



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**

CIBL Ongoing/Future Initiatives



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

CIBL Ongoing/Future Initiatives



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)

NII



Naples Hospital (\$43.5M)

- ◆ **Lease-Buy Acquisition (Complete in Apr 03)**
- ◆ Integrated Construct/Outfit Approach
- ◆ Rights of Superficies - \$Ms in Savings

Naples
Hospital



NTC Great Lakes (\$70M)

- ◆ \$70 M Completed in 30 months
- ◆ **Sustainable Design Showcase**
- ◆ Zero Cost Growth

NTC
Great
Lakes



RTC Great Lakes (\$750M)

- ◆ \$201M Contract w/ Options for 5 Barracks
- ◆ **Design-Build Commission Pilot for Full Building Maintenance of 2 Barracks**

RTC
Great
Lakes



Summary



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