2005 Tri-Service Infrastructure Conference
The Future of Engineering and Construction
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What we do…

◆ Facilities Acquisition
  ▪ Planning, Design, Construction, Environmental, Utilities

◆ Installation Engineering Support
  ▪ Public Works, Facilities Maintenance, Utilities, Real Estate, Transportation, Environmental, Ashore ATFP

◆ Seabees/Contingency Engineering
Capital Improvements Business Line (CIBL) 
Strategic Objectives

◆ People
  ▪ Maintain technical competency
  ▪ FTE realignments
  ▪ Licensing & Technical Authority
  ▪ Project Management Development

◆ Process
  ▪ Sustainable development/LEED Program
  ▪ Expand use of Design Build
  ▪ Standard ROICC processes
  ▪ Enhanced source selection

◆ Clients
  ▪ Improve deliverables, timeliness, and use of Client resources

◆ Operations
  ▪ Improve organizational alignment & interdependence
  ▪ Work Induction Process implementation
    ▶ Categories of Work
CIBL Major Initiatives

- **Design/Construction**
  - Leverage private sector capability by Design-Build
  - Accelerated Design and Construction

- **Sustainable Development**
  - Lower Life Cycle cost

- **Partnering with Small Business**
  - Sole source negotiated scope (projects < $3M)

- **Risk Based QC / QA**

- **Safety – Operational Risk Management**
Sustainable Development Objectives

- Lower Life Cycle Costs
- Energy Efficient Buildings
- High Productivity Work Spaces
- Recyclable Building Materials
- Reuse of On-Site Demolition Materials
- Environmentally Friendly Materials & By-Products
Design-Build-Commission (DBC) Demonstration:

- May include up to 5 years of maintenance in MILCON contract
  - Congress authorized limited DOD test FY03
  - Goal = test feasibility, desirability & long-term impact on life cycle cost

- Status:
  - 9 Navy/USMC pilots FY03-FY06
  - 6 pilots awarded; 2 have begun maintenance phase
  - Interim report sent to Congress Feb 05

- Long-term monitoring and evaluation of results
  - Each pilot monitored for 5 years after BOD
  - To analyze 5-year maintenance cost, comparison to baseline facility, and impact on life cycle cost
  - DOD has requested demonstration extension beyond FY06
Design-Build “Early Start” Demonstration:

- Award design portion of DB contract before project appropriation
  - Congress authorized limited DOD test FY05
  - Goal = start construction on both DBB & DB projects at appropriation
  - Use MCON design $ for design portion of contract
  - Authority expires end of FY07
  - Report to Congress due Mar 07

- Status:
  - Three Navy/USMC FY06 pilots tentatively selected
  - Anticipate up to six FY07 pilots
  - Developing demonstration policy and procedures
Innovative Acquisition Strategies

**Naples Improvement Initiative ($750M)**
- Complete support “city”--Gricignano
- Over 2 million SF to seismic standards
- 100% private financed ($500M Lease-Const.)
- Capo Ops/Support MILCON ($250M)

**Naples Hospital ($43.5M)**
- Lease-Buy Acquisition (Complete in Apr 03)
- Integrated Construct/Outfit Approach
- Rights of Superficies - $Ms in Savings

**NTC Great Lakes ($70M)**
- $70 M Completed in 30 months
- Sustainable Design Showcase
- Zero Cost Growth

**RTC Great Lakes ($750M)**
- $201M Contract w/ Options for 5 Barracks
- Design-Build Commission Pilot for Full Building Maintenance of 2 Barracks
Summary

- Funding is declining
- Sustainable Development integral to our business
- Design-Build is the way ahead