more
17 of here are our requirements. Here is whatever information
18 you know about the site. Go build it and fortunately or
19 unfortunately as the case may be, the client, the owner is
20 not nearly as sophisticated as the Corps. They don't

21 understand, so they rely on us, the designer or the
22 constructor or the team to provide the end product. So I
23 guess the big thing I see that's different is just simply the
24 whole process of the internal things, all the stuff you folks
25 have got to deal with that just make it way more complicated

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

152

1 and all I can say is keep it simple. Decide what you need
2 and turn somebody loose.

3 If I may go back to the last question, I think your
4 question was packaging or what about talking about packaging.
5 I would only suggest that it seems to me that one of the
6 better ways to do it is to do a whole brigade complex at a
7 time. I know we have said that, talked around it but do a
8 whole brigade complex all at once. And something that seems
9 obvious to me but I don't know that I heard it is I would
10 hope that every facility inside, in that one complex would
11 all be programmed in one fiscal year.

12 MR. BASHAM: It would be thirteen ninety-one would
13 be one program. The full 400 million would not be
14 appropriated in the same business year. You are not going to
15 put all your money in the ground. Actual allocation of money
16 might be distributed over a couple of years but that would
17 have to be programmed. If we said we could expend that 400
18 million dollars in that year, the notion would be we would
19 program for that.

20 AUDIENCE MEMBER: The only reason I say that as 30
21 year Corps veteran, I saw lots of instances where we had a

22 project this year. We knew there were a couple more coming
23 down the line and we couldn't put in utilities for those
24 coming down the line because criteria wouldn't allow us to do
25 that. And that would be a caution I would suggest is if

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

153

1 that's the case, if complexes are not all in the same fiscal
2 year, you need to get some kind of waivers for those kinds of
3 criteria so you don't shoot yourself in the foot.

4 MR. BASHAM: That's partly what drove us to say we
5 move complete brigade complexes so we make sure we got our
6 hands on all these parts and pieces. As you well know,
7 things happen in the process and so you don't get out here
8 and get two projects out and say well, moon and stars changed
9 now. I have got to wait to another budget cycle. If I could
10 just follow up on your comment.

11 Let's say for the sake of argument, the Corps of
12 Engineers is the owner, is the Army's agent for the owner or
13 collectively between the axiom and the Iman in the Corps, if
14 you could at the end of the day. I hope we tried to display
15 this a little bit in this forum. I told you at the outset,
16 there are three elements here. We have not tried to make any
17 distinction in that other than each has a role to play. But
18 at the end of the day, it's about the Army.

19 The Army is the customer here and just has an agent
20 of axiom and Iman and Corps of Engineers to play a role in
21 executing that. I see that in maybe a different scale than
22 you have in the private sector. In private sector you have

23 got a big owner. They may have some engineers and may have
24 some programmers. It may not be as sophisticated, but look
25 at it for a second that we are some part of the owner. Now,

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

154

1 understanding that it may be owners that we have set about to
2 get what we want.

3 And I hope you would agree at the end of the day
4 what we are trying to do is make sure we get quality
5 facilities for our soldiers out there. If you assume that
6 both the private sector and us are after the same end state
7 here, there are comments of performance base and that's what
8 the performance at the end of the day and quality facilities
9 put on the ground.

10 If the Corps steps back one, two, three, four
11 steps, whatever that stepping back is in its current role,
12 what that substitutes in the way of processes, procedures,
13 systems that assures, just like in the private sector, the
14 owner at the end of the day has the facility to the quality
15 of level that he signed up for to start with.

16 AUDIENCE MEMBER: I think what you are saying is if
17 the Corps steps back three or four steps, who is representing
18 the owner, the Army. And I think it has to go back again to
19 what somebody else said is it's all about trust and
20 relationships. I think that they will be built. As we go
21 into this program, some suggestions have been made if you do
22 one project well or you will get another. I know you can't
23 really do it quite that way, but the reality is if you do

24 good work, you are probably going to get some more.

25 MR. BASHAM: Is that the way the private sector

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

155

1 works? Is that the way the quality of facilities and

2 timeliness?

3 AUDIENCE MEMBER: Absolutely. You get a call and
4 say we want you to do this job. That was the selection
5 process. Now, you can't do that right now. If you could
6 some way get waivers, I don't want to say waivers. You are
7 not going to get waivers to allow you to do that but yes. If
8 you get people who perform well and continue to do that, then
9 what you have in the contract, the design build team or
10 whoever that is, they in a sense become the representative of
11 the owner. In a private industry typically, the designer,
12 the architect or the engineer is the owner's representative.

13 Now, if you have a design build kind of a
14 partnership or something, then it gets a little bit more
15 convoluted. It comes out, in my opinion, more to trust in
16 relationships. So I think it's legitimate for the Corps to
17 be there. I think they have to be there. But the reality is
18 in private industry, it's my belief that the contractor is
19 working directly with the owner, whereas with MILCON work
20 there are half a dozen folks in between the contractor and
21 the owner. All that coordination, all that communication,
22 all that confusion, if you will, adds to the cost and the
23 time.

24 MR. BASHAM: Let me take this gentleman here and I

25 think there was one in the back.

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

156

1 AUDIENCE MEMBER: Just back to your question is
2 design build different in the Corps. I think he has
3 addressed pretty much my comments. It is different. The
4 intensity level and frequency of your reviews is much more
5 stringent but that leads me with one more point. Those are
6 necessary in your opinion, using you generically to ensure
7 quality. Okay. What is quality. Now, to us, quality is
8 conformance to plans and specifications. Quality is not
9 putting in a marble floor where vinyl does as well as or
10 vinyl covered walls where you can use painted sheetrock.

11 Painted sheetrock walls done properly to the specs
12 is just as much quality as a wooden wall. You need to keep
13 in mind what you are talking about. You are not talking
14 about upgrading the building to get quality. You are talking
15 about doing it right for the contract that you have got plans
16 and specifications under development. So if you look at it
17 like that, quality is pretty easy to obtain. Wal-Mart, in
18 their opinion, the quality of the building because they are
19 not looking for marble floor. They are looking for painted
20 block. To them, that's good enough. That's quality. That's
21 what they asked for. That's what they got. We need to keep
22 in mind where you would like to go.

23 MR. BASHAM: I think at the end of the day that
24 what you find is this discussion you had earlier. Whatever
25 standards we define that we are trying to build to, then once

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

157

1 you define that standard and achieving that standard is
2 reaching quality or somebody said the other day, just define
3 the footprint and tell me that you want \$140 a square foot
4 and that's quality.

5 If you wanted \$60 a square foot for that same
6 building, that's a different level of quality. If you are
7 willing to give me \$250 a square foot, I understand that's
8 marble and do other great things as well. The dollars, the
9 gross dollars per square foot in itself is defining a level
10 of quality and materials and workmanship that you want to put
11 in the building, level of finish.

12 AUDIENCE MEMBER: Also to respond to your question
13 about the difference. The problem with the military, I don't
14 want to lump the Corps all together. You get lost in the
15 process and not the progress. You see that a lot because the
16 specifications already call for quality control. The
17 contractor has to hire one. They have to have a certain
18 amount of experience. They have certain protocol that they
19 are specified to follow. That true owner's representative,
20 he is there every day. The Corps doesn't need to be there
21 every day, doesn't have to be. That's a useless expense for
22 the government to have to have that. It's expensive for
23 everybody.

24 MR. BASHAM: Someone.

25 AUDIENCE MEMBER: I was trying to think of some of

1 the examples from private sector where there is actually
2 someone actually like the Corps of Engineers that does work
3 and the one that comes up with all the work I have done with
4 Texas Instruments. They had at the time and I think they
5 still had a pretty significant construction and engineering
6 section and their job is to make sure that those corporate
7 goals are met, they stay in budget, contractors, architects,
8 planners and vendors too, in some cases are meeting those
9 corporate policies.

10 I guess in a way that's where I see the Corps of
11 Engineers even today. They are the ones that protect the
12 quality, the budget, the requirements that the government has
13 and sometimes maybe there is not as much in the way of
14 procedure that needs to be done. But that's still that role
15 that I see the Corps as the owner and owner's rep.

16 AUDIENCE MEMBER: To be more specific to answer
17 this lady's question, two of the examples that I would like
18 to point out would be different would be time and
19 flexibility. Normally, private sector has probably more time
20 to discuss the project, to plan it, to look for tax rebates,
21 to deal with a number of contractors, to get opinion from
22 this contractor as opposed to another contractor and also
23 they would have more flexibility in order to do the project
24 than a government operation would encounter. And those would
25 be the two that I would see that would be quite significant

1 between doing government work and private sector design work.

2 MR. BASHAM: That's because in the private sector
3 they bring that team on earlier before they are actually
4 getting to the construction phase, 30 day bid period, involve
5 you in the up front, allows you to do some pre-planning.

6 AUDIENCE MEMBER: I have been involved with say
7 Proctor and Gamble, General Motors and people like that.
8 Sometimes they discuss these projects six, seven, ten years
9 before it's going to be done. They know they are going to
10 need that capacity. They plan for it. They have a lot of
11 time to talk about it and to innovate. Government projects
12 usually don't have that kind of flexibility.

13 MR. BASHAM: Would it surprise you that it takes us
14 seven years from the day that the gleam in somebody's eye to
15 just award a contract?

16 AUDIENCE MEMBER: No. That wouldn't surprise me.

17 MR. BASHAM: I will tell you the day the
18 installation decides to take project A, they contemplate it,
19 by the time they plan it, budget it, it's about the same time
20 as seven years. That's about the same time as private
21 sector, if seven years is a fairly good time line. That's
22 about ours.

23 AUDIENCE MEMBER: Usually private sector would have
24 settled on say a particular source as opposed to government
25 has not made that decision yet.

1 MR. BASHAM: You are making that decision way up
2 here and bring that team on to live through that seven years.
3 I don't know if you want to get married to us for seven
4 years. Again, that might be the way you package these.
5 Clearly, you don't want to have architects, engineers,
6 contractors involved in a hundred percent project per year
7 over a seven-year period, but if you had some long-term
8 providers and my sense is we belong to the construction
9 industry. Dupont are members of that. That's what I hear
10 from them.

11 In some cases those are really preferred providers,
12 people they go back to year after year. They have got that
13 long-term relationship. It's worth their investment to be
14 involved in that whole development process and we could do
15 things like that, too. Again, we would have to move us to
16 the eaches to manage more as a program to do that. If I
17 could, before we go back to the gentleman's comment back here
18 in the back. Let me ask you, you personally and then the
19 group. Allow me a notion here. Please don't take this is I
20 am being defensive. Let me play the devil's advocate here.

21 My folks tell me in the field every day that if we
22 are not out here watching our contractors, they will take us
23 to lunch. That's not every one of them. Is 90 percent of
24 the contractors out there good ones and then there is ten
25 percent that will take me to lunch and so I have developed a

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

1 management system to manage the 90 percent and not the ten
2 percent?

3 AUDIENCE MEMBER: Probably.

4 MR. BASHAM: Is that fair?

5 AUDIENCE MEMBER: I don't think it's 90 to ten. I
6 think there are actually very few contractors who are out to
7 gouge anybody.

8 AUDIENCE MEMBER: Can I answer that, Don, because
9 it ties into the question I was going to ask prior to you
10 asking. Several in this room attended a NAF at design build
11 forum in Charleston a month ago. It was how to improve their
12 design build. They have been doing it for years and years,
13 longer than other parts of the nation had been. And one of
14 the nuggets that came out of that session was that the
15 process of partnering with the government and the contractor
16 and the designer is more important in design build than it
17 was in design bid build and that my point is on dealing with
18 the Corps, the consistency on partnering is drastic.

19 There are some districts that aren't even doing it
20 now and that you will never develop the trust with the
21 contracting community unless you embrace partnering and do it
22 and have it from the leadership at the top. There are a lot
23 of people, I see it on the Navy side and Air Force side and
24 Army side, that they think their goal in life is to throw up
25 hurdles, not try to help and think about what the project is

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

1 the most important thing. That's the boss, not the Corps of
2 Engineers, NAF, not the Air Force. And you have got to
3 embrace that concept to have the trust.

4 MR. BASHAM: You probably think a lot more than I
5 would. I have got some folks that think their lot in life is
6 to protect the federal interest and they are going to get up
7 every day and make sure that they do it. That's part of the
8 culture piece that I have got to help work at. We need to do
9 a lot better about partnering. What is the end game we are
10 trying to work at. You've got 11,000 folks that work for you
11 and some of you have probably got firms bigger than that
12 scattered out through 50 states. I work 50 states. It's
13 hard to get out of here.

14 Maybe part of this effort may be to buy some plane
15 tickets because you can't send it down. I am convinced of
16 that. For some reason I start here and send stuff down, it
17 just doesn't get there unless you get up out of your seat and
18 go yourself.

19 AUDIENCE MEMBER: Get General Strong.

20 MR. BASHAM: I don't think I could get General
21 Strong. And my sense is if I did, he would say what do I
22 need you for, Basham. Your point is right. We do too much.
23 We have a saying in the Corps or some us do. We do a great
24 job at distributing and disseminating information.

25 AUDIENCE MEMBER: Isn't that a two-way street? If

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

2 in your record and you are not going to get another deal. So
3 I think that's sort of a two way deal there. I think both
4 the Corps and the contractor is going to have to meet halfway
5 in order to achieve what you are trying to achieve.
6 Obviously, there may be some bad contractors out there. I
7 think anybody that wants to work in the federal system and
8 the federal system is a huge system, you will be a fool to
9 take advantage of a situation with the likelihood that you
10 will get debarred from the system.

11 AUDIENCE MEMBER: I think reinforcing what he is
12 saying, obviously you are going to have the contractors that
13 are going to take advantage of you if you let them, but I
14 think more than anything, it's checks and balances system
15 just like in government. The contractor has his own interest
16 and the client has their own interest and there has to be
17 some management and inspection there to keep both of those
18 interests at heart and to make sure that both parties are
19 satisfying their needs.

20 I don't think it's always so much that someone is
21 trying to take advantage of you but they obviously have their
22 own interest in our capitalist society that they want to make
23 money. At the same time, as construction management
24 consultants, we try to make sure the clients is getting the
25 best product for the money they are paying. I don't think

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

1 it's always so much that you are keeping someone from
2 stealing from you in the sense as just keeping everyone in a
Page 158

3 checks and balances system.

4 MR. BASHAM: What are the checks and balances in
5 the private sector? How do you strike those checks and
6 balances that doesn't impede progress, allows you to advance,
7 get the common goal issue? How do you strike those checks
8 and balances?

9 AUDIENCE MEMBER: Well, usually in my experience
10 it's a matter of taking, the contractor runs into situations
11 where they don't believe they can build something the way the
12 design engineer or the contract documents have specified.
13 They come up with their own idea how it needs to happen,
14 well, then it needs to go back to the designer. They
15 obviously have probably a little more information on the big
16 picture than what the contractor has on that specific task
17 and so then the designers check and make sure that all his
18 other criteria is being satisfied. The contractor is still
19 trying to see to it that he can do it for less money and
20 maybe in a quicker time frame. Is that the question you are
21 asking, sir? I am hoping I answered it.

22 MR. BASHAM: I guess I am still trying to
23 determine, trying to get, I guess at the end of the day I am
24 trying to get what is that checks and balances that might be
25 from the contractor's point of view and owner's point of

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

165

1 view. As they go through a project, they are both in lock
2 step that what you are providing is what I want and what I
3 want is what you are providing. Obviously we do that by

4 putting people out on the job, by having people do a hundred
5 percent review of plans and specs, having 30, 60, 90 review
6 periods, all those things we talked about today that you are
7 saying are impediments to getting there.

8 I don't disagree with that at all. So you don't do
9 all that in the private sector or you do some parts in the
10 private sector. But what is that checks and balances as you
11 go. Let's get to the point. When you get to the end of the
12 day and I have got a facility here, that we both can shake
13 handshakes and what drives that in the private sector that
14 everybody is happy.

15 AUDIENCE MEMBER: I think you said it yourself. We
16 do it in parts when it's necessary. We have some of the same
17 systems that we follow but when it comes down to it, we have
18 the ability to avoid the bureaucracy and say, all right,
19 guys, this is what we are trying to accomplish. Let's get
20 that done and avoid the red tape, as everyone likes to call
21 it. I guess we kind of have some of those liberties in the
22 private sector to push aside the regulation and say we just
23 need this to happen.

24 Let's get it done. We are not trying to make you
25 do something for free but you are also not going to charge us

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

166

1 \$50 for a 25 dollar job. It's a common sense approach, I
2 guess. That's what I try to do and everyone attempts to do
3 it. At some point on the government side it's not always
4 that possible.

5 MR. BASHAM: Okay. Others?

6 AUDIENCE MEMBER: Talking about the ten percent of
7 the contractors giving the other 90 percent a bad name,
8 coming from design to construction venue, when you build the
9 other way, when something fails, you go back, try to look at
10 what all happened. We have been in one with a couple of
11 projects with the Air Force, one just ending this last week,
12 30 million dollar construction, ends up being a 30 million
13 dollar repair job. When you strip everything down, look at
14 everything that happened, you would have really appreciated
15 those six people from the Corps that they were there and if
16 that was that 35, 65, 95 period in there, this project would
17 probably work.

18 Now it's a 30 million dollar lawsuit with a house
19 that is falling apart. So once again, this long-term
20 relationship and your trust in the contractor comes in play
21 and whether the contractor will get another job from you is
22 another question. It's also left to you to see how you can
23 earn that trust.

24 MR. PROCTOR: I am Alan Proctor with the Corps of
25 Engineers and I hate to say this but we talked about

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

167

1 contractors being barred. The reality of the situation is
2 the Army does not debar contractors based on performance.
3 There are other criteria to debar contractors and performance
4 is not one of them and therefore, all of you that do good
5 work still have to compete against people who can cut price

6 because they will perform poorly.

7 MR. C. BASHAM: Differences in the government
8 sector and private, I wrote down four things. A lot of the
9 things have been discussed. One of them is the consistency
10 of representation from the government because some of the
11 projects go so long, you change your representatives and we
12 end up reeducating maybe back to the goal stage what we are
13 trying to accomplish. I have seen that happen on too many
14 projects actually. Secondly, specs versus choice.

15 I mentioned this to you right before lunch. When
16 we do design build on the outside of a project, if I say this
17 is the water fountain we are going to use and I bring them
18 the cut sheet on it, that's it. I did that on a project with
19 the government, and I ended up in all kind of trouble because
20 they wanted to see the spec for it. I can provide you a spec
21 for something we have already bid on. It doesn't make any
22 sense but they were adamant about having a spec for it.
23 There was a difference there.

24 Thirdly, I would say responsibility for the design.
25 When we are liable for the design when we are design build

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

168

1 and the structure is ours, if it falls down, we are liable
2 for it. We have had a lot of cases when we are doing work
3 for the government, they want to go back and re-review all of
4 our structural calculations, all of our mechanical
5 calculations. Some them aren't as experienced as the guys
6 that do this all the time. We have to end up educating them

7 and getting them, re-explaining everything rather than just
8 moving on and it takes time.

9 The fourth thing is realizing when is a change. On
10 the outside, just finish up contracts that were design build
11 and the government kept saying this is a firm fixed price. I
12 had to keep writing on the board over a three-day negotiation
13 session, we had a firm, fixed price but it was for a firm,
14 fixed scope. If you leave out the last half of it, you don't
15 have a contract. So when you change the scope, you change
16 the price. On the outside privately, that's understood.

17 We made a change and that is going to cost. This
18 is a fair cost for it. The government right now is not quite
19 totally adept to that understanding that you change scope
20 because it's considered a bad thing to change in the
21 government. I use that word over this last year over the
22 contracts. You change this and you thought I cursed in
23 church because I used that word change.

24 I started saying we refined the design. Now it's
25 more acceptable. But the word change was really, really a

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

169

1 bad cuss word in the government. And it caused a lot of
2 animosity on the project that we had to get over about when
3 is a change a change.

4 AUDIENCE MEMBER: I would go so far to venture to
5 say if there was perhaps ten percent of the contractors that
6 would be perhaps unacceptable, you would probably have a
7 similar number of government inspectors that would probably

8 require some additional training.

9 MR. BASHAM: That's fair.

10 MR. KIPP: What about construction duration? If we
11 had that in a RFP and we were, would you rather us give you a
12 construction duration or would you rather have that a part of
13 the selection process?

14 MR. RISKY: Bill Risky. We would much rather be
15 part of the selection process. No one knows better than the
16 contractor sometimes that when they want to get something
17 done and availability and so on. So our goal is we would
18 much rather part of the evaluation.

19 MR. C. BASHAM: I would add that knowing what your
20 goal is. When you put a construction time on there, is it
21 arbitrary or is it to meet some specific requirement to try
22 that. That would be good to know and what impediments to
23 that. Are you going to allow, what flexibility or are you
24 going to allow to allow us to do it quicker. That is what
25 gets us. We are second guessing. We don't know how much

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

170

1 reviews you are giving, how many times do the RFP process and
2 the process says seven days for government review. I have
3 yet to see a seven-day government review.

4 They are 14, 21, 30 days. There is a whole lot of
5 things that go into that, the turnaround on pay, when you
6 turn stuff in, there is no such thing as a 15 day turnaround.
7 We had a contract modified that 15 days. So government had
8 30. I have yet to see a 45 day payment. So those kinds of

9 things affect the time.

10 MR. KIDD: If we knew troops were going to be
11 returning back at a certain time, we had a fixed date we had
12 to have the facility by, what that would do. I don't know if
13 the Corps can pay incentives for finishing early.

14 MR. BASHAM: I have done it three times in my
15 career. All three times I have had a GOA order on it. Some
16 outside interest came in because they made money on the deal.
17 Folks, when I put the incentive out there, I have got the
18 facility in one case a hundred days, 75 days. The third one
19 was earlier. The problem that we have in the government that
20 I am thinking isn't quite the same, I don't believe you have
21 the same problem in the private sector is what is the time
22 value of that incentive.

23 In the private sector, if you are building a
24 Wal-Mart or you are building an office facility. You get the
25 sense you are going to put in that building, you know this

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

171

1 day forward is the day I start losing revenue because I have
2 got people that want to start moving in there and start
3 selling clothes or office space. There is a value to that.
4 There is an incentive to you that if people are ready to
5 start buying or moving in ten days, 20 days, 100 days
6 earlier, you can put a time value on that and say yeah.

7 I will give a contractor X number of dollars a day.
8 In some cases I have heard, it's not \$500 a day or a thousand
9 dollars a day. It's millions of dollars of savings. They

10 look at that and say, well, I can spend a million dollars and
11 get this building done a hundred days earlier potentially we
12 and in turn revenues of five million dollars. We are not
13 turning that revenue piece here for us that makes that time
14 value valuation for us.

15 Getting it done earlier is potentially we have got
16 troops coming back. We have got to house those troops. One
17 instance I did is we physically did have troops coming back
18 from overseas to installation and we didn't house these 450
19 troops, we were going to have to put them on private sector
20 for \$60 a day. I could add that up. There was an incentive
21 to get done earlier and the same incentive went in as a
22 penalty if you went over the time to house those troops.

23 So there are rare occasions that you have that to
24 where you put a time value on the dollar in the federal
25 sector that's not necessarily there in that investment

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

172

1 decision on the private sector.

2 AUDIENCE MEMBER: Isn't that reverse liquidating
3 damages is the concept? You can assess liquidating damages,
4 it's going to cost the government for us to go beyond that
5 time period does not make that the government that same money
6 by getting it done quicker.

7 MR. BASHAM: It potentially does. You can say we
8 charge a fixed fee on our overhead to administer contracts
9 and so whatever that ten million dollar project and we charge
10 a certain percentage of that to administer that contract for

11 the Army or the Air Force, if you get it done ten days
12 earlier or 20 days earlier, that's less resources I am going
13 to have but again, that's not really a savings. That's a
14 reallocation of resources for my folks to go do but the
15 concept is the same.

16 I will tell you, since we are hopefully being
17 honest with one another, I am not -- I am so engrossed right
18 now, I am convinced I am so engrossed right now in my time on
19 my projects that I am just not interested in talking about
20 incentivizing because you will take me to lunch. It's not
21 your fault. It's my fault. When I hear people talk about
22 putting half a billion dollars in the ground in the 12 months
23 and I am putting 20 million dollars in the ground in two and
24 two and a half years, and I accept that's not your fault.
25 That's mine.

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

173

1 What you are telling me, that's what you have got
2 built into your system that requires me to get there. I have
3 got to get that out of my system first and then get it down
4 to where that really is in the same. I hope you can
5 appreciate that. I am trying to be honest here. I accept
6 the notion of part of what you are saying is the way we
7 package, the way we administer the contract, the way we
8 prioritize is driving a lot of this time. If I take all of
9 that out, there will be tremendous amount of savings and
10 time.

11 If we can get that out of the system and get down
Page 167

12 to what is incremental time so we can really talk about,
13 yeah, normally the time is delivered in 12 months and if you
14 can deliver it in 11 months or ten and a half months, I think
15 there are things we can talk about there. I am trying to be
16 open and honest with you. I admit there is a lot of time out
17 there that we got built into our jobs in these forums is way
18 more than what I need to have. I am more interested in not
19 incentivizing you but incentivizing me right now to
20 streamline my systems to get there.

21 MS. GREENHOUSE: If I could add something to that.
22 Even though the answers are not here, we want you to leave
23 with the least amount of confusion and the greatest amount of
24 information that can possibly be that will come out of this
25 whole process. Incentives, the government is in the driver's

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

174

1 seat as far as incentives are concerned. As long as we place
2 the incentive in the solicitation in the beginning from all
3 who might be interested, you know, in this particular
4 project, we can insert incentives to change the behavior of
5 the contractors to meet the goals that we might have.

6 Just as Don was saying, if we have soldiers that
7 are coming back ten days from now, we know it's going to take
8 three months for you to do a job but we need it done in ten
9 days, you are going to have to bring on extra forces in the
10 24 hour incremental days to do that job in order to meet my
11 ten days capacity when the work could not be done under
12 normal circumstances to have you to make a profit, you know,

13 in three months.

14 So then if we put that incentive in the beginning
15 that we are going to incentivize you to meet a ten day time
16 frame and everybody out there, every nook and cranny knows
17 those are the rules of engagement that we are under, we can
18 incentivize in that way. First of all, we have looked at the
19 government to say it's affordable. We have looked at it and
20 said the price that we are going to have to pay for this ten
21 days is reasonable for us and we are going to do that. Where
22 our problem comes in is that as we awarded that contract and
23 we are prosecuting that work and then all of a sudden things
24 change in midstream and we decide that we are going to change
25 the time period from one year and bring it to six months.

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

175

1 Now, remember we had a whole bunch of contractors
2 out there who were losers, who didn't get that award. But
3 what we have to do as part of the management of that contract
4 is that we have got and a lot of people don't like to hear
5 this term about honest brokers. You know, those of us who
6 are out there planning the contract have to be honest brokers
7 who were losers and winners as the people that have stake
8 holders that are stake holders in that process. If you
9 change that scope in midstream of the duration of that
10 contract, those losers have extended interest in it.

11 We have got to think about how much are we going to
12 make this change that doesn't make it economically profitable
13 for those losers if GAO gets into it and say that you really

14 went overboard, government. You are going to have to pay
15 them because you changed it. If he had known that it was
16 going to change like that, he would have taken a different
17 mode in which he provided his proposal. We have to think of
18 all those what ifs as we are managing. So the bottom line is
19 incentives. We are in the driver's seat to determine what
20 incentives but it has to go in there in the rules of
21 engagement which is their solicitation in the beginning or if
22 it does happen midstream that something comes up, we then are
23 going to have to weigh that as to what are we getting into as
24 far as the government's return on investment for what it is
25 about to do when those changes come about.

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

176

1 As I was sitting here listening to you with regard
2 to good and bad contractors, I don't like to think about the
3 fact of good and bad, you know, in that sense. I like to
4 think about the fact that we have you here now trying to help
5 us frame a solicitation that's going to bring us to success
6 and success of the best, the best value that will come out of
7 this as to where the awards will be. But we have a duty as a
8 due diligence that whatever those rules of engagement that we
9 place out there, that we live up to those rules of engagement
10 throughout the prosecution of that work.

11 That's what we owe you as losers in this process,
12 that we are going to stay with the rules of engagement
13 because if we don't and you go to GAO on us, the first thing
14 GAO is going to put out is what is that solicitation and what

15 did solicitation say and did government conform to that
16 solicitation. All you know about what we want is what is in
17 the solicitation. All we manage by is what is in the
18 solicitation. I think good and bad comes in when it becomes
19 a breakdown of communication.

20 Our government system is set up on the fact that
21 once a contract is awarded, it's usually a supplemental
22 agreement where the contracting officer has authority to sign
23 and the contractor, your secretary or whoever for your
24 corporation has authority to sign. In the prosecution of
25 that work we have CORs and what is COR, a contracting officer

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

177

1 representative has no authority other than in the letter that
2 that contracting officer has given. So you as a contractor
3 are first supposed to see, when you have a COR, you want a
4 copy of that COR letter so you will know what that COR has
5 authority to do.

6 When it's something on there that comes up as a
7 dispute, and any contract that you have is going to have some
8 kind of dispute, some kind of disagreement along the way that
9 has to be ironed out. If that is not in that COR's purview,
10 who do you have to go to. The contracting officer is the
11 one. That contracting officer does not sit there and have
12 all authority vested within himself. That contracting
13 officer is supporting Don as the person who is over the
14 construction division, is supporting his whole team that he
15 is bringing together.

16 And that contracting officer is always going back
17 to that team, that PDT as we call it, project delivery team,
18 to finally come back with a negotiation position to try to
19 iron out what is a problem there. I agree partnering
20 agreements and I know General Flowers started this quite a
21 lot with AGC, partnering agreements because that enables us,
22 the arm's length that we used to have in government, they
23 become a lot shorter because we are listening, listening to
24 what you have to say so that when we draw up that
25 solicitation, it's going to look a lot more like what you

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

178

1 would like to see for doing business with the government.

2 Hopefully, it won't turn you off because you have
3 helped to make it what it's going to be. That's what it's
4 all about. So remember solicitation forms the rules of
5 engagement for any contract that is going to be left out of
6 this process and all contracts that are going to be left out
7 of this process. The management of that solicitation
8 shouldn't bring about good and bad contractors. You know, if
9 you are going along, if you are going towards debarment, not
10 debarment, going towards termination, I am going to give you
11 an opportunity. I will give you a cure notice.

12 I am going to give you a show cause. I am going to
13 give you all that before you get to the point of any
14 termination. Hopefully, we are going to be able to discuss
15 this in performance review to know this is to meet the goals
16 we have set out here so we can have an opportunity. That's

17 why I want you to know the rules of engagement are in the
18 solicitation and in the supplemental contract documents that
19 we form and we have got to talk.

20 Contract, when you see that as you are prosecuting
21 the work and something is just not going right that's going
22 to cost the government a lot more money than it should be,
23 you should be coming in to us to say interfering change of
24 reverse engineering, change proposal or all that kind of
25 stuff, you ought to be coming in saying this is just not

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

179

1 going to work and you should consider this. You can continue
2 on from the way this is written but from what I have found
3 here is under the surface, it is going to cost you a lot more
4 money than that and that's it.

5 The rules of engagement, the scope then may have
6 changed because just because of a latent discovery. Why
7 should that be good or bad. Why should that be communication
8 and why should we be keeping in mind that we have got to
9 communicate with the right people in order to make sure that
10 we get the results that we want. Know what your COR letter
11 says. Know when you get to the contractor officer, instead
12 of saying that COR just messed over me. It's not the COR.

13 You have got a contracting officer that you should
14 have gotten to. I mean, it's so much for this to work. I
15 stay in our lane and if we make sure that we are
16 communicating with the right people, won't even have
17 ratifications because what brings about ratifications. It's

18 when somebody on authorized procurement, somebody told you to
19 do something and you didn't have a contract, you did it
20 anyway and then when you send the invoice to the contracting
21 officer, what does the contracting officer say.

22 I don't have a contract document. I don't have a
23 receiving report maybe usually and I don't -- I just don't
24 have the funds maybe to be able to pay you and you don't get
25 paid or then it becomes a big dispute technically. I wanted

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

180

1 to throw these kinds of things out as food for thought
2 because there is a reason to this madness that we do. It's
3 all about trying to make sure that there is the epitome of
4 fairness from the beginning of this process until the end of
5 the process and success means all the way until every tier of
6 subcontractor is paid.

7 MS. TAYLOR: I am Maureen Taylor. I am chief of
8 contracting in Fort Worth. I have been sitting and listening
9 all day. I want to make a couple of comments. My comments
10 might not be the most favorite of the day, but I need to be a
11 realist and say there are some things I am not hearing yet
12 from the crowd today that would probably help make me feel
13 better when I leave. We have had a big modularity project at
14 Fort Hood. I understand that restationing and transformation
15 is going to be different than the current type modularity
16 that we are doing.

17 There was a hundred something billion dollar
18 project. I don't normally take too many contracts on myself.

Minutes from DFW Forum.txt

19 I did take that one on myself as contracting officer. You
20 can say pleasant or unpleasant experience being the hands-on
21 project delivery team member. A lot of challenges for the
22 government there as far as the funding stream, how the money
23 comes, to have different types of funds. So making decisions
24 of how you break out the project is very difficult when you
25 don't know when the money is coming or how the money is

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

181

1 coming. That's obviously an internal government issue.

2 I know that the efforts of how we standardize what
3 we are doing on this new program is now in the early stages.
4 I am also hearing the projects are going to hit us fast and
5 furious and when we did our projects at Fort Hood, they are
6 so big, you beat yourself in the head. As a contracting
7 officer, my first responsibility is look and say, okay, what
8 is here for small business. The reality was we looked very
9 hard at these projects and because of the funding stream and
10 the constraints on time and the due date when the soldiers
11 were coming back, we had to go with unrestricted.

12 We looked real hard at that. That's all we kept
13 coming back to. Bonding becomes a real concern. We already
14 elevated some concern that contractors are raising about
15 bonding. You go out there and look at the bonding
16 capabilities. You can't get there when you have multi, multi
17 million dollar projects. We have our own internal issues to
18 work through about how do we get to small businesses. So I
19 am not really hearing, getting any better feelings today from

20 what I am hearing that, okay, this is what you can do to
21 break out pieces of it.

22 I am not sure how we get this. Okay. You really
23 have to reinforce the subcontracting requirements. You have
24 to put it in there, make it happen. There is thoughts out
25 there once you hear what these programs really entail, how

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

182

1 you know there are pieces we can break out. We need to hear
2 that. I am not hearing that yet today. Being in an
3 operating district and know what you are faced with in making
4 those decisions, it's a real challenge. We are here to
5 support small business but we need your help in trying to get
6 there. I hear a lot of you talk that the government needs a
7 project manager to oversee the program.

8 That's what we have done on some of these by going
9 out on unrestricted to one contractor because that's what we
10 say. We need a prime contractor out there that can manage
11 this work that's spread all over the base that has the
12 construction time frame is so fast and execution is so
13 critical. I appreciate it. Thank you.

14 MR. C. BASHAM: Two things related to contracting.
15 I think what I have seen in the last five to six years is
16 that all of the CBD announcements are painting with a bigger
17 brush. The announcements are getting more generic, not to
18 the point that the one I am waiting to see right now says we
19 need a contractor that can do anything and everything
20 anywhere all the time. They are getting more flexible and

21 the fact that they are allows less problems later on when you
22 start trying to say what is the scope change and what is not
23 because you do have to go back to the original solicitation.

24 As far as small subcontracting thing, I see two
25 different things in CBD announcements. It's always been a

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

183

1 quandary to me. Sometimes they are writing percentage of
2 your subcontracting work must go to small business. That
3 means if I don't subcontract anything, I don't have to give
4 anything. The other way they are written sometimes is a
5 percentage of all the work has to go to small business. That
6 is a way that you can show some favoritism to the small
7 business without having to go a prime to a small business,
8 too. I don't see that second way too often.

9 I actually see that second way more in the
10 government work, the non DOD work when we see city work, city
11 of Dallas case in point, they make a point that percentage of
12 the work has to go to small business versus a percentage of
13 subcontractor work.

14 MS. GREENHOUSE: I mentioned that in Atlanta, we
15 have been working with Tracy Penson at the Small Business
16 Office at headquarters D.A. and Maureen knows that in the
17 railhead project that we had at Fort Hood. I mentioned that
18 project whereas we knew there were a lot of small business
19 out there who could do the work but they couldn't do all that
20 the Immigration Services wanted as far as building buildings
21 and so forth. So what we did was put a percentage of the

22 total dollar and contractors did not balk at that at all.
23 They really knew there were capabilities out there
24 and that percentage of total dollar went. As you said, we
25 don't do that often but we have the opportunity to do that of

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

184

1 total dollar and not percentage because it doesn't have any
2 teeth whatsoever when we say 62.5 percent is going to small
3 business and all. It has no teeth because it's whatever you
4 decide as prime to subcontract. If that's zero small
5 businesses gets zero percent out of that.

6 MR. C. BASHAM: I would offer that on the second
7 choice if you do go on percentage of the total work, that you
8 are going to go without the research to be realistic because
9 I had a case in point with the state of Washington where I
10 had a contract and they specifically set a specific amount
11 and it was totally impossible. We could not do it. It was a
12 contractor with so specialized work, there was no way of
13 doing and had to go back and rechange the solicitation after
14 both us went through quite a quandary trying to do it.

15 MS. GREENHOUSE: That's why I mentioned the
16 railhead. We knew they could do it individually but they
17 could not do it collectively as the project was needed. So
18 we knew then we could go to that percentage. We knew the
19 amount of bonding that they had and so forth to be able to do
20 the work. We are serious. You know about the small and Don,
21 I think we talked about that in Atlanta. That is one of the
22 things in your equation that he has that he will think about

23 that on a case by case basis.

24 MR. BASHAM: Other comments?

25 MS. JAMES: My name is Donna James. I am with TTG.

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

185

1 We are a small business. We also happen to be a contractor
2 that's working on the project that Ms. Taylor mentioned.
3 Some of the things we have encountered on that project that
4 maybe could be changed or could go ahead, we are able to do
5 work on a local and regional level. I don't know that we
6 would ever be able to reach a national level as a small
7 business but we are. The work that we do is the civil work,
8 the site work and the roads and streets that go along as well
9 as the utilities.

10 We are talking about standardizing the rest of the
11 packages. If this was packaged out separately, that's
12 something as a small business that we could do, anything with
13 the infrastructure. This project at Fort Hood, there are
14 several small businesses from the local area that did get
15 involved in it because the large business did incorporate
16 those from the area.

17 MR. BASHAM: Frank, did you have a question or two?

18 MR. SALTSBERG: An interesting point was raised
19 earlier today about putting out a brigade combat team as a
20 development concept. It raises a couple of questions. One
21 is directly to the small businesses. How could the small
22 businesses compete for a development concept like that,
23 possibly by banding together. Could you get enough behind

24 you to bid on it. The other thing is for the larger
25 developers, can you effectively incorporate the small

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

186

1 business and small business work as part of the development
2 and the next part of the question is what would you need from
3 us to go to a development concept.

4 AUDIENCE MEMBER: Since I brought the earlier
5 question up on the concept, I will say that actually it's
6 pretty easy to bring small businesses into the overall
7 development concept. Number one, it's very common to have
8 plate contractors and finish, the various finish grading
9 contractors, people like that on the development site. I
10 would bet that under the definition of small contractors,
11 there is probably more work on any major development is done
12 by small contractors than large. And the other thing is on
13 the building side of that equation, you could package
14 buildings so maybe a major builder could do three or four
15 buildings, maybe a small business could do one or two
16 buildings in that same package. I see that as a really
17 pretty easy way, easier way to get to that.

18 MR. C. BASHAM: Of course, when you start talking
19 development, you have a type of revenue stream. I think
20 that's one of the problems we are starting to explore that
21 concept for home installations. We know what the revenue
22 stream and the scoring is for OMD, for housing starting to be
23 explored for dormitories. Is there a development model for
24 restaurants, yes, probably. Can we do it for administrative

25 facilities. Basically, it's a lease back situation. But I

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

187

1 think when you start looking at all the facilities, you have
2 got to figure out how does a developer make revenue from this
3 thing and over what period.

4 Is it 25 years or 50 years like we are doing
5 housing stuff like that. If you put a 25 years life on it,
6 now you have got to make that revenue stream and a
7 development project work for a 25 year period and makes the
8 equation go the wrong way actually.

9 AUDIENCE MEMBER: I wasn't listening to this. I
10 wasn't thinking about it the same way. I wasn't thinking of
11 privatizing this. I think the comment was made earlier
12 someone asked about barracks and whether that was going to be
13 privatized, some developer would come in and do the same kind
14 of thing we do with housing. I looked at the planning
15 development piece of this as still the government's property,
16 the government's interest, the government's facilities but we
17 would be more involved on the private side in providing help
18 to installations to the Army on development on the front end.

19 A way of packaging would be to look at packaging
20 the development piece of it knowing we have got major
21 construction going on installation, get that ongoing and then
22 package the actual buildings themselves in a way that
23 follows, which makes it a lot easier.

24 MR. BASHAM: If you had an arrangement like that
25 and you had a contractor, I guess, involved in installation,

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

188

1 does that preclude you from competing or would it preclude
2 you or what would be -- do you understand what I am asking?
3 The notion that you are involved in the planning piece up
4 front so you know the budgeting dollars, you know the scope
5 of things far more than anybody else is going to know and
6 then you are going to turn around and bid to compete and
7 build those buildings.

8 MS. GREENHOUSE: That's a conflict of interest. So
9 unless we can mitigate that or didn't have any ways of
10 mitigating that, it would be a clause in the contract that
11 said he could not participate in any fall along effort.

12 MR. BASHAM: That's been one of the comments, not
13 at that scale but in our traditional RFP design built, that
14 some of these firms in the other two forums has expressed we
15 don't particularly like the notion that once we sign up to
16 help develop the RFP, we are co-opted out and quite frankly,
17 some of you are telling us we are going to quit because the
18 money ain't in the development of the RFP. The money is in
19 the rest of the work. So I don't know how much further we
20 are going to be able to go down the road in that venue
21 either.

22 AUDIENCE MEMBER: If you took on a contractor as in
23 effect being the owner rep for the overall development, if
24 you will, and then that would preclude them. If you took on
25 someone that did the planning and they got the site work

1 done, and they walked away and they are done and you have got
2 a couple of years of building program later, there seemed to
3 me there wouldn't be a reason they couldn't come back and
4 build on top of these sites because reality is they don't
5 have any knowledge of those sites that is not in that master
6 development plan.

7 MR. C. BASHAM: I guess model, Don, I was looking
8 at, if you've got four hundred million dollars and let's say
9 a third of that is infrastructure and planning, you could
10 hire a firm to do the, tell me I have got 130 million dollars
11 to set up the plan and put infrastructure in place and then
12 we together develop what is included in that 130 million as
13 well package the RFP. It's a program manager slash developer
14 plan partner role that doesn't conflict out in that case.

15 AUDIENCE MEMBER: I wholeheartedly agree that if
16 you are doing program management, it puts you in a position
17 to do design and construction. But again, I think there are
18 two things that offer opportunities to people. If you do
19 help with the programming and initial planning, then you are
20 also a great entity to do program and construction
21 management. You have that piece that goes on that kind of
22 separate entity from those people that are actually
23 performing the work.

24 MR. BASHAM: Someone else made that comment
25 earlier. I may get this wrong. They hired -- an owner hired

1 the architect to help develop the up front and brought them
2 back at the end to do the construction management piece and
3 that gave them the option to make sure what was originally
4 intended to be designed was what was carried out in the
5 construction piece.

6 AUDIENCE MEMBER: Because you also have expertise
7 in the interim where you are maybe you are putting out the
8 foundation package, the next thing is steel. So you do have
9 expertise there to help coordinate that effort. It can be a
10 continuous thing.

11 MS. GREENHOUSE: The thing that has to be clear
12 here, if you do that in the beginning, if you have that
13 person doing it and you also have the construction management
14 piece in there, my comment was about follow-up work. You
15 can't do them as separate type of entities. I think we are
16 here to get information to everyone that there are ways that
17 those things can be done but it has to be all of one unit,
18 even though you are coming back later on to do that work.
19 But you can't have another competition out there as a
20 separate entity and think it's not going to form a conflict
21 of interest for those people who are participating.

22 MR. C. BASHAM: Can you put out a solicitation that
23 says build me a brigade, set up facilities for 400 million a
24 year. That's the end of solicitation. Tell me what you've
25 got.

1 MS. GREENHOUSE: If that's the way we want to go.

2 MR. BASHAM: Again, I am back to the notion I am
3 going to do that umpteen times across the nation. I don't
4 want to pay for all that up front, cost over and over and
5 over again. It's a matter of how you are going to package
6 these or whether you are going to do it through 180
7 installations or 76 brigades over time. It's still economy
8 of scale. Other comments? Any other questions up here,
9 folks?

10 MR. SALTSBERG: On the same question, I think I
11 have been hearing from some large businesses but I don't
12 think I have heard from any small businesses, on your
13 thoughts on putting together a whole brigade development.
14 Can we get some comments from the small businesses on that?

15 AUDIENCE MEMBER: When you first asked your
16 question and started thinking about it from a small business
17 perspective because basically, Ms. Overstreet was talking
18 about I want to hear about how you could become a prime. As
19 a small business, unless the Corps through some vehicle is
20 willing to share risk with a small business in that effort,
21 it's probably not going to happen because what typically
22 happens is the larger businesses step in and take on an
23 inherent risk in using the smaller business as a camp on or
24 provide all of the risk reduction mechanisms that you put on
25 the primes to provide. So the chances that we get are with

1 the largest.

2 Ms. Overstreet asked for your perspective from a
3 prime, maybe someday I will grow up and will be that way but
4 that's certainly the goal and the intention. But if you
5 wanted to hire us or a small business as a prime, the only
6 way I can see is if you are willing to share some of that
7 risk that you put off right now onto the larger businesses.
8 Instead of requiring them to hire us, you hire us and you
9 help share and obtain that risk.

10 MR. BASHAM: Give me an example of like what risk,
11 bonds?

12 AUDIENCE MEMBER: Bonds is one risk.
13 Capitalization would be another risk.

14 MR. BASHAM: Shares the risk and bond wouldn't
15 require a bond?

16 AUDIENCE MEMBER: Possibly. If a small business
17 like ours was given that opportunity to come in as a prime on
18 something like that, every effort, you know, we will perform.
19 Sure you want to hear that but the incentive is quite great
20 to perform. As far as when you ask us about being a
21 subcontractor, you said prime and subcontract, right,
22 earlier. I think the subcontract part is pretty much covered
23 because all of the primes pretty much, at least through some
24 of the solicitations that are currently out there that are
25 similar to this, they are recruiting. They are.

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

Minutes from DFW Forum.txt

1 AUDIENCE MEMBER: My name is Rex. I am with Beck
2 here in Dallas. One of the programs I think that the -- one
3 of the programs I think the SPA is promoting is the
4 mentor-protége. Beck for a long time has always mentored
5 millions of companies but we are now mentoring a 8(a) firm
6 base com.

7 AUDIENCE MEMBER: Can you talk a little louder?

8 AUDIENCE MEMBER: Like I said, I'm Rex with Beck.
9 For two and a half years, we have been mentoring a small
10 business 8(a) out of Fort Worth. He would be here but he is
11 working on SW, the May TOCC. I believe that's probably one
12 of the ways we are looking for a prime is were you not
13 wanting to use these mentor-protége vehicles to do, that I am
14 kind of surprised Fort Hood project, Sid actually went down
15 to take a look at that but our firm didn't have time to
16 actually put RFT together. I was kind of surprised there was
17 maybe a piece that should have been split off for a small
18 business. So that should be looked at a little more.

19 AUDIENCE MEMBER: One of the things that affects
20 small businesses tremendously like this gentleman over here
21 said is bonding. And as I understand it, the thing that
22 affected bonding was 9/11, the flood in Houston and the
23 number of other disasters around the country and general
24 downturn in the economy that occurred a couple of years ago.
25 So all the folks around the world who provide reinsurance of

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

1 the bonded folks, the Lords of London and I think Zurich of
2 Switzerland and one or two others, they cut back on their
3 reinsurance program and this has cut the bonding, this has
4 put some significant restrictions on bonding.

5 So if you are a small business and the bonding
6 folks view you as a greater risk, then they will less likely
7 want to do business with you as opposed to a bigger company
8 that they will perceive their risk as being somewhat less. I
9 know the federal people, it's not going to waiver any bonding
10 perhaps but since you brought it up, I thought I will throw
11 that in.

12 MR. BASHAM: Okay. Thank you.

13 MS. OVERSTREET: I would like to ask a question
14 since we brought up the subcontracting. During one of the
15 other events I had a discussion with a large business and we
16 were talking about brigade sets and having some very large
17 contracts. He mentioned a figure that he said we can support
18 your small business program. We really don't have any
19 problem with you telling us to award 40 percent of the total
20 value of the contract to small business or to give us a
21 dollar amount and then that's what we will shoot for and we
22 will involve small business, STD, HUBZone, vets, whatever you
23 are looking for, we can do it.

24 You have to tell us up front. So I guess what I am
25 asking the large primes, if we said something like what I

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

195

1 just said, what is reasonable. You guys know how much you

2 subcontract out when you do this kind of work. What do you
3 normally contract out to small businesses?

4 MR. C. BASHAM: I would say it varies from by the
5 time for project and location for what is available. What we
6 are trying to do when we use small business is take advantage
7 of the resources that are out there and they vary by region
8 and vary by application to what we are doing. If we are
9 doing largely civil work, there is a lot more contractors
10 that are doing flat work than there are doing specialty work.
11 It varies by contract. Is 40 percent reasonable, yeah, on
12 some contracts.

13 That's in the range. So that's not a problem.
14 It's really when you start breaking it down. Forty percent
15 is one thing but when you start giving ten percent of this,
16 15 percent of that, that varies more by region as to what is
17 available. Then the cost goes up if we try to reach a
18 requirement to bring a certain kind of small business in and
19 have to transport them across country, the cost goes up and
20 that's not a benefit to the government.

21 AUDIENCE MEMBER: He said pretty much what I was
22 going to say. It's really driven by each local economy. If
23 the number of small businesses are out there that are
24 portrayed or if the economy is hot in a certain local area,
25 we need to get on your project because they are already busy.

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

196

1 They may not be available for your project for the Corps.

2 MS. GREENHOUSE: As I mentioned before, the

3 Railhead in the Fort Worth District, it was all in our market
4 research, that determined that there were a lot of 8(a), a
5 lot of small business out there that could do part of the
6 work but couldn't do the construction part of it. We
7 actually did that unilaterally from the government of put in
8 a percentage of the total value and prime contractors didn't
9 have any problem with it because they knew that was reality.
10 Of course, someone mentioned caution earlier we have to
11 determine whether you know, it is reality or whether we would
12 have to go back and modify, you know, the contract.

13 While I am standing up here, maybe this is the last
14 comment and maybe Debbie, you can tell me from the small
15 business point of view. There was a small business came out
16 in the federal register about consortiums. It was the type
17 of joint venture where we were having, no large business
18 could participate. It was only all small businesses to come
19 together under a Board of Directors to deal with the
20 government and each one of the, break the work down into a
21 work breakdown structure and they would pool their bonding
22 and pool their resource and so forth. And it was a lot of
23 legal part of it and they would be able to, everyone who
24 worked on this team for a specific project would come out of
25 that experience as a prime.

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

197

1 It was a type of joint venture that had to be
2 blessed by the Small Business Administration and they were
3 called a consortium. Tracy Penson's use office used to give

4 a training program on it. She had a colonel there who would
5 train because the legal part of it was where many of the
6 small businesses were so afraid of the risk that could be
7 involved. But I don't know. It was out as an interim rule
8 for consideration. I don't know if it ever passed. I know
9 some consortiums have been formed from that among small
10 business, especially when we were doing Terks.

11 Terks had four parts to it. They would bring in
12 the best of the ones who would do studies, the best for the
13 construction, the best for the remediation, the best for the
14 transportation and disposal in hauling away as one unit, all
15 small businesses and they could work a 500 million dollar
16 Turk and each one of them would come out as prime experience.

17 Have any of you heard of the consortiums because
18 you will find in our solicitations you will see consortiums
19 are encouraged, and it's just something that I want us to
20 look into. You would have to go to your Small Business
21 Administration and say what about that rule, small
22 businesses. It does not allow for the intermingling of a
23 large and small together, but it does allow the intermingling
24 of all small businesses coming together for big type of
25 adventures under an alignment a few years ago, but I don't

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

198

1 know what happened to it.

2 MS. OVERSTREET: I haven't seen it in Corps, but I
3 have seen it through GSA. That's something we should think
4 about.

5 AUDIENCE MEMBER: Well, my question was, and you
6 have answered it on one specific project. Are the
7 percentages that are stated in the solicitations, is there
8 market research that's done for that area to determine that
9 percentage is achievable or are those just arbitrary numbers?
10 Are they based upon reports from past contracts? Where do
11 the percentages that are quoted in the RFP, where do those
12 come from?

13 MS. OVERSTREET: There are a lot of districts that
14 do market research to look at those subcontract goals and the
15 percentages they put in the solicitations are percentages
16 based on the dollar amount that's subcontracted out, not the
17 total value of the contract that I have seen. If we were to
18 proceed like I was just speaking, we would do as
19 Ms. Greenhouse said, a great deal of market research to look
20 at in that area how many of those types of companies are
21 there and what type of work did they do and what will be the
22 value of that type of work done under that contract and what
23 would be a reasonable number.

24 And my thought would be that if we put that type of
25 thing in a solicitation, we would ask you as large primes to

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

199

1 propose back to us percentages, especially maybe percentages
2 in the breakdown categories of STB and HUBZone, that you
3 would commit to just like we talked about the performance
4 schedule and that would be part of the evaluation process.

5 MR. C. BASHAM: So are you suggesting you might put

6 a range in the RFP that there is a minimum requirement you
7 have to meet but that the selection criteria would allow
8 favoritism for greater percentages?

9 MS. OVERSTREET: It would provide for more
10 favorable review of the proposal, yes, with higher numbers.
11 I mean, we kind of do that right now in some of the
12 solicitations where we have best value. We evaluate proposed
13 utilization of small business. But I think it would be a
14 little bit more significant for these types of contracts.

15 MR. BASHAM: We kind of touched on a few minutes
16 ago, this is the first forum of the series we have had so far
17 that even a discussion of bonding has come up either in large
18 or small. Do I assume from that that other than the small
19 business piece of this, from the large business, is there any
20 limits here in packaging this that's going to be a bonding
21 issue for you-all?

22 AUDIENCE MEMBER: Are you talking about putting out
23 a 400 million dollar package?

24 MR. BASHAM: It could be, the same thing or two to
25 400 million.

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

200

1 AUDIENCE MEMBER: It could be the same that
2 happened at Fort Hood. I venture to guess at Fort Bliss and
3 Fort Bragg the current solicitations that are out in
4 reference to the quote, unquote, temporary modular
5 facilities, that even at Fort Hood I think ended up getting
6 one proposal, maybe two. I would venture to guess that

7 because of the size of those projects, the same thing is
8 going to happen at Bragg and Bliss. There is going to be one
9 or two contractors that are going to be able to assume that
10 risk.

11 MR. BASHAM: What is reasonable because there
12 again, while it's advantageous potentially to put a big
13 package together and develop those long-term relationships,
14 the notion is not to limit, to unduly limit competition based
15 on just that one factor alone, that if you can bond it, you
16 are good. If you can't, you are out of luck. Is there a
17 range in general terms that we ought to be maybe looking at
18 to maximize or at least hit some reasonable amount of
19 competition.

20 AUDIENCE MEMBER: Obviously, in those projects
21 there are other factors that are determining whether it's a
22 go, no go. With a modularity, industry right now being
23 already burdened with what is out on the market, it comes
24 down to a risk analysis. To answer your question, I think
25 that depends on each firm, I mean in their size and

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

201

1 capabilities. I don't think there is a magic number of what
2 is the right size of project. That doesn't answer your
3 question.

4 MR. BASHAM: Let me ask you this. How do I get at
5 that? How do I get a discussion that says, you know, if you
6 package certain, maybe you have got more than one package
7 arrangement here but you package this range size of projects,

8 you are going to get this grouping of folks. If you package
9 this, you are going to narrow. And obviously, I think we all
10 know the smaller the package are the more people are going to
11 compete. The larger the package as far as value of dollars,
12 the smaller grouping from a bonding perspective. Along with
13 that, let me ask you this. I have heard you tell me the
14 bonding issue goes with the duration because it's a matter of
15 how much you get your bond tied up to.

16 I can probably bond it for 400 million if this is
17 an 18 month venture. I told you a while ago, to bond a
18 million dollars, I bond it for 12 months. If you are telling
19 me I have got to bond 400 million dollars that is going to
20 stretch over four or five years, you tie up my bonding
21 capacity for my entire organization, that's different. I
22 assume part of this question is not just a dollar volume of
23 business as far as what you can bond but what you've got to
24 tie up that bond over for a duration makes a difference, too
25 or am I wrong about that?

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

202

1 AUDIENCE MEMBER: You are right.

2 MR. BASHAM: How would I get to that having that
3 discussion to see how are those range? You understand I am
4 not trying to pick a number. When you generally look at the
5 range of the contractors out there and in fact, get it down
6 to say 60 percent of the contractors maybe are in this range
7 of business or 20 percent in this range, another 20 percent
8 in this range, broke it down, how would I look at that

9 bonding. It's a key issue. I don't want to put
10 solicitations together and get out there on the street and
11 find out I have only got one bidder and what drove the
12 bidding was the bonding.

13 AUDIENCE MEMBER: On that Fort Hood modularity
14 project, I asked that question because they had it set up for
15 a certain number of units to be complete and ready to move
16 in. I asked the question, well, this is a hurry up schedule
17 and you want it by next October or something, would you
18 consider bonding what is not complete. If we do the first
19 third, and there is a turnover date in 180 days, reduce the
20 bond by that much. The answer was absolutely not. Maybe
21 things have changed.

22 Now, another thing we have seen lately, a little
23 bit of background, is with the post office. They have
24 recently come out with solicitation for four regions of the
25 country divided up into quadrants. You can qualify any or

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

203

1 all of those and you can qualify for ranges from zero to 40,
2 40 to a hundred and over a hundred million within each of
3 those quadrants if you want to. Something like that might
4 work.

5 MR. BASHAM: As far as I know, I may be showing my
6 ignorance but it won't be the first time. I am not aware
7 that in there are any restrictions. You have to choose to
8 want to alter the bond during the course of the project.
9 Traditionally, we don't do it because we might decide that it

10 makes that much difference. We start getting some larger
11 packages here. I am not sure there is any reason that
12 precludes us from looking at that.

13 AUDIENCE MEMBER: On the Fort Hood, I don't know
14 who asked the question. That question never got elevated to
15 contracting officer. We were talking at lunch about bonding
16 by phasing. I think that is something that is very valid.

17 AUDIENCE MEMBER: Maureen made a statement earlier
18 that I totally agreed with. One of the reasons I came here
19 today as deputy for small business, I am faced with a
20 challenge every day. I think most deputies would agree with
21 me as one person offices, we have the challenges of trying to
22 come up with tentative work that small business could do on
23 the work that we the Corps have coming through our
24 facilities. So what I was hoping to do in the event that SWD
25 receives some of this work, that we, the deputy for small

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

204

1 business within SWD would have a grocery list or a tentative
2 list of different types of procurements that those of you
3 present today had given us that we can say before you go out
4 into solicitation, let's take these pieces away because we
5 already know through market research that basically we hope
6 today that you voiced enough capabilities that you could do
7 these type of work, these types of services that are needed
8 in this type of contracts.

9 And the question that I thought we the Corps were
10 asking you, the small business and large business is, what

11 can you do to help us and as one side is not necessarily what
12 can we do to help you but is a very crucial question and it's
13 not asked much, what can you do to help us meet our
14 objectives. I mean, that's a luxury question. What can you
15 do to help us meet our goals. I am not griping a lot. I
16 would like to have an extensive list when I leave here today
17 so that if Little Rock District gets part of that work, we
18 are hoping to get some of that work.

19 But if we get some of it, as deputy of small
20 business for Little Rock District, I want to say take these
21 pieces because I sat in on a meeting on the 14th of April and
22 I know that we have in this geographical region a capability
23 to do this type of work and services. For the small
24 businesses that are here today and the large businesses, too,
25 if you could in your responses, please give us tentative work

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

205

1 that you can do individually, prime or subcontracting but
2 give us a list of the things that you can do because what we
3 are asking is what can you do to help us meet our goals and
4 my business is very short on people.

5 MS. OVERSTREET: What Shirley is asking for, this
6 is the way we need to get that information from you, this
7 list of questions. This is how we make those preliminary
8 decisions, please do give it back.

9 MR. BASHAM: Any other questions from the panel?

10 AUDIENCE MEMBER: I was going to follow up on that
11 bonding question. I contacted the General Surety for the

12 National Surety of America and National Associates of Surety
13 Bond Producers and spoke with them about not only from a
14 contractor's perspective but also from surety perspective.
15 They represent all surety nationwide and what he told me, he
16 said of course, he was willing to discuss the panel anything
17 that we may have and further questions. But he said as
18 things started getting over a hundred million dollars they
19 start tightening up significantly.

20 And he brought up an example of like 300 million
21 dollar project you could possibly have three different
22 sureties as the primary surety to protect that bond. It's
23 not just an issue of whether a contractor has capability but
24 the sureties are looking at that as well from their
25 perspective. He said anything below 500 million dollars is

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

206

1 still doable, although it's still tight. As you get over
2 that, there is serious questions whether surety is going to
3 bond a single project as it gets larger than that.

4 I believe he said anything above 1.6 billion was
5 out of the question pretty much. That was some kind of mark
6 he had dealt with. He recommended to break the project down
7 into pieces, so maybe as your figure was 400 million for BCT,
8 it may have multiple sureties if we have one contract. If
9 one installation has several BCTs and you are trying to do
10 installation wide basis, that could be a serious problem from
11 the surety side. He said if you broke these things down into
12 task orders, you are only funding and working on certain

13 pieces of it, then it shouldn't be a problem for the surety
14 from their perspective.

15 MR. BASHAM: Again, unless one of you-all remember,
16 we didn't go in this direction either one of the two previous
17 forums about bonding. I am sitting here listening, geez, I
18 don't understand. That is a key issue and so it leads me
19 again back to a systems approach, say, well, is this an area
20 that would help overall process if I take on more of that
21 responsibility and then how we manage this. In other words,
22 the more I can break up the packages, again the concept
23 earlier, I am not saying it's the right one, pre-engineered,
24 furnish pre-engineered facilities delivered on the site and
25 bundles and put something together that way that went out

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

207

1 that has a certain dollar limitation to it, attract a certain
2 market, a certain bond and then some other group would come
3 in or the site work issue we talked about earlier. Somebody
4 brought development 400 million, break it up, put site work
5 out in a couple of different packages. All that breaking up
6 of the dollars also helps facilitate the ability to bond and
7 carry the work.

8 AUDIENCE MEMBER: Not only is that general helpful,
9 but there is other areas, general liability insurance or
10 something. Shay Homes actually buys their general liability
11 insurance nationwide and all their contractors, whether they
12 be engineers, contractors, anyone in the process, they are
13 one of the biggest home builders in the country, all those

14 contractors get their general liability insurance through
15 Shay Homes. They expect to bump it up and then they take it
16 off every month. So there are ways you can do things like
17 that, especially on the small business side to facilitate.

18 MS. GREENHOUSE: I would like to bring up, some of
19 you may be doing business with the Department of
20 Transportation. Department of Transportation has instead of
21 like we do it, a contractor has to get his bonding before he
22 is awarded the contract with the Department of Transportation
23 and they have to get legislation to do this. They have been
24 doing it for almost 20 years now. What they do is the
25 contract is collateral to the surety of the small business.

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

208

1 It is about helping, theirs was about helping women
2 owned businesses and small businesses do work. They have a
3 whole category of sureties who gave them assured bonding.
4 And that's something as you are framing what you are doing,
5 Don, you may want to because it's quickly at the level that
6 we are working with Mr. Whitaker, to be able to get that kind
7 of program in to help small businesses. They get the
8 contract. They know they have the contract. The bonding is
9 going to be assured through something that we are working to
10 support. It's just like the Corps right now has gotten into
11 d/b/a insurance.

12 We have a solicitation out so that we can help
13 those contractors who want to work in Afghanistan and Iraq
14 and other Ocanas type areas get a portable available d/b/a

15 insurance, defense based act insurance. That's workmen's
16 comp that's 24 hours, seven days a week when you are working
17 outside of the country. So now we are coming up to receiving
18 our solicitation for centrally managed where it's going to be
19 affordable type insurance.

20 We were charging those contractors \$25,000 for a
21 premium for one person going over two or three days, you
22 know, totally unaffordable. Even though it's a pass through
23 cost to the government, it's a cost that we shouldn't have to
24 afford. So we are pooling the risk in that sense. And so
25 that's what the Department of Transportation is doing. I

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

209

1 just wanted to throw that out to you that it is possible for
2 us to start a bonding program, maybe not to this program.
3 BRAC is around the corner going to have to start to working,
4 something to think about.

5 AUDIENCE MEMBER: One thing I was going to suggest
6 to maybe get the project into more a manageable size of
7 project that even small businesses can propose on is what the
8 Kansas City District is doing with Fort Carson for the
9 temporary modularity. They have an IDIQ proposal. They are
10 going to have a seed project or three sites, a seed projects
11 that were proposed on those but then they were going to
12 select up to three contractors for a minimum of 20 million
13 dollar size projects. Maybe that's a way to also manage
14 these large projects is through IDIQ type solicitations in
15 spending the contracts around in a more manageable size to be

16 bonded.

17 AUDIENCE MEMBER: Bonding is really a mixed bag.
18 If you would take the industry generally, they would tell you
19 if you are relatively small and don't have a lot of
20 experience, they usually require assets of ten to one in
21 order to support your bonding. I recently talked to a rather
22 large contractor and they told me that they were negotiating
23 with the bonding company where their asset position is one to
24 50. So that's a huge disparity there which means that they
25 can get a rather large bond with very few assets.

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

210

1 If you would look at bonding overall, you are going
2 to find that it's highly subjective. It's based on the
3 company, the relationship that that contractor has with the
4 company, the opinion of the underwriters and the subjective
5 review that the underwriter does when he accepts your
6 application or rejects your application, whatever the case
7 is. So there is no fairness on this bonding business. It's
8 a real mixed bag of hodgepodge type situation here and it
9 affects small guys in a big way.

10 MR. BASHAM: Let me move to a little bit different.
11 How do I attract the A team. I am talking about out in the
12 field, out in the job. I am not talking about the
13 contractors. The last two forums you told us, yeah, I get
14 the A team and the contractor but when I get on the job, I am
15 putting my C and B team out there because I can make more
16 money elsewhere with my A team working on some other

17 projects. Some of that is driven again because you've got a
18 structured process. You've got a structured system. You've
19 got a structured review process.

20 All of those things I can afford. I am not going
21 to put my A team on there because I don't need to have them
22 led around by the nose. That's why they are the A team. I
23 will put my C and D team out there because they will learn
24 from you about the process. Can you-all see that here, too?
25 I accept the notion that I am the one that's driving that so

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

211

1 I am not trying to put you in a predicament. Have you
2 thought about that? The other two groups told us we will you
3 get the C and teams out there, and by and large at the end of
4 the day it's the way you are structuring your contracts, the
5 way you perform your reviews. It's what we are willing to
6 invest in.

7 AUDIENCE MEMBER: Once again, sir, I believe
8 something similar to that is plus bidding where the
9 contractor, it's up to the contractor to use the A team to
10 get that job done sooner at the right quality the first time
11 without having to resolve a punch list over the remaining,
12 over 18 months after the due date. Once again, that provides
13 better quality in getting those A teams as you so succinctly
14 put it by giving them that incentive. I think in some of
15 your comments, you guys' idea with the incentives may be a
16 bit tainted with the old idea of you guys setting the final
17 date, you guys setting the due date and then the contractor

18 being awarded with the A plus B contractor as we discussed is
19 the, I guess, optimum way, sets the due date themselves.

20 They are bound to that because they chose that date. They
21 chose that date and won the contract because they chose that
22 date. I think overall it lends itself to the best possible
23 deal.

24 MR. C. BASHAM: Don, I think there is many a model
25 in the way the Air Force is doing housing. They did multiple

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

212

1 selection through IDIQ, both large and small businesses. As
2 I said, they have got 16 different contractors that are on
3 their design build contract. Incentives are offered in
4 non-monetary form. It's called follow-up work because the
5 master plan is out there that says hey, I got 20 million this
6 year. Next's year project is 30 million, next year is 30
7 million. The incentive to keep the A team on it, make sure
8 you do good on this project and there is no competition for
9 next year's work. There is no competition, that is another
10 way to incentivize with the promise of future work.

11 MR. BASHAM: Anyone else to offer. I have about
12 run out of questions and comments.

13 AUDIENCE MEMBER: I wanted to pick up a little on
14 the concept of the bundling that I believe is what you have
15 asked for how do we set these things out. In any project,
16 the building, whether it's pre-engineered or conventional
17 built, the building in the pre-engineered sense is one
18 component that could be broken out. And the answer to small

19 business that could be broken out and identified as small
20 business with the shared risk concept that I presented a
21 little earlier. The site work is definitely something that
22 everybody needs to consider, site work being the
23 infrastructure, the roads, the foundations.

24 And I am comfortable with the idea of a major prime
25 in an unrestricted basis to keep that cost in line. A and E

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

213

1 is free and open competition or a set-aside but A and E in
2 the modular and the pre-engineered person needs to work
3 together because that's what is going to design the building
4 and the site work and the two have to match. There is always
5 miscellaneous equipment that the government can provide.

6 And then the final element of some type of project
7 like that of the scale is the installation of modulars. I
8 think I have heard of the modulars and pre-engineered
9 building or the box or whatever you want to call it. How do
10 we get all these together. One of the components that always
11 gets missed in this is the installation of those. Small
12 companies could be sprung up immediately with those kinds of
13 talents.

14 If that was broken out, installation of modules in
15 another package on a smaller competitive or restricted basis,
16 I think you would see these five elements pull off nice sized
17 projects for you in any market.

18 MR. BASHAM: Others?

19 AUDIENCE MEMBER: Let's get back to the A team.

20 The way I would like to say what we do, where we put our A
21 teams is projects that are complicated and they need to get
22 done quickly. And the faster each contractor design build
23 team gets done quickly, the more money they make at the end.
24 If the incentive would be on your part to get these projects
25 done quickly in the way you manage, we need to get around or

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

214

1 work through not 15 or 30 day reviews as we are going. You
2 are going to have to have somebody on the ground there
3 working as a partner and you keep an A team there.

4 AUDIENCE MEMBER: I think one of the biggest
5 problems is, if it's been discussed and perhaps I missed it,
6 but the impact that this size project would have on the
7 overall industry itself. There is always a problem getting
8 certain building materials, whether it be concrete, plywood,
9 steel, roofing materials, sheetrock or what have you. If you
10 drop a large number of large contracts on the economy and you
11 specify a fast delivery date, you may just be doing wishful
12 thinking if you think that can be delivered without realizing
13 what impact the producers will have producing a product that
14 you need in order to get that work done. To me, that's a
15 huge problem.

16 MR. BASHAM: I think we talked a little bit earlier
17 that also goes in the way you package them. If you can
18 figure out a way you can package or pre-fabricated off site
19 and then transport it and restrict the labor portion and cost
20 to do that. Any others? Back there in the back.

21 AUDIENCE MEMBER: Bill Briss with Butler again. It
22 seems to me that in order to get the power buying aspect of
23 this under control and to be able to take advantage of the
24 scale of this thing again, that the long lead items ought to
25 be purchased. And I would offer three of them, probably the

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

215

1 pre-engineered building shell, probably HVAC systems and
2 maybe some electrical switching equipment.

3 Those things ought to be looked at very seriously,
4 something that can be bought in pretty large quantities.
5 There is no quantity discount on David Bacon wage rates. It
6 seems to me that it's pretty easy to come in and put a shell
7 up and then leave the other 87 percent or 82 percent of the
8 construction project open for small business. Even the
9 erection of the shells is going to be about 65 or 67 percent
10 of small business accomplished. You get those economies to
11 scale again.

12 I think probably the easiest way to break those
13 things down is separate the project that you can make power
14 buys and make efficient buys versus the things that are going
15 to be static no matter what the quantities are like labor. I
16 think construction is probably 80 percent small business no
17 matter how you cut it up because they are not listed as prime
18 contractors. If someone came to us and said we want you to
19 do a large business and says that needs to be 37 percent
20 large business and that is a requirement, we would have a
21 heck of a time doing that.

22 If the question is small business utilizing the
23 construction industry, I think the answer is already yes.
24 The answer is are they listed as primes, that's an issue we
25 need to deal with, if that is what we are trying to do. The

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

216

1 dollars are going to small business. They are not written by
2 the Corps. They are written by the prime contractor. I
3 think it would be a great idea to make those power purchases
4 and then break the rest of those disciplines out for small
5 business action and then come in and do those things. We
6 don't know what we would do without small business.

7 MR. BASHAM: I think it's two components here.
8 Obviously, the big segment of the work force or companies are
9 small business. What we want to try to do, I think, is try
10 to find that balance for those folks that are comfortable
11 being small business, working as subcontractor or prime.
12 That opportunity is there to do that but there is others that
13 want to advance to be the prime in a small business and how
14 do we create the environment to allow that to happen and not
15 keep them at that level, quite frankly, down at that level.
16 Everyone wants to get better and some people want to improve.
17 They don't want to be a subcontract. How do you
18 create those conditions to allow small business to compete at
19 a prime level so that they can, I don't know, some people
20 would say enjoy all the rights and privileges. Some days I
21 don't know if those are the rights or privileges you want or
22 not. They ought to have the opportunity to compete and deal

23 with that.

24 MR. C. BASHAM: Could you recap the time frame and
25 the number of brigade sets that you are looking at?

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

217

1 MR. BASHAM: Overall, time frame is again, we are
2 talking about traditional two billion dollar program is year
3 end and year out. We are talking about starting in '06, '07
4 will be BRAC and restationing and I think all I told you,
5 that's probably going to be in order of magnitude of two to
6 three times that base number at least. The brigade sets fall
7 in, a total of 77 brigade sets, 40 something active and 30
8 something reserve. Is that what you had up on the slide?
9 That's different. We are talking about five year BRAC.

10 The 77 brigades are probably all the way out to
11 year 2023, somewhere in that neighborhood. You are not
12 talking about all 77 of these brigades in this five year BRAC
13 period. There is a couple of multiple ways. The more
14 immediate way, huge work force increase will be BRAC and
15 restationing will be more of magnitude of two to three times
16 of our basic program out there. Listen, I want to thank all
17 of you-all to take time out of your busy schedule to come and
18 be with us today and staying with us all day.

19 I hope just being here and having the dialogue and
20 discussion that you've got a little bit of value out of that.
21 I mean that in the right way. You came here to help us. We
22 gained far more today than maybe what you did.

23 Hopefully, how we start packaging and putting it

24 out, you will be able to see the return on that because we
25 engaged you in the discussion here. As I told you before,

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

218

1 what we will do with the dialogue we have had here along with
2 the others, we will post them out there for you to see. We
3 encourage you to go out there and look at them. If you come
4 up with other good ideas or see something else proposed,
5 please enter dialogue and discussion. Next iteration once we
6 finish up next Thursday in our last forum is that will give
7 us a sensing after we hear everything to go back and adjust,
8 see how we are going to start breaking these things out,
9 looking at them, packaging them.

10 Once we do that, then we will probably have another
11 iteration. It won't be this large a forum. We will start to
12 ratchet it down, get a little bit more definition of certain
13 things and start bringing another group of people in to have
14 another iteration and dialogue with us. That's probably
15 going to occur pretty quick and pretty fast to do that. At
16 the end of the day, as I said to start out with this morning,
17 we have to do this because at the end of the day I have got
18 to package this.

19 You are the recipient of this. I know at the end
20 of the day, whatever package you are going to respond to it.
21 It's going to make a huge difference what it will cost me and
22 how we get it. That's why it's so critical to have this
23 dialogue and discussion. I really do appreciate your time
24 and energy to come here today. I promise you that we are

25 just not walking through the motions at the end of this thing

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

219

1 and it's going to be back to business as usual. We couldn't
2 do that. When you look at these dollars that's involved
3 here, if we stay with the same system we are staying today,
4 number one, we are not going to have enough dollars to make
5 this happen and the second thing is we are not going to be
6 able to house the troops and deal with BRAC and restationing
7 the pace that we now plan and design, construct these
8 facilities. So we are forced to make some major changes.

9 I understand that a lot of this is internal to us.
10 And we need to make those changes to do that. I am committed
11 as far as our role in the Corps of Engineers to make those
12 adjustments and changes. The Army is committed to try to get
13 the installations in line, start seeing we have got one set
14 of tools and facilities that fit every installation and that
15 helps us a lot in streamlining how we do this, maximize big
16 business, small business and everything to accomplish that.
17 You have given us a lot to think about. You have given us
18 some new things to think about.

19 Some of you have kind of reconfirmed what we have
20 heard in the other sessions, help us reinforce. Please stay
21 engaged, stay involved. Watch the web. Watch the web, send
22 your comments and discussions. Some of you have taken my
23 card. You want to come see me and talk more about it. We
24 can. I only ask you to do this. Please wait a couple of
25 weeks until after this next set, next Thursday after we have

Minutes from DFW Forum.txt

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

220

1 the last forum and give us an opportunity to think about that
2 and reshape that so maybe when you come see us, we can give
3 you a little more specificity of where we are going and try
4 to further that dialogue and get from 30 feet to 15,000 feet
5 down to the ground before it's over with. Anybody else got a
6 burning comment or question you want to offer before we
7 leave? All right. Thank you-all very much.

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)

221

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

CERTIFICATE

I, Stephanie Barry, a Certified Shorthand Reporter of the State of Texas, do hereby certify that the above and foregoing contains a true and correct transcription of the proceedings.

Given under my hand and seal of office on this the ____ day of _____, A. D., 2005.

STEPHANIE BARRY,
CERTIFIED SHORTHAND REPORTER
IN AND FOR THE STATE OF TEXAS
1100 Centennial Boulevard,
Suite 260
Richardson, Texas 75081
Certification No. 5736
Certification Expires 12-31-05

Minutes from DFW Forum.txt

Wendy Ward Roberts & Associates (972) 671-DEPO (3376)