

Pre-Solicitation Conference  
**National Geospatial Intelligence  
Agency**  
**New Campus East**  
5 March 2007

# Agenda

- General Scope of Project
- Acquisition Strategy: IDBB
  - What is it?
  - Industry Feedback
  - How it works
- Next Steps
- Overview of schematic design
- Open Discussion

# What is the New Campus East?

- Construction authorized by BRAC 2005 to accommodate consolidation of NGA facilities from multiple locations in the DC area
  - 2.4 Million GSF
  - 130 acre site
  - 8,500 employees
  - Single large SCIF office building, Technology Center, Central Utility Plant, Parking Structure, Visitor Control Center, Remote Inspection Facility, surface parking, roads, bridge
  - Integration of IT systems critical
  - Action complete by September 2011

# Integrated Design-Bid-Build

- Not Business As Usual!
- The Challenge:
  - Large Requirement
  - Critical Mission
  - Complex Integration Requirements
  - Phased move-in from multiple sites
  - Security considerations
  - Constrained Schedule
  - Limited Funding
  - Volatile Market
- The Strategy: IDBB
  - Establish a Collaborative Team (Government, Designer, Constructor) Early in the Design Phase
  - Construction Expertise informs Design
  - Enable Flexibility to optimize project scope, schedule, cost, means and methods

# Integrated Design-Bid-Build

- **Contract Type: Fixed Price Incentive**
  - Target Cost
  - Target Profit
  - Ceiling Price
  - Profit adjustment formula
- **Source Selection: One Step Best Value**
  - Price/Technical tradeoff and risk analyses
  - Evaluation includes entire scope of services
  - Meaningful price competition as a basis for contract award

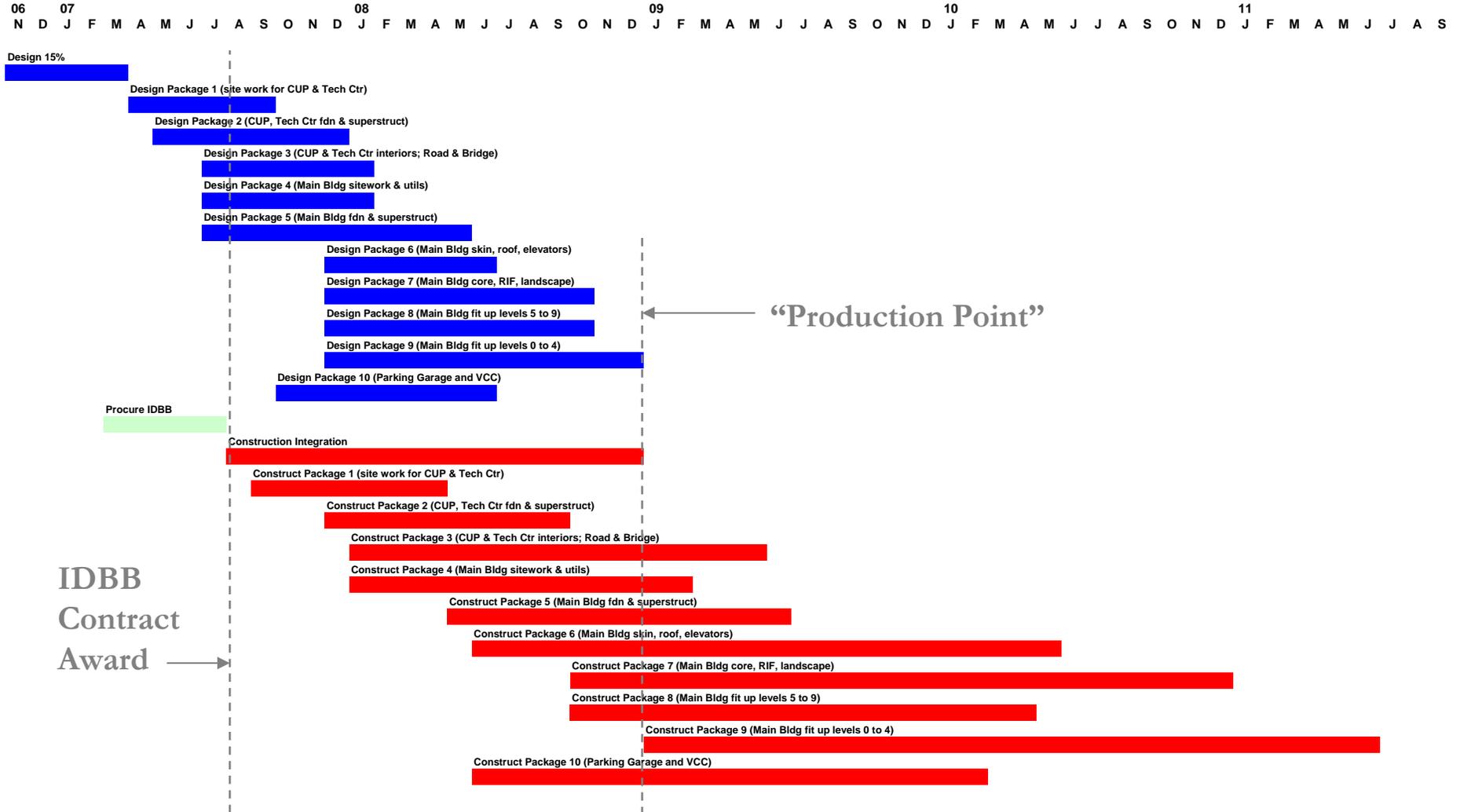
# Integrated Design-Bid-Build

- **Contract Structure: Base Bid with Options**
  - Base bid: Construction Integration Phase services and some site work
    - Base bid is Firm Fixed Price
  - Options: Facility construction
    - Initial Target Cost, Initial Target Profit, and a Ceiling Price
    - Initial Target Price is offeror's best estimate of the cost to build the project
    - Ceiling Price is Government's maximum liability for the project
- **Government intends to fast-track construction**
  - Construction may proceed before entire project is 100% designed

# Integrated Design-Bid-Build

- At “Production Point,” the parties attempt to negotiate a Firm Fixed Price (FFP)
  - Generally occurs when 95-100% plans and specifications are available
  - Contractor proposes a Firm Target Cost
  - Profit is adjusted based on relationship between Initial Target Cost and proposed Firm Target Cost
- Contract operates in an “open book” fashion until the FFP is established

# Conceptual Design/Construct Sequence



# Industry Feedback

- Sources sought published in FBO in Nov 2006
  - draft price schedule
  - draft scope of work
  - draft evaluation criteria
  - draft incentive price revision FAR clause
- Written comments received and face to face discussions held in Dec-Jan

# Revisions to Solicitation

- Evaluation criteria – past projects
  - \$500 Million minimum project size eliminated
  - Escalation will be applied to submitted projects' dollar value
- “Certified” Cost Accounting System (CAS)
  - Requirement changed to “approved or approvable”
- BRAC local area reference
  - Revised to comply with DFARS

# Revisions to Solicitation

- Price Schedule – Contingency
  - Revised to delete the contingency line item (and the associated Contingency Matrix)
  - 2% max removed
- Price Schedule – Fee
  - Specified range for Initial Target Profit of 1.5% to 4.5% removed
  - Profit adjustment formula still being evaluated

# Revisions to Solicitation

- Submission of cost documentation to support proposed Initial Target Cost is required
- Exercise of Bid Option
  - Contractor must show project meets budget in order for Government to exercise construction option
- Escalation clauses (Economic Price Adjustment)
  - Will not be used

# Revisions to Solicitation

- Errors and Omissions
  - Contractor will not be responsible for Designer of Record errors and omissions
- Budget
  - Designer's current "Design-To" cost will be provided in the solicitation
- Cost Goals
  - After contract award, Government will align Designer's "Design-To" cost and the successful IDBB offeror's Target Price

# Revisions to Solicitation

- Earned Value Management System (EVMS)
  - An ANSI/EIA-748-A compliant EVMS will be required
- Bonding
  - Government still in discussion with Surety Industry
- Small Business
  - Solicitation will set out Army goals

# How It Works

- At the time of proposal submission, offerors will submit:
  - Base Bid: Lump Sum price for Construction Integration Phase services and site construction
  - Bid Options: Initial Target Cost, Initial Target Profit, and Ceiling Price for the “permanent improvements”
    - Based on schematic design documents
- The Government will include in the solicitation its budget for the project (same as the Designer’s “Design-To” cost)
- The Bid Option may be exercised within a stipulated number of days after contract award
- After award of the construction contract, the Government will align the Design contract “Design-To” cost and the Construction contract Target Price.

# How It Works

- During the Preconstruction Phase, the Contractor will provide normal range of construction management services, including development of cost and schedule baselines, input on the content of each design package, evaluation of compliance with SPiRiT and LEED standards, and constructability and design economy reviews
- The Design will be produced in several discrete packages (perhaps 10)
- Cost estimates of each design deliverable will be prepared independently by the Designer and the Constructor, and these will be reconciled to ensure the project can still be completed within budget
- For each package, once a 100% design package is provided to the constructor, and the Designer and Constructor cost estimates for that package have been reconciled and validated to be within budget, the Contracting Officer will direct the constructor to execute the construction work within that package
- In selecting subcontractors, the prime will attempt to obtain a minimum of three quotes, and will share these quotes and selection rationale with the Government

# How It Works

- At the point that the entire design is essentially complete, called the “production point,” the procedure identified in the Incentive Price Revision clause, FAR 52.216-17, will be followed to establish a Firm Fixed Price (FFP) or final profit adjustment formula\*\*
  - For example:
    - Contractor submits a proposed Firm Target Price (FTP), including Firm Target Cost and Firm Target Profit
    - If the Firm Target Cost is more than the Initial Target Cost, the Initial Target Profit shall be decreased
    - If the Firm Target Cost is less than the Initial Target Cost, the Initial Target Profit shall be increased
    - The Initial Target Profit shall be increased or decreased\*\* by 10% of the difference between the Initial Target Cost and the Firm Target Cost
- If the Government and Contractor do not agree on converting to a FFP, work may still proceed, administered according to provisions of FAR 52.216-17 Incentive Price Revision, Successive Targets (Oct 1997)

\*\*Profit adjustment formula still being evaluated

# Next Steps (tentative timeline)

- 14 Mar – deadline for written comments in response to today's conference
- 16 Mar – FBO announcement for official RFP
- 6 Apr – RFP issued
- 23 Apr – Pre-Proposal conference & site visit
- 7 May – Deadline for proposal questions
- 23 May – Proposals due
- 3 Aug – contract award

# Information

<http://www.nab.usace.army.mil/BRAC/NGA>

- The following documents will be available at above site:
  - How to submit comments
  - Q & A from November sources sought
  - These slides
  - Revised draft solicitation documents:
    - Price Schedule
    - IDBB scope of work
    - Proposal Submission Instructions
    - Incentive Price Revision clause