

USACE MILCON Program

Associated General Contractors of America

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Headquarters, U.S. Army Corps of Engineers***

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Agenda

- **USACE Overview**
- **Military Construction (MILCON) Business Process**
- **MILCON/BRAC/ARRA Programs Overview**
- **Future Outlook**
- **Doing Business with the Corps**



U. S. Army Corps of Engineers

HQ

FY10 Military Program

\$ 24.8 BIL

11,700 personnel

Military Construction

**Contingency Operations
Installation Support**

**International and
Interagency Support**

9 Divisions

(Direct Funded)

46 Districts

(Project Funded)

Homeland Security

Environmental

Real Estate

**Private
Industry
Partners**

FY10 Civil Works Program

\$ 7.9 BIL

24,900 personnel

Navigation

Hydropower

Flood Damage Reduction

Shore Protection

Water Supply

Regulatory

Recreation

Engineer Research and Development Center

\$ 1 BIL @ Seven (7) diverse research laboratories

**Engineer
Commands**



BUILDING STRONG®

U.S. Army Corps of Engineers Military Programs

Providing infrastructure solutions to the Armed Forces and the Nation



Community Hospital, FT Belvoir, VA



BRAC 133 Mark Center, Arlington, VA



HAAN Bridge, FT Bliss, TX

Deliver innovative, resilient and sustainable infrastructure solutions in support of military readiness and strategic national interests.



Army Strategic Command HQ, Peterson AFB, CO

.....
Military Construction
.....

Base Realignment and Closure (BRAC)
.....

Overseas Contingency Operations (OCO)
.....

Installation Support
.....

Environmental/ Formerly Used Defense Sites (FUDS)
.....

Interagency & International Services (IIS)
.....

Real Estate



Border Fence, Imperial Sand Dunes, CA



BAF to Kabul Road, Afghanistan



BUILDING STRONG®

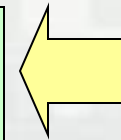
Army Imperatives

IMPERATIVES

FACILITIES SUPPORT

SUSTAIN

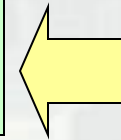
Sustain the Army's Soldiers, Families, and Civilians



- Family Housing
- Barracks
- Quality of Life
- Warrior Care and Transition Program (WCTP)
- Soldier Family Action Plan (SFAP)

PREPARE

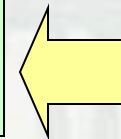
Prepare for Victory in the Current Conflict



- Mission and Training
- Training Barracks
- Grow the Army

RESET

Reset Forces to Rebuild Readiness & Depth



Increase dwell time after deployments to Revitalize Soldiers and Families

TRANSFORM

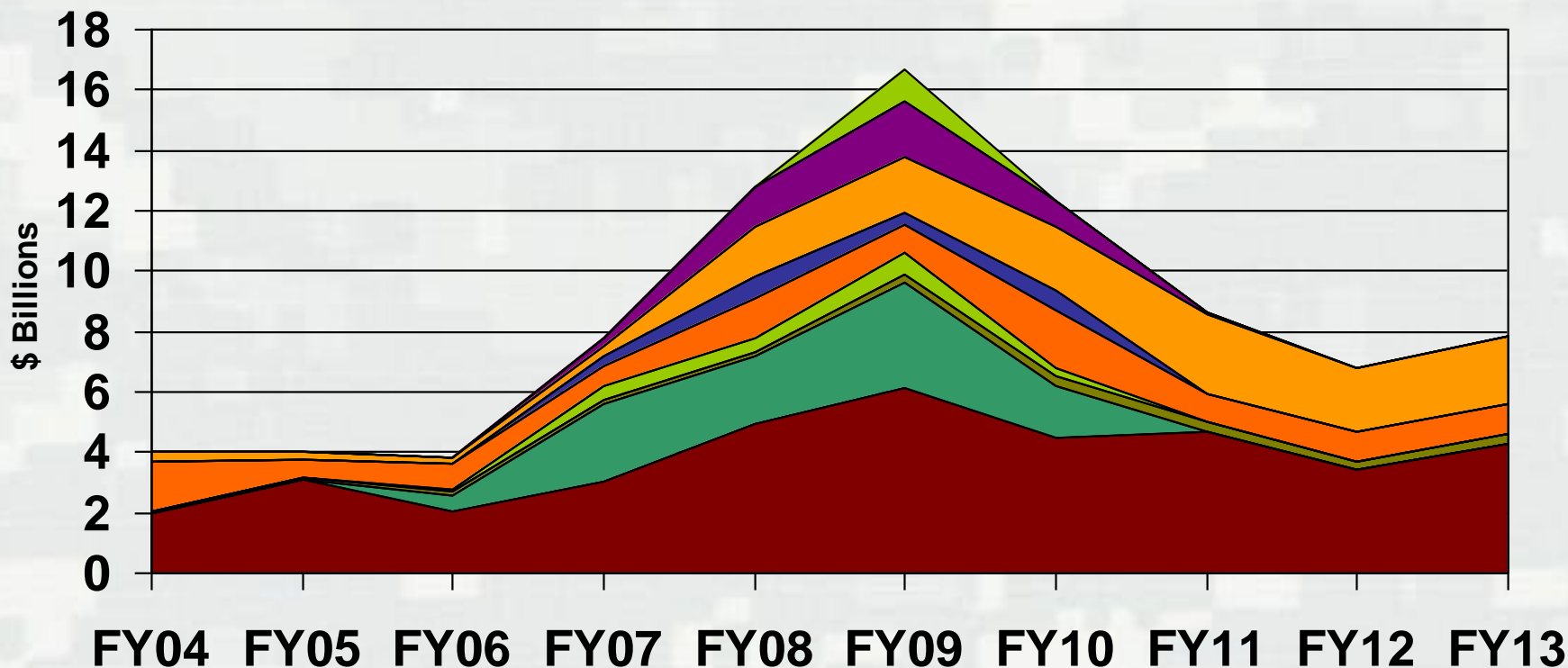
Transform to Meet Demand of Persistent Conflict



- GTA/BRAC/GDPR
- Army Modular Force



\$84.7B MILCON/BRAC Requirements FY04 - 13



March 2010



BUILDING STRONG®

Military Construction (MILCON) Business Process

“ At a glance “

- **Started as MILCON Transformation (MT)**
 - ▶ Developed with industry and DOD partners 2004-2006
 - ▶ Pilot tested FY06 with “tier one” facilities (Barracks, COF and TEMFs)
- **Achieve like facilities for like mission**
 - ▶ Standardize the design
 - Established eight (8) Centers of Standardization
 - Developed army mission and design standard for each facility type.
- **Meet troop ready dates**
 - ▶ Fix cost and time, award based on quality
 - ▶ Accept best commercial practices
 - ▶ Pre-place contracts (SATOC and MATOC)
- **Build efficiently**
 - ▶ Go with one team per facility type to extent possible (USACE, designer and builder)
 - ▶ Eliminate design of the same facility again and again
 - ▶ Give a contractor more than one chance at a facility
 - ▶ Capture lessons learned, get better with each successive project



MILCON Business Process (cont.)

“What we were able to achieve”

- Executing 94 percent (and greater) scope at programmed amounts with construction market variations of 10 percent or more. (cost of materials)
- Delivering a new facility every week at FT Bliss using performance based criteria, modular, tilt-up, stick built, pre-engineered buildings and traditional construction processes.
- Construction of a Brigade Combat Team (BCT) facilities within 24 months
- Executing more and more construction each successive year

<u>Program year</u>	<u>Total value</u>	<u>Value awarded</u>
FY06	2,804 M	2,345 M
FY07	6,112 M	3,374 M
FY08	5,940 M	4,551 M
FY09	7,467 M	5,927 M

(MCA, MCA supplemental, AFH and MCAR programs included)



FY10 MILCON OVERVIEW

- \$15.7B FY10 program to execute for Army, AF and DOD (including FY09 Carryover & FY10 Supplemental)

MILCON:

- ▶ FY10 Army MILCON – 275 projects/\$5.1B
- ▶ FY10 AF MILCON – 131 projects/\$2.0B
- ▶ FY10 DOD MILCON – 58 projects/\$2.3B
- ▶ Potential MILCON Plus-up in FY10 Supplemental – 13 projects/\$0.2B
- ▶ FY09 and prior program carryover – 134 projects/\$3.5B

BRAC

- ▶ FY10 BRAC (Army, AF, DOD) – 92 projects/\$2.8B

Remaining American Restoration and Recovery Act of 2009 (ARRA) projects

- ▶ Ft Hood, Hospital Phase 1 (\$621M) – scheduled award 30 Sep 10
- ▶ Army projects (3) – Warrior in Transition at Ft Eustis (\$9.7M), Child Development Center at Ft Polk (\$9.0M), and Family Housing at Ft McCoy (\$4M)
- ▶ Air Force projects (2) – Child Development Center at Tinker AB (\$11.2M) and Dormitory at Minot AB (\$22M)
- ▶ FSMR - 46 projects @ \$73.8M



FY11 MILCON Overview

- FY11 Budget Overview Document can be found at:
 - ▶ <http://comptroller.defense.gov/Budget2011.html>
 - ▶ Links to Budget Materials: US Army Budget Documentation, US Air Force Budget Documentation, and Defense Wide Budget Documentation
 - ▶ <http://asafm.army.mil/Documents/OfficeDocuments/Budget/BudgetMaterials/FY11/milcon//mca-afh-hoa.pdf>
 - ▶ http://comptroller.defense.gov/defbudget/fy2011/budget_justification/pdfs/07_Military_Construction/11-TMA.pdf

- Potential USACE FY11 MILCON \$7.5B

- Divisions with the largest program
 - ▶ North Atlantic Division – 61 projects / \$1,844M (includes Europe)
 - ▶ South Atlantic Division – 53 projects / \$1,421M
 - ▶ Transatlantic Division – 49 projects / \$986 M
 - ▶ South West Division – 37 projects / \$817M



FY11 MILCON Funding Overview

- BRAC
 - ▶ FY10 fully funds BRAC construction
 - ▶ FY11 completes final non-Construction activities – Personnel and Unit movement

- MILCON
 - ▶ Army
 - Completes all Warrior in Transition Complexes; only 1 in FY11 remaining, Ft Eustis
 - ▶ Army Family Housing
 - The originally planned Army Housing Privatization Program will be complete at 44 installations in FY10
 - ▶ Air Force
 - 39 Projects / \$808.3M
 - ▶ DOD
 - Medical: 15 projects / \$795M
 - Others: \$839M



Army MILCON Future Outlook

- Army Modular Force

- Projects to support the continuing conversion of the Army to a Modular Force; continue to reorganize the Active and Reserve Components into a standardized modular organization increasing the number of Brigade Combat Teams (BCTs)
 - ▶ Project types: Barracks, Brigade and Aviation Complexes and Support facilities
 - ▶ FY11 Program: Permanent facility construction to support conversion of existing BCTs to new modern BCTs; \$1,584M programmed in MCA and MCNG projects



Army MILCON Future Outlook

– Grow the Army

- Grow the Army to 1,111,600 across all components to fill key force capability shortfalls and increase Active Component dwell time

- FY11 Program:
 - ▶ \$212.8M for Army Reserve Centers
 - 17 Operations Complexes: Operational, Maintenance, and Storage
 - ▶ \$697.7M for the Active Army
 - \$105.2M for training-related projects
 - \$510.9M for operational facilities
 - \$ 81.6M for training ranges and training support facilities

- Align GTA stationing to capabilities
 - ▶ FY11 Program includes 39 MCA range projects (\$406M)



Army MILCON Future Outlook

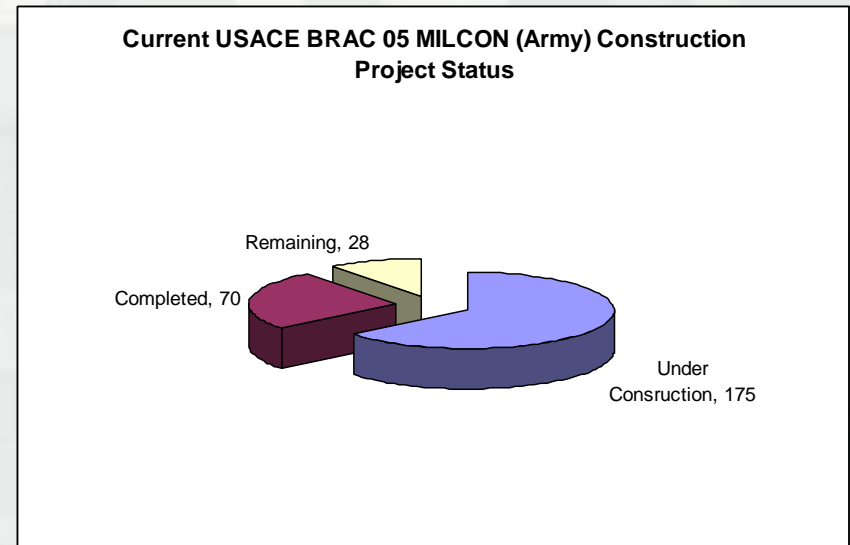
- Global Defense Posture Realignment

- Relocate Soldiers from Europe and Korea to Continental United States
- QDR 2010 recommends retaining 4 BCTs in Europe pending NATO Strategic Concept and US assessment
- Build Operational, Training, and Support facilities at Fort Benning, Fort Riley, Fort Bliss and Bagram Air Base
 - ▶ Infrastructure
 - ▶ Personnel barracks
 - ▶ Access Points
- FY11 Program: \$189M



FY 11 BRAC 05 Focus

- Committed to achieving BRAC 05 Law
- No new construction awards are programmed for FY11
- FY11 program supports other BRAC related costs such as movement, equipment, and personnel cost



FY11 MILCON Overseas Contingency Operations (OCO)

- Support to our Soldiers conducting contingency operations in Afghanistan

- Army
 - ▶ 48 projects (\$762.0M) in support of Operation Enduring Freedom: Troop Housing, Dining Facilities, Logistics and Environmental Management facilities, Airfield Facilities, Command and Control Facilities, and Force Protection

- Air Force: 6 projects / \$173.8M

- Unspecified Minor Military Construction, Army: \$78.3M



International Customers



DOD – MILCON, Foreign Military Sales



STATE – Economic Support Funding (Iraq), Bureaus of Diplomatic Security, and International Law Enforcement and Counternarcotics



AID - Reconstruction



MCC – Economic Development Grants



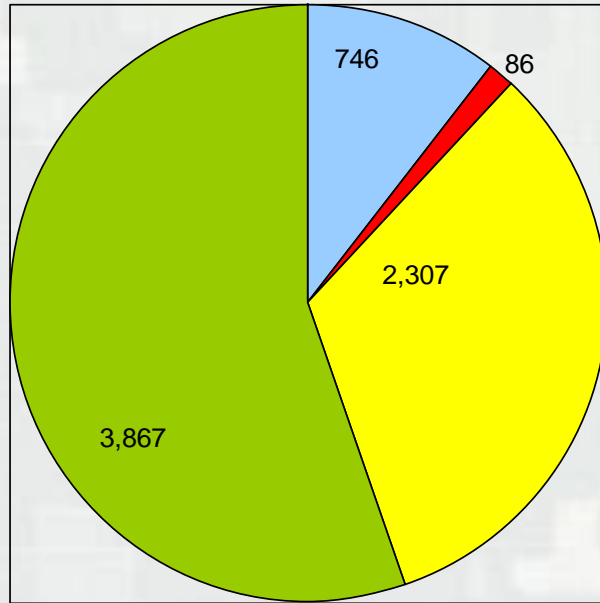
Foreign Governments – Military and Civil Works Projects



International Organizations – Asia Development Bank

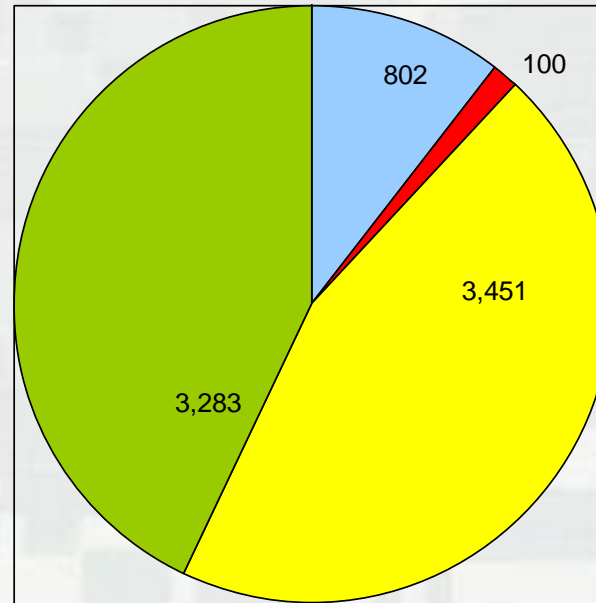
FY10-11 PROJECTED INTERNATIONAL WORKLOAD

\$MILLION



FY10

\$7.0B



FY11

\$7.6B

- EUROPE
- SOUTH AMERICA
- PACIFIC
- MIDDLE EAST



Developing Capacity in Host Countries

- An integral part of US Foreign Policy

- Empowers host nation to build its own capabilities and to move away from dependence on others
- Leads to sustainable programs, projects, and services
- Improves conditions on the ground for host nation and citizens
- Protects US Government investments and resources

- Some Examples

- Partner/Mentor Programs in Iraq and other areas
- Afghan First - Team with emerging Afghan firms to provide expertise and capacity development opportunities for Afghan National Engineers, Project Managers and Laborers
- Experienced Construction Firms are in High Demand to Enable Capacity Development



Future Outlook Energy and Sustainability

- High Performance Buildings
 - ▶ Green Buildings
 - LEED – silver
 - Energy Betterments (RFP's)
 - ▶ Net Zero Energy Buildings
 - Built/Leased after 2020 achieve zero net energy by 2030 (EO 13514)
 - ▶ Life Cycle Cost Analysis – establishing a center of expertise

- Energy Conservation/Independence/Renewable Energy



ENERGY MANDATES

Mandate Topic	Energy Performance Target [Source]
Installations energy use	Reduce 3% per year to total by 30% by 2015 (2007 baseline) [EO 13423, EISA 2007]
GHG emission reduction	Identify GHG emission reduction targets to be met by 2020 from 2008 baseline [EO 13514] Army target -34% [SA Memo to OSD]
Metering for improved energy management	Meter electricity by Oct 2012 [EPA Act 2005] Meter natural gas and steam by Oct 2016 [EISA 2007]
Electricity use from renewable sources	At least 3% (FY07-09), 5% (FY10-12), 7.5% (FY13 +) [EPA Act 2005, EISA 2007, NDAA 2007]
Total consumption from renewable sources	At least 50% of required annual renewable energy consumed from "new" sources [EO 13423]
Solar Water Heating in new/renovated buildings	30% by 2015 if life cycle cost-effective [EISA 2007]
Energy use in Federal buildings	Reduce 3% per year for FY08-FY15 for 30% total by 2015 (Baseline 2008) [EPA Act 2005, EO 13423, EISA 2007]
Fossil fuel use in new / renovated buildings	Reduce 55% by 2010; 100% by 2030 [EISA 2007]
Net zero buildings	All new buildings that enter design in 2020+ achieve net zero energy by 2030 [EO 13514] New Federal buildings achieve net zero by 2030 [EISA 2007]
Fleet vehicle petroleum consumption	Reduce 20% by 2015 (Base 2005) [EISA 2007] Reduce by 2% per year thru FY2020 (Base 2005) [EO 13423, EO 13514]
Fleet vehicle alternative fuel use	Increase 10% by 2015 (Base 2005) [EISA 2007] Increase by 10% annually to reach 100% (Base 2005) [EO 13423]
Water consumption	Reduce consumption intensity by 2% annually FY 08-FY 15 (2007 baseline) [EO 13423] Reduce consumption by 2% annually for 26% total by FY 2020 (2007 baseline) [EO 13514]



Future Outlook - Acquisition

- Increased (public) transparency on use of funds/ detailed information for the public via government websites.
- Intensive (electronic) reporting on all expended funds/Government and Private Sector “recipients” reports.
- Increased focus on competition in acquisitions/spotlight on non-competitive acquisitions.
- Even greater preference for firm-fixed price contracts/contract vehicles which minimize schedule, cost and performance risk to government, over cost type contracts.
- Continued and enhanced efforts to increase small business participation in DoD acquisitions.
- Potential for increased oversight by Government auditors (AAA, DoD IG, Engineer IG, etc.)



Doing Business With USACE

- Doing business with us - Directorate of Contracting website:

<http://www.usace.army.mil/CECT/Pages/Home.aspx>

Contractors must be in Central Contractor Registration

www.ccr.gov

- All solicitations posted to Federal Business Opportunities (FBO)

www.fedbizopps.gov

- Make sure certifications are up-to-date and in correct data bases
 - HUBZone, SBD, 8(a), etc. see <http://sba.gov/>
 - Make sure bonding is in place (for construction projects)
- Do your homework: Know how your capabilities fit our requirements
- Consider subcontracting opportunities as well as prime contracts



USACE Overseas Offices and Contracting Websites

Europe District (Europe, Africa): www.nau.usace.army.mil

Gulf Region District (Iraq): www.grd.usace.army.mil/index.asp

Afghan Engineer District : www.aed.usace.army.mil

Middle East District: www.tam.usace.army.mil

Japan District: www.poj.usace.army.mil

Far East District (Korea): www.pof.usace.army.mil

Honolulu District (Asia-Pacific): www.poh.usace.army.mil

Mobile District (Latin America): www.sam.usace.army.mil

USACE contracting website:

www.usace.army.mil/CECT/Pages/home.aspx



Discussion



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