AGC- USACE MILCON/Civil Works Policy Meeting 2020 Federal Contractors Conference Virtual June 10, 2020



#### **MEETING AGENDA**

AGC – US Army Corps of Engineers MILCON/Civil Works

1:00 PM - 3:00 PM

**AGC Questions for USACE Military Construction Program (Domestic MILCON)** 

## 2020/2021 BUDGET, APPROPRIATIONS, & PROJECTS OUTLOOK

- Please provide a general update on the budget and projects for FY 2020/2021.
  - What is the breakdown of projects? By project types (barracks, medical, schools, etc.); Open versus set aside; By procurement/project delivery method (design-build, design-bid-build, so forth); By state/location.
  - There are projects that are authorized, but do not have funds appropriated.
     What is the status of these projects, and when are appropriations expected?

### THE MILITARY CONSTRUCTION VISION

 Please discuss the vision for the military construction program given the change in the administration and congressional inputs. Will there remain a continued strive for resilience? How is the MILCON program adapting to military needs and changing strategies?

# THE BORDER WALL EXECUTIVE ORDER & CUSTOMS & BORDER PATROL

- President Trump has made the border wall a priority of his Administration. AGC is aware that USACE is in consultation with the Department of Homeland Security's Customs and Border Patrol (CBP) agency and has an existing interagency construction agreement with CBP concerning border all and fencing construction.
  - o Please explain the latest on this project and your partnership with the agency.

#### **USACE Questions for AGC**

USACE may provide questions for contractors on issues or policy reforms.

#### **General Questions**

Open questions from the floor.



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# **Civil Works Program & Discussion**

## **AGC Questions for USACE Civil Works Program**

### 2020/2021 BUDGET, APPROPRIATIONS, & PROJECTS OUTLOOK

- The recently passed spending bill included record funding for the Corps of Engineers Civil Works Program. Please provide a general update on the budget and projects for FY 2020/2021.
  - How is USACE addressing streamlining regulatory decisions, simplifying the permitting process, and giving lower level authority to the Corps District Command?

#### **Alternate Care Facilities**

- The U.S. Army Corps of Engineers and contractors have undertaken efforts to support FEMA, State, and local authorities to respond to the COVID-19 outbreak.
   Among these efforts is assisting other agencies in assessing and potential sites for suitability as alternate care facilities and to rapidly engage contractors to prepare them for medical use. USACE and contractors have worked together to meet the challenges of rapid execution of these critical facilities.
  - What lessons were learned from the rapid execution of Alternate Care Facilities?
     How will these lessons be applied in the future?

#### **DISASTER AID SUPPLEMENTAL**

- Disaster aid supplemental provides critically needed funds to assist with the rebuilding efforts in communities impacted by natural disasters. Supplemental appropriations have provided tens of billions in funding to the USACE for its restoration efforts in states impacted by the disasters, and allocated billions of dollars for the USACE Construction Account for repair to USACE projects.
  - Please provide AGC with an overview and status update of these projects.
  - What feedback can contractors provide to help ensure the successful delivery of infrastructure projects.

# WATER RESOURCES DEVELOPMENT ACT (WRDA)

- 2020 WRDA: Congress in the process of drafting the 2020 WRDA which will authorize new Army Corps of Engineers projects, including ports, levees and key restoration efforts. AGC has testified twice before the Senate Environment and Public Works Committee detailing policies and priorities.
  - Please describe what USACE would like to see in the 2020 WRDA bill?



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• Please provide AGC with an update of the projects USACE has requested be authorized.

#### **PARTNERING**

- Partnering establishes a mutually beneficial relation based upon aligned goals, teamwork, and trust. USACE recognizes partnering, when used regularly, contributes to more successful project outcomes and is focusing efforts on improved guidance. Formal partnering is not applicable on all projects and informal partnering should then be defined and implemented.
  - Please discuss the specifics of USACE's efforts to implement, manage, and enforce effective partnering utilization.
  - What process should contractors use to alert USACE when their team is not participating?

# **USACE Questions for AGC**

USACE may provide questions for contractors on field issues or policy reforms.

## **General Questions**

Open questions from the floor.

### Adjourn





#### **MEETING AGENDA**

AGC- U.S. Army Corps of Engineers (USACE)
Contracting and Safety Meeting

3:00 PM - 5:00 PM

#### **SAFETY**

- AGC and its members firmly believe that construction employees are the most important asset the industry has. Ensuring the safety of those workers is of utmost importance. As such, sound and reasonable safety policies must be in place to protect works and ensure the job can be completed in a safe, efficient, and timely manner. To that point, AGC and USACE spent significant time during the most recent Safety and Health Requirements Manual (EM 385-1-1) revision collectively reviewing each provision of the manual and discussing the pros and cons of various provisions and suggested reforms.
  - O AGC appreciates our partnership with USACE and looks forward to continued opportunities to discuss concerns for earnest consideration before USACE finalizes new safety policies, as was done during the latest EM 385-1-1 revision. Are there any new policies or EM 385-1-1 revisions that you are considering? If so, what planned outreach to AGC/industry is planned?

### **General Safety Questions**

Open questions from the floor?

# **AGC Questions for Engineering & Construction Program**

#### AGC'S RECOMMENDATIONS

- On March 11, AGC's Federal Division formally briefed USACE leadership on <u>AGC's</u>
   <u>recommendations to USACE Headquarters</u>. The document represents many
   months of collaboration among AGC member contractors, most having multi generational history of working with USACE. AGC Appreciates USACE
   Headquarters taking these recommendations under consideration and acting on
   many of them.
  - The expanded Joint Risk Register (JRR) pilot program seeks to drive proactive and collaborative risk management through the use of a "living" risk register. Please provide an update on the Joint Risk Register program.





- Team Partnering pilot encourages the entire project delivery team, including contractors and USACE, to routinely assess the team's partnering relationships and response times. This is accomplished by setting agreed-upon performance and communications goals at project kick-off that are then monitored and discussed during follow-on facilitated partnering sessions. Please provide an update on the Team Partnering pilot.
- AGC often reports on the difficulties contractors face with requests for equitable adjustments (REAs) process. AGC requests an update as to how USACE is trying to address change order/REA approval delays. What efforts has USACE Headquarters undertaken to bridge the gap?

## **USACE** Response to COVID-19

- The U.S. Army Corps of Engineers and contractors have undertaken efforts to support FEMA, State, and local authorities to respond to the COVID-19 outbreak. Among these efforts is assisting other agencies in assessing and potential sites for suitability as alternate care facilities and to rapidly engage contractors to prepare them for medical use. USACE and contractors have worked together to meet the challenges of rapid execution of these critical facilities.
  - Many contractors willing to build these facilities were not selected. Please describe the procurement method used and how contractors were selected.
  - What lessons were learned from the rapid execution of Alternate Care Facilities?
     How will these lessons be applied in the future?
  - What Class Deviations were issued? Will any of these be considered to be made permanent?

### PAST PERFORMANCE EVALUATIONS

- AGC worked with the Naval Facilities Engineering (NAVFAC) Command to update
  and standardize the contractor performance ratings system (CPARS) across all
  AGC regions. The updated performance rating system includes clear guidance,
  CPARS matrix, and NAVFAC Commanders Summary and Narrative. The updated
  rating system will be consistently applied to all past performance information,
  accurately reflect actual contractor performance, and will be mutually understood
  by the government and contractor.
  - Does USACE expect any changes to its current CPARS system?





## **CONTRACTOR CYBER SECURITY REQUIREMENTS**

- On Jan. 31, the Office of the Undersecretary of Defense for Acquisition and Sustainment (OSD) released the final version of the Cybersecurity Maturity Model Certification (CMMC). The Department of Defense (DOD) will begin including the final CMMC model as "go/no go" in all solicitations in a phased in approach beginning in the fall. AGC has communicated the difficulty many contractors have had implementing these new cybersecurity requirements and the challenges that the new model brings.
  - How is USACE implementing these requirements? Will USACE provide guidance as to what information contractors will be liable for protecting?
  - How will these requirements be addressed in the new 3.0 RMS System?
     Will the requirements be expanded to Civil Works?

### **Covered Telecommunications Ban**

- Section 889(a)(1)(B) prohibits agencies, including USACE, from entering into a contract (or extending or renewing a contract) with an entity that uses any equipment, system, or service that uses covered telecommunications equipment anywhere in the supply chain. AGC has communicated the difficulty both agencies and contractors will have in ensuring the complete ban on this telecommunication equipment.
  - How does USACE plan to implement these requirements? Will USACE provide guidance as to what information contractors will be liable for protecting?

### **USE AND FUNDING OF MATOC/IDIO CONTRACTS**

- In recent years, AGC members have seen an increase in the use of Multiple Award Task Order Contracting/ indefinite delivery/indefinite quantity (MATOC/IDIQ) contracts.
  - O What are the reasons and various trends on MATOC/IDIQ use within USACE (MilCon/civil works)?
  - O How are districts determining whether to deliver projects under MATOCs or full and open, individual contract competition? Are there USACE guidelines?
- Contractors report problems with MATOC/IDIQ contracts and USACE underfunding
  of those contracts resulting in unreimbursed standby or mobilization/demobilization
  costs to the contractor to keep labor and equipment productive.





- How is USACE working to ensure that it is effectively using/funding MATOCs/IDIQs?
- O How does the USACE foresee use of MATOC/IDIQ contracts for the recent Disaster Aid Supplemental that was recently enacted into law?
- O How does the USACE foresee use of MATOC/IDIQ contracts should Congress pass a comprehensive infrastructure package?
- O How can industry support regional index?

### **ELECTRONIC SUBMISSION OF PRICE & TECHNICAL PROPOSALS**

- At least two districts within USACE—Savannah and Fort Worth—have instituted electronic acceptance of price and technical proposals from contractors.
  - o Have other districts begun using this system?
  - Has USACE HQ provided districts with any information concerning electronic bidding? If not, is guidance under consideration?

## **USACE Questions for AGC**

USACE may provide questions for contractors concerning field issues or policy reforms under consideration.

#### **General Questions**

Open questions from the floor.

## **AGC Questions for Small Business Program**

## SMALL BUSINESS CONTRACTING: SOURCES SOUGHT

- AGC represents over 26,000 construction contracting and related service/supply
  companies throughout the nation, about 80 percent of which are small
  businesses of 20 or fewer employees. However, even as an association that
  advocates for small business opportunities, AGC does not support federal
  agencies restricting competition for small businesses on projects small businesses
  cannot objectively perform. As it stands, a general construction contractor meets
  the small business threshold if its annual gross revenues are at or below \$36.5
  million.
  - How does USACE conduct market research and use it to make a determination as to whether or not to set-aside projects for small businesses?





 Can any contractor—small or non-small business—reply to a source sought market survey seeking information concerning a small business set-aside determination? Is this the best time in the process for contractors to inform USACE of it concerns regarding specific projects?

## **USACE Questions for AGC**

USACE may provide questions for contractors concerning field issues or policy reforms under consideration.



