

Report to Congress

Demonstration Program to Accelerate Design Efforts for Military Construction Projects Carried Out Using Design-Build Selection Procedures



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**Deputy Under Secretary of Defense
(Installations and Environment)**

**Office of the Under Secretary of Defense
(Acquisition, Technology, and Logistics)**

This report responds to P.L. 108-375 Section 2807, FY 2005 Defense Authorization Act as amended by P.L. 109-163 Section 2807, FY 2006 National Defense Authorization Act.

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2008
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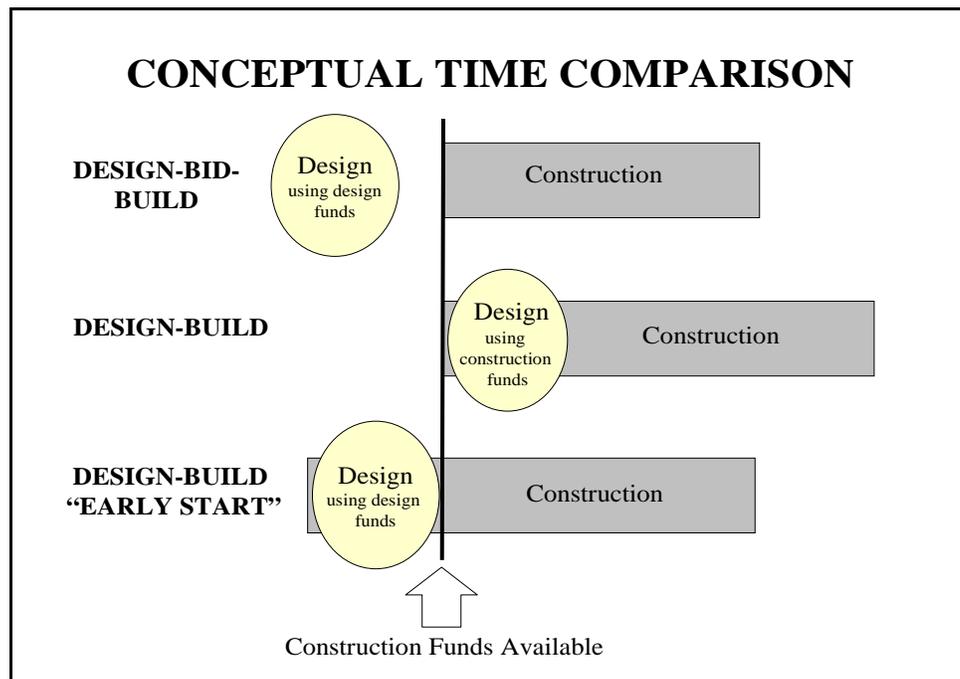
1.0 Report Overview

This report provides the implementation status of the Demonstration Program to Accelerate Design Efforts for Military Construction Projects Carried out Using Design-Build Selection Procedures. This pilot program is referred to as the “Design-Build Early Start” (DBES) demonstration. A preliminary evaluation of the use of this temporary authority and recommendations are provided as required in P.L. 108-375, Section 2807, as amended by P.L. 109-163, Section 2807.

2.0 Demonstration Purpose

The FY 2005 National Defense Authorization Act provides authority to the Department of Defense to execute the design phase of a limited number of design-build (DB) projects before Congress authorizes the project and appropriates funds. This Act also allows the continued use of design funds for the design phase of the DB contract after Congress authorizes the project. The FY 2006 National Defense Authorization Act extends the expiration of this authority until September 30, 2008. Section 3.0 of this report provides the Authorization Act language.

The pilot program’s intent is to accelerate the design-build process by allowing design to precede project authorization, equivalent to the traditional design-bid-build process, so that construction can proceed immediately upon receipt of the project authorization and appropriation. The following is an illustration of this objective as it relates to each delivery method’s timeframe.



3.0 Pilot Program Authorization

The FY 2005 National Defense Authorization Act excerpt that follows provides authority for starting the design effort of a design-build project for a limited number of MILCON projects before Congress approves the project and appropriates the funds. The Army, Navy, Air Force, and Marine Corps are each permitted up to two pilot projects per fiscal year.

Sec. 2807. TEMPORARY AUTHORITY TO ACCELERATE DESIGN EFFORTS FOR MILITARY CONSTRUCTION PROJECTS CARRIED OUT USING DESIGN-BUILD SELECTION PROCEDURES

Section 2305a of title 10, United States Code, is amended by adding at the end the following new subsection:

"(f) Special Authority for Military Construction Projects.--(1) The Secretary of a military department may use funds available to the Secretary under section 2807(a) or 18233(e) of this title to accelerate the design effort in connection with a military construction project for which the two-phase selection procedures described in subsection (c) are used to select the contractor for both the design and construction portion of the project before the project is specifically authorized by law and before funds are appropriated for the construction portion of the project. Notwithstanding the limitations contained in such sections, use of such funds for the design portion of a military construction project may continue despite the subsequent authorization of the project. The advance notice requirement of section 2807(b) of this title shall continue to apply whenever the estimated cost of the design portion of the project exceeds the amount specified in such section.

(2) Any military construction contract that provides for an accelerated design effort, as authorized by paragraph (1), shall include as a condition of the contract that the liability of the United States in a termination for convenience may not exceed the actual costs incurred as of the termination date.

(3) For each fiscal year during which the authority provided by this subsection is in effect, the Secretary of a military department may select not more than two military construction projects to include the accelerated design effort authorized by paragraph (1) for each armed force under the jurisdiction of the Secretary. To be eligible for selection under this subsection, a request for the authorization of the project, and for the authorization of appropriations for the project, must have been included in the annual budget of the President for a fiscal year submitted to Congress under section 1105(a) of title 31.

(4) Not later than March 1, 2007, the Secretary of Defense shall submit to the congressional defense committees a report evaluating the usefulness of the authority provided by this subsection in expediting the design and construction of military construction projects. The authority provided by this subsection expires September 30, 2007, except that, if the report required by this paragraph is not submitted by March 1, 2007, the authority shall expire on that date."

The FY 2006 National Defense Authorization Act excerpt that follows extends the expiration of authority to conduct this pilot program to September 30, 2008.

Sec. 2807. USE OF DESIGN-BUILD SELECTION PROCEDURES TO ACCELERATE DESIGN EFFORT IN CONNECTION WITH MILITARY CONSTRUCTION PROJECTS

(a) *CLARIFICATION OF CONDITION ON CONTRACTS.—Paragraph (2) of subsection (f) of section 2305a of title 10, United States Code, is amended to read as follows:*

“(2) Any military construction contract that provides for an accelerated design effort, as authorized by paragraph (1), shall include as a condition of the contract that the liability of the United States in a termination for convenience before funds are first made available for construction may not exceed an amount attributable to the final design of the project.”

(b) *DURATION OF AUTHORITY; REPORT.—Paragraph (4) of such subsection is amended by striking “2007” each place it appears and inserting “2008”.*

4.0 Goals & Objectives

The overall goal of the DBES demonstration program is to determine whether this approach should become an alternate MILCON project delivery method in addition to the existing traditional design-bid-build and design-build methods.

The determination will be made by regular collection of data related to a limited number of pilot projects appropriated in FY 2006 through FY 2009 within the Army, Navy, Air Force, and Marine Corps. Data will be compared against key elements considered in traditional project delivery methods.

There are two major objectives to be evaluated. The first is to determine if the construction phase can start earlier using DBES than when using traditional DB delivery, resulting in a net reduction in the overall time to deliver a completed facility. The second objective is to evaluate the ability to start the design phase in advance of receiving MILCON construction appropriations while still sustaining an integrated and continuous design-build process.

4.1 Start Construction Phase of DB Contract Earlier

The DBES model employs a single-priced contract line item encompassing the design and construction of the facility, with the price broken into the design phase and the construction phase on two separate exhibit line items. MILCON design funds are initially used to award the DBES contract by funding the design exhibit line item. The funding for the construction exhibit line item is contingent upon congressional authorization and appropriation of construction funds.

4.2 Maintain Integrated/Continuous Design-Construction Process

Design funds continue to be used for contractor and in-house design efforts after design-build contract award per this demonstration’s specific authorization

language. This requires appropriate costing and charging during the construction phase. The DBES delivery method can maintain an integrated and almost seamless continuous design-construction process dependent upon due diligence and commitment from all agencies and parties involved in the timely appropriation of construction funds.

5.0 Challenges Encountered

The DBES delivery alternative presents some risk factors and additional challenges. The following challenges were encountered.

5.1 Developing Appropriate Contract Structure

The initial approach to structure the DBES contract was to use a base contract for the design phase with an option for the construction phase. Two FY 2006 pilot projects were awarded using this approach and three others were in the process of soliciting proposals when a legal concern was raised, i.e., that awarding a base contract for only the design effort does not constitute a true design-build contract because the construction option is severable from the design effort. In effect, the base award is purely a design contract subject to the Brooks Act selection procedure. As a result of this concern, the solicitations for the three un-awarded contracts were retracted and removed from the pilot program.

A new approach to the contract structure was subsequently developed using a single contract line item (CLIN) for design and construction with two exhibit line items (ELIN's) within it for distinguishing the design phase of the contract from the construction phase. The entire DBES contract is thus awarded under the single CLIN while only the design ELIN is initially funded.

5.2 Delayed Appropriations

Typically, DoD construction agents have received MILCON construction funds during mid-December during the last several years. A December 15th target for proceeding with the construction phase of the DBES contract was established for all pilot projects. Each pilot project could then determine its own date to initiate the design phase, depending on specific project parameters and the time needed to prepare for construction.

Unfortunately, the mid-December target date was overly optimistic during the first three years of the demonstration. FY 2006 MILCON construction funds arrived at the construction agents in mid-February 2006; FY 2007 construction funds arrived in late March 2007; FY 2008 construction funds arrived in mid-February 2008. Contractor delay claims were avoided by early recognition and schedule

adjustments by the construction agents, and contractor interest in supporting the DBES demonstration projects. Nonetheless, the potential for schedule delays and resulting contractor claims remains a significant risk factor.

5.3 Handling Design Funds Used on DB Contract

The construction cost estimate reflected on the DoD form 1391 (Military Construction Project Data) submitted with the budget request to Congress becomes the baseline project construction cost, against which subsequent cost changes are compared to determine whether the cost increase has exceeded the reprogramming threshold. The question arose as to whether design funds used on DBES contracts should be included in the baseline construction cost for this purpose.

On one hand, all costs for a traditional design-build contract are included in the baseline construction cost because the entire contract is considered a “construction” contract, including the design requirement. Likewise, the entire DBES contract is a single “construction” contract and the total contract cost is the construction cost.

On the other hand, design funds expended prior to the award of a traditional design-build contract are not included with the baseline construction cost because they are used only for design and can easily be differentiated from construction costs. By extension, design funds used on DBES contracts should likewise be excluded.

The Department decided that MILCON design funds for DBES projects should not be included in the baseline construction cost.

5.4 Cancelled Pilot Procurements

There were a total of nine Pilot Projects’ procurements cancelled: three FY 2006 projects, three FY 2007 projects, and three FY 2008 projects.

The FY 2006 procurements and one FY 2007 procurement were cancelled following the legal concern described in section 5.1.

One FY 2007 procurement involved using a two-phased selection process on an existing task order. When this was determined to be inappropriate, there was insufficient time to revise the approach to conform to the requirements of the DBES pilot program and still make an early award.

Several projects received proposals exceeding the funds available. The time necessary to hold discussions with the proposers and to receive acceptable proposals precluded them from making an early award.

One FY 2008 project experienced a process delay due to National Environmental Policy Act (NEPA) requirements that removed it from the possibility of making an early award. More specifics are provided in Appendix A (Cancelled DBES Pilot Procurements).

5.5 Handling Construction Bonding Requirement

Normally, a design-build contract award requires a single performance and payment bond for the entire scope of the contract prior to issuance of the Notice to Proceed. Contractors warned that bonding companies would be reluctant to insure projects not yet authorized and funded.

As a solution, the Department asked prospective DBES contractors to submit only certifications of adequate bonding capacity rather than the bonds themselves. The actual performance and payment bond is not required until the Department receives construction funding and releases the contractor for construction.

6.0 Current Program Status

DoD has awarded nine DBES projects between FY 2006 and FY 2008: two Army, one Navy, four Air Force, and two Marine Corps. Specific project information is provided in Appendix B (Current Status of Pilot Projects).

7.0 Metrics Utilized to Evaluate Results

The following metrics were developed to evaluate the results of the DBES demonstration. Appendix C provides the data collected to date. Some of the data is not yet available as it is dependent on the completion of the pilot projects and only one has been completed to date.

7.1 Cost Impacts

- The design-build total contract cost including initial cost, final cost and overall cost growth - to determine whether the Department paid a premium using this delivery method
- DBES contract design cost - how much was paid for the contractor's design
- Project delay/escalation cost - to determine if there was any increase in cost due to late receipt of construction funds

7.2 Schedule Impacts

- Facility delivery time performance - compares the Beneficial Occupancy Date (BOD) to the BOD's for other normal design-build project of the same general dollar amount and in the same fiscal year
- DB contract duration - captures the primary contract award date, planned BOD and actual BOD to determine whether planned schedules are achieved and whether pilots are completed either earlier or faster than regular design-build projects.
- Success in predicting construction funds receipt - compares the actual date to the December 15 target date

7.3 Lessons Learned

The DBES pilot program has generated several key observations and lessons:

- Delays in receiving construction appropriations for DBES projects may negate any economic benefits from starting early.
- There was no significant impact if the intended early start pilot procurement was cancelled. Solicitations were revised or amended quickly to revert to the normal design-build contract approach.
- Specific milestones are needed to evaluate this execution method-- e.g., the dates when the construction agent receives the construction funds for the project and the date the DBES contractor is given notice to proceed with construction through a contract modification.

8.0 Demonstration Results

8.1 Pros and Cons

The pilot program provides the following benefits compared to the traditional design-build delivery process:

- DBES projects can initiate sooner than conventionally funded design-build projects if design funds are available in advance of the MILCON construction appropriations.
- Any currently available MILCON design funds can be used to award the DBES contract when needed.
- DBES authority helps emphasize use of two-phase design-build selection procedure.

Concerns about the DBES approach include the following:

- The uncertainty of construction being authorized and funded may translate to higher proposal cost, based upon risk of cost escalation and availability of subcontractors.
- Potential claims may be filed against the Department should construction funds be delayed or not appropriated at all.

8.2 Industry/Client Feedback

Feedback from DBES contractors and facility users was mixed. In general, both see the potential advantages in starting early as long as the construction funds arrive close to the target date. Since construction funds did not arrive until well after the target date of December 15 during all three years of this pilot program, many of those advantages were not fully realized—although this did not result in significant project cost increases. Specific comments obtained are provided in Appendix C (DBES Metrics).

8.3 Conclusions

The department cannot draw final conclusions on the benefits of the program until the last of the nine pilot projects are complete, expected in 2009. Nonetheless, the data from awarding the pilot projects suggests that the DBES approach does benefit the project schedule by allowing construction to start approximately four to five months sooner than with conventional design-build acquisition. These results validate the primary program goal.

The DBES approach appears to be cost-neutral but carries risk of higher cost due to the potential for construction funding delay. Traditional design-build projects typically proceed with construction four to five months after contract award. The DBES projects averaged six to seven months between the design phase contract award and the notice to proceed with construction. This longer time period was largely caused by the delay in receiving construction funds. Such delays could generate cost increases due to wage/material price adjustments or contractor delay claims, although this did not actually occur with the pilot projects.

APPENDIX A - CANCELED DBES PILOT PROCUREMENTS

APPENDIX A - CANCELED DBES PILOT PROCUREMENTS									
	KEY:	Navy							
		Marine Corps							
		Reserves						GOVT DB	GOVT DESIGN
		Army		ISSUE		GOVT	CONTRACT	ESTIMATE AS	
			PA	RFP	AWARD	ESTIMATE	DESIGN EST	% OF TOTAL	
FY	P-NO	BASE	PROJECT TITLE	(\$000)	DATE	DATE	(\$000)	(\$000)	GOVT EST
06	216	Lemoore, CA	Replace Air Traffic Control Tower	8,480	5/31/05	9/30/2005	8,326	300	4%
		Notes: MAC contractors at pre-proposal conference objected to 4% design limit. One indicated they wouldn't submit a proposal due to the limit, and another said they planned to submit a proposal with design exceeding the limit. RFP ammendment was issued changing 4% from a "ceiling" to a "target amount", and more narrowly defining design effort. Liquidated damages and bonding requirement were also removed from design phase of contract. Acquisition process on hold pending HQ Counsel issue resolution. As of 10/20/05 project is no longer a DBES pilot.							
06	705	Norfolk, VA	Helicopter Trainer Facility	10,680	8/11/05	10/31/05	10,369	1,035	10%
		Notes: FY07 P-707 Helicopter Trainer Facility Addition is a contract option, eliminating need for temporary wall and potential conflicts between multiple contractors on same site. Base contract is design of both projects, but costs will be kept separate for 705 & 707. Proposals received 9/30. NAVFAC Counsel opinion that construction as an option does not constitute a DB contract. As of 10/20/05 project is no longer a DBES pilot.							
06	495	Charleston, SC	USMC Reserve Training Center	6,424	7/5/05	9/30/2005	6,744	540	8%
		Notes: DBES questions from MAC contractors were successfully addressed at pre-proposal conference. RFP includes liquidated damages (\$250 per day) during design phase. Proposals received 8/17. Acquisition process on hold pending HQ Counsel issue resolution. NAVFAC Counsel opinion that construction as an option does not constitute a DB contract. As of 10/20/05 project is no longer a DBES pilot.							
07	707	Norfolk, VA	Helicopter Trainer Facility Addition	8,120	8/11/05	10/31/05	6,970	400	6%
		Notes: This is a contract option to FY06 P-705 (see P-705 note above). NAVFAC Counsel opinion that construction as an option does not constitute a DB contract. As of 10/20/05 project is no longer in FY07 program and is no longer a DBES pilot.							
07	563	Camp Pendleton, CA	Fire Emergency Response Station	4,710	5/31/06	8/15/06			
		Notes: Planned to use existing MACC not established using FAR 36.3 DB Two-Phase procedures. NAVFAC Counsel opinion that DBES authorization language requires Two-Phase selection and that it is inappropriate to do Two-Phase selection on existing MACC task order. No alternative contracting strategy is available to still make an early start. As of 4/11/06 project is no longer a DBES pilot.							
07	007	Pearl Harbor, HI	Helicopter Flight Training Facility	4,324	5/23/06				11.0%
		Notes: Site is Kaneohe Bay. Planned to use existing MACC not established using FAR 36.3 DB two-phase selection procedures, switched to unrestricted stand-alone two-phase approach. Based on four proposals received, cost exceeded reprogramming threshold. Removed from DBES pilot program 11/1/06.							

APPENDIX A - CANCELED DBES PILOT PROCUREMENTS

KEY:									
		Navy							
		Marine Corps							
		Reserves						GOVT DB	GOVT DESIGN
		Army		ISSUE		GOVT	CONTRACT	ESTIMATE AS	
			PA	RFP	AWARD	ESTIMATE	DESIGN EST	% OF TOTAL	
FY	P-NO	BASE	PROJECT TITLE	(\$000)	DATE	DATE	(\$000)	(\$000)	GOVT EST
08	66560	Bethesda, MD	National Military Medical Center Incr 1,2,3	497,000	39,326	12/1/2007			
	Notes: BRAC project. Schedule delay due to NEPA process eliminated possibility of an early start. Removed from DBES pilot program 7/30/07.								
08	131	Chesapeake, VA	Mobile User Objective System Installation	8,400	8/31/07	11/27/07			0.8%
	Notes: Uses an existing MACC, discussions required to bring high proposals within PA preclude early award. Removed from DBES pilot program 11/15/07.								
08	434	Beaufort, SC	Fire Station	6,760	7/30/2007	12/14/07			10.1
	Notes: Uses existing 2-phase MACC, discussions required to bring high proposals within PA preclude early award. Removed from DBES pilot program 11/15/07.								

APPENDIX B - CURRENT STATUS OF DBES PILOTS

KEY:												
	Army											
	Air Force											
	Navy											
	Marine Corps											
				PA	ISSUE		GOVT DESIGN		AWARD	DESIGN		
				(\$000)	RFP	AWARD	ESTIMATE AS	AWARD	DESIGN	AS	PLANNED	ACTUAL
FY	PROJ NO	BASE	PROJECT TITLE		DATE	DATE	% OF TOTAL	CWE/FR	COST	% OF	CONST	CONST
							GOVT EST.	(\$000)	(\$000)	ACWE	NTP DATE	NTP DATE
06	011858	New Century, KS	Army Reserve Center/Organizational Maintenance Shop Phase II	6,376	5/2/05	9/8/05	4.5%	5,387	227	4.2%	12/15/05	2/16/06
		Notes: Phase I is in FY05 program, initial award included Phase II design (using design \$), Phase II construction is an option, construction \$ received in Feb just before option acceptance period expired, Phase II completion delayed due to Phase I demolition delay. POC Fred Grant (Louisville) 502-315-6842										
06	ZHTV059009	Wright-Patterson, OH	C-5 Fuel Systems Maintenance Hangar (AFRC)	10,500	8/11/05	9/29/05	16.9%	10,474	800	7.6%	12/15/05	5/15/06
		Notes: Construction is an option, construction \$ received in Feb 06 before option acceptance period expired, 98% complete. POC Fred Grant (Louisville) 502-315-6842										
07	011254	Sioux Falls, SD	Army Reserve Center/Organizational Maintenance Shop	12,641	6/5/06	9/27/06	5.5%	11,963	409	3.4%	12/15/06	4/4/07
		Notes: 2 step DB procurement. Single award for design & construction. Construction funding added by MOD when funds were available. POC Fred Grant (Louisville) 502-315-6842										
07	KRSM043004	Hill, UT	Add to Software Support Facility, Ph II (AFMC)	20,000	10/14/05	2/15/06	7.0%	18,169	975	5.2%	12/15/06	5/11/07
		Notes: AF POC Vincent Delli Carpini 937-257-5126, Sacramento District - Alfred Hernandez 916-557-6952										
07	FXSB073008A	Elmendorf, AK	F-22 Corrosion Control/LO MX/ Composite Repair Facility (PACAF)	31,750	4/17/06	7/17/06	8.4%	28,946	2,700	9.3%	12/15/06	3/12/07
		Notes: Issue RFP date is for Phase 1; preliminary design cost includes plans, specs, shops, drawings, constructability narratives, supporting schedules, etc. POC (Alaska District) Greg Smith 907-753-5793										
07	037	Fort Worth, TX	Joint Ground Support Equipment & Aircraft Maintenance Facility	9,428	7/21/06	12/1/06	9.0%	10,166	739	7.3%	12/15/06	5/4/07
		Notes: Uses existing MACC, POC John Goethe 843-820-7348 or Max Carroll x5628 or Shirley Berry (ACQ) x5938. Full performance bonding at contract award.										
07	126	Camp LeJeune, NC	Ammunition Supply Point Upgrade	7,610	4/21/06	9/15/06	6.0%	7,980	531	6.7%	12/15/06	3/30/07
		Notes: Site adapt, seed project for a new NC MAC. POC Mary Austin 757-444-3346 x348 or Laurie Sherfey 757-322-4226. Performance bonding commitment ltr required at contract award. Kick-off mtg held 12/5/06. Construction funds delay allowed design completion & accommodated North Carolina 90-day permit process so that construction could proceed immediately when funds arrived 5/2/07 with no negative impact to contractor.										
08	KMND093000	Hickam, HI	Squadron Operations Facility (PACAF)	16,500	6/25/07	9/27/07	4.0%	14,575	950	6.5%	12/15/07	3/7/2008
		Notes: POC is Dale Olson 703-607-0120										
08	963	Twentynine Palms, CA	Armory	6,100	7/31/07	9/24/07	7.8%	5,731	513	9.9%	12/15/07	2/20/08
		Notes: POC is William Moreno 619-532-4149 or Eric Wolf (BLTL) x2029, GWOT project, uses existing 2-phase MACC.										

APPENDIX C - DBES PILOT METRICS

Pilot: FY06 P-011858 Army Reserve Cntr/Organizational Maint Shop Ph II, New Century, KS

Color Code For When Data Field Is Filled In:			At initial DB contract award
			After Auth/Approp/Const \$ have been received by construction agent
			At BOD
METRIC	PILOT	BASELINE	COMMENTS
		<i>NOTE:</i>	<i>Baseline is average date for all other Army Reserve DB projects in FY's 06/07 (excluding Fam Housing & BRAC) with approp amts 75% - 125% of the pilot's approp amt</i>
1. Cost Impacts			
A. Total DB Contract Cost: Appropriated Amount (\$)	\$6,376,000	N/A	
Initial Contract Cost At Award (\$)	\$5,387,000	N/A	Includes cost for both design and construction of facility
Final Contract Cost At BOD (\$)		N/A	
Contract Cost Growth (%)		N/A	(Final Cost minus Initial Cost)/Initial Cost
B. Design Portion of DB Contract Cost (\$)	\$227,000	N/A	
Design Portion As % Of Construction Portion Cost	4.4%	N/A	Design Portion Cost/(Total Contract Cost minus Design Portion Cost)
Pre-award (i.e. RFP phase) Design Cost (\$)	\$502,105	N/A	
Total Project Design Cost At Award (\$)	\$729,105	N/A	Design Portion of DB Contract Cost + Pre-award Design Cost
C. Project Delay Cost (\$) due to Auth/Approp Delay	\$0	N/A	
2. Schedule Impacts			
A. Beneficial Occupancy Date (BOD):			
Planned BOD At Initial DB Contract Award	10/20/07	09/15/07	MM/DD/YY
Actual BOD			MM/DD/YY - pilot (Ph II) completion delayed due to Ph I demolition delay
B. Contract Duration:			
DB Contract Award Date	9/8/05	03/15/06	MM/DD/YY
Planned DB Contract Duration (# days)	772	549	Planned BOD minus DB Contract Award Date
Actual DB Contract Duration (# days)			Actual BOD minus DB Contract Award Date
Contract Duration Change (# days)			Actual Contract Duration minus Planned Contract Duration
C. Predicting Construction \$ Availability To Agent:			
Actual Date Construction \$ Available	2/13/06	N/A	MM/DD/YY
Target Date Construction \$ Available	12/15/05	N/A	MM/DD/YY - use 12/15/05 for FY06 pilots
# Days Actual Date Is Before(-) or After Dec 15th Target	60	N/A	Actual Date minus Target Date
3. Number of Bidders (Proposals):	4	4	
4. Lessons Learned:	1		
5. Industry/Client Feedback:	1		

APPENDIX C - DBES PILOT METRICS

Pilot: FY06 P-ZHTV059009 C-5 Fuel Systems Maintenance Hangar (AFRC), Wright-Patterson AFB, OH

Color Code For When Data Field Is Filled In:			At initial DB contract award
			After Auth/Approp/Const \$ have been received by construction agent
			At BOD
METRIC	PILOT	BASELINE	COMMENTS
			<i>NOTE: Baseline is average date for all other AF Reserve DB projects in FY's 06/07 (excluding Fam Housing & BRAC) with approp amts 75% - 125% of the pilot's approp amt</i>
1. Cost Impacts			
A. Total DB Contract Cost: Appropriated Amount (\$)	\$10,500,000	N/A	
Initial Contract Cost At Award (\$)	\$10,478,722	N/A	Includes cost for both design and construction of facility
Final Contract Cost At BOD (\$)	\$10,796,699	N/A	
Contract Cost Growth (%)	3%	N/A	(Final Cost minus Initial Cost)/Initial Cost
B. Design Portion of DB Contract Cost (\$)	\$800,000	N/A	
Design Portion As % Of Construction Portion Cost	8.3%	N/A	Design Portion Cost/(Total Contract Cost minus Design Portion Cost)
Pre-award (i.e. RFP phase) Design Cost (\$)	\$411,650	N/A	
Total Project Design Cost At Award (\$)	\$1,211,650	N/A	Design Portion of DB Contract Cost + Pre-award Design Cost
C. Project Delay Cost (\$) due to Auth/Approp Delay	\$81,782	N/A	Increase in concrete prices for 2 bid options
2. Schedule Impacts			
A. Beneficial Occupancy Date (BOD):			
Planned BOD At Initial DB Contract Award	3/23/07	09/15/07	MM/DD/YY
Actual BOD	12/14/07	06/30/08 *	MM/DD/YY *Baseline (1 project) BOD is anticipated 06/30/08
B. Contract Duration:			
DB Contract Award Date	9/29/05	08/17/06	MM/DD/YY
Planned DB Contract Duration (# days)	540	394	Planned BOD minus DB Contract Award Date
Actual DB Contract Duration (# days)	806	683	Actual BOD minus DB Contract Award Date
Contract Duration Change (# days)	266	289	Actual Contract Duration minus Planned Contract Duration
C. Predicting Construction \$ Availability To Agent:			
Actual Date Construction \$ Available	2/6/06	N/A	MM/DD/YY
Target Date Construction \$ Available	12/15/05	N/A	MM/DD/YY - use 12/15/05 for FY06 pilots
# Days Actual Date Is Before(-) or After Dec 15th Target	53	N/A	Actual Date minus Target Date
3. Number of Bidders (Proposals):	4	4	
4. Lessons Learned:	1		Modify ACES to incorporate the milestones that need to be tracked for this execution method, e.g. contract award date, then award date of construction modification (when construction funds arrive)
5. Industry/Client Feedback:	1		

APPENDIX C - DBES PILOT METRICS

Pilot: FY07 P-KRSM043004 Add to Software Support Facility Phase II, Hill, UT			
Color Code For When Data Field Is Filled In:		At initial DB contract award	
		After Auth/Approp/Const \$ have been received by construction agent	
		At BOD	
METRIC	PILOT	BASELINE	COMMENTS
		<i>NOTE:</i>	<i>Baseline is average date for all other MCAF DB projects in FY 2007 (excluding Fam Housing, BRAC & Reserves) with approp amts 75% - 125% of the pilot's approp amt</i>
1. Cost Impacts			
A. Total DB Contract Cost: Appropriated Amount (\$)	\$20,000,000	N/A	
Initial Contract Cost At Award (\$)	\$17,817,588	N/A	Includes cost for both design and construction of facility
Final Contract Cost At BOD (\$)		N/A	
Contract Cost Growth (%)		N/A	(Final Cost minus Initial Cost)/Initial Cost
B. Design Portion of DB Contract Cost (\$)	\$975,000	N/A	
Design Portion As % Of Construction Portion Cost	5.8%	N/A	Design Portion Cost/(Total Contract Cost minus Design Portion Cost)
Pre-award (i.e. RFP phase) Design Cost (\$)	\$223,000	N/A	
Total Project Design Cost At Award (\$)	\$1,198,000	N/A	Design Portion of DB Contract Cost + Pre-award Design Cost
C. Project Delay Cost (\$) due to Auth/Approp Delay	\$15,997	N/A	
2. Schedule Impacts			
A. Beneficial Occupancy Date (BOD):			
Planned BOD At Initial DB Contract Award	2/9/09	02/27/09	MM/DD/YY
Actual BOD			MM/DD/YY
B. Contract Duration:			
DB Contract Award Date	2/15/06	05/23/07	MM/DD/YY
Planned DB Contract Duration (# days)	1090	646	Planned BOD minus DB Contract Award Date
Actual DB Contract Duration (# days)			Actual BOD minus DB Contract Award Date
Contract Duration Change (# days)			Actual Contract Duration minus Planned Contract Duration
C. Predicting Construction \$ Availability To Agent:			
Actual Date Construction \$ Available	3/26/07	N/A	MM/DD/YY
Target Date Construction \$ Available	12/15/06	N/A	MM/DD/YY - use 12/15/06 for FY07 pilots
# Days Actual Date Is Before(-) or After Dec 15th Target	101	N/A	Actual Date minus Target Date
3. Number of Bidders (Proposals):	3	3	
4. Lessons Learned:	1		
5. Industry/Client Feedback:	1		

APPENDIX C - DBES PILOT METRICS

Pilot: FY07 P-FXSB073008A F-22 Corrosion Cntrl LO MX/Composite Repair Fac, Elmendorf AF

METRIC	PILOT	BASELINE	COMMENTS
Color Code For When Data Field Is Filled In:			
			At initial DB contract award
			After Auth/Approp/Const \$ have been received by construction agent
			At BOD
1. Cost Impacts		<i>NOTE:</i>	<i>Baseline is average date for all other MCAF DB projects in FY 2007 (excluding Fam Housing, BRAC & Reserves) with approp amts 75% - 125% of the pilot's approp amt</i>
A. Total DB Contract Cost: Appropriated Amount (\$)	\$31,750,000	N/A	Includes cost for both design and construction of facility
Initial Contract Cost At Award (\$)	\$28,946,000	N/A	
Final Contract Cost At BOD (\$)		N/A	
Contract Cost Growth (%)		N/A	(Final Cost minus Initial Cost)/Initial Cost
B. Design Portion of DB Contract Cost (\$)	\$2,700,000	N/A	
Design Portion As % Of Construction Portion Cost	10.3%	N/A	Design Portion Cost/(Total Contract Cost minus Design Portion Cost)
Pre-award (i.e. RFP phase) Design Cost (\$)	\$850,000	N/A	
Total Project Design Cost At Award (\$)	\$3,550,000	N/A	Design Portion of DB Contract Cost + Pre-award Design Cost
C. Project Delay Cost (\$) due to Auth/Approp Delay	\$90,000	N/A	
2. Schedule Impacts			
A. Beneficial Occupancy Date (BOD):			
Planned BOD At Initial DB Contract Award	4/1/09	11/18/08	MM/DD/YY
Actual BOD			MM/DD/YY
B. Contract Duration:			
DB Contract Award Date	7/17/06	05/03/07	MM/DD/YY
Planned DB Contract Duration (# days)	989	565	Planned BOD minus DB Contract Award Date
Actual DB Contract Duration (# days)			Actual BOD minus DB Contract Award Date
Contract Duration Change (# days)			Actual Contract Duration minus Planned Contract Duration
C. Predicting Construction \$ Availability To Agent:			
Actual Date Construction \$ Available	3/5/07	N/A	MM/DD/YY
Target Date Construction \$ Available	12/15/06	N/A	MM/DD/YY - use 12/15/06 for FY07 pilots
# Days Actual Date Is Before(-) or After Dec 15th Target	80	N/A	Actual Date minus Target Date
3. Number of Bidders (Proposals):	2	3	
4. Lessons Learned:	1		
5. Industry/Client Feedback:	1		

APPENDIX C - DBES PILOT METRICS

Pilot: FY07 P-037 Joint Ground Support Equipment & Training Facility, Fort Worth, TX			
Color Code For When Data Field Is Filled In:		At initial DB contract award	
		After Auth/Approp/Const \$ have been received by construction agent	
		At BOD	
METRIC	PILOT	BASELINE	COMMENTS
		<i>NOTE:</i>	<i>Baseline is average date for all other Navy Reserve DB projects in FY's 06/07 (excluding Fam Housing & BRAC) with approp amts 75% - 125% of the pilot's approp amt</i>
1. Cost Impacts			
A. Total DB Contract Cost: Appropriated Amount (\$)	\$9,248,000	N/A	
Initial Contract Cost At Award (\$)	\$9,883,654	N/A	Includes cost for both design and construction of facility
Final Contract Cost At BOD (\$)		N/A	
Contract Cost Growth (%)		N/A	(Final Cost minus Initial Cost)/Initial Cost
B. Design Portion of DB Contract Cost (\$)	\$738,500	N/A	
Design Portion As % Of Construction Portion Cost	8.1%	N/A	Design Portion Cost/(Total Contract Cost minus Design Portion Cost)
Pre-award (i.e. RFP phase) Design Cost (\$)	\$163,692	N/A	
Total Project Design Cost At Award (\$)	\$902,192	N/A	Design Portion of DB Contract Cost + Pre-award Design Cost
C. Project Delay Cost (\$) due to Auth/Approp Delay	\$0	N/A	
2. Schedule Impacts			
A. Beneficial Occupancy Date (BOD):			
Planned BOD At Initial DB Contract Award	5/8/08	10/13/08	MM/DD/YY
Actual BOD			MM/DD/YY
B. Contract Duration:			
DB Contract Award Date	12/1/06	06/25/06	MM/DD/YY
Planned DB Contract Duration (# days)	524	841	Planned BOD minus DB Contract Award Date
Actual DB Contract Duration (# days)			Actual BOD minus DB Contract Award Date
Contract Duration Change (# days)			Actual Contract Duration minus Planned Contract Duration
C. Predicting Construction \$ Availability To Agent:			
Actual Date Construction \$ Available	5/2/07	N/A	MM/DD/YY
Target Date Construction \$ Available	12/15/06	N/A	MM/DD/YY - use 12/15/06 for FY07 pilots
# Days Actual Date Is Before(-) or After Dec 15th Target	138	N/A	Actual Date minus Target Date
3. Number of Bidders (Proposals):	2	3	
4. Lessons Learned:	1		
5. Industry/Client Feedback:	1		

APPENDIX C - DBES PILOT METRICS

Pilot: FY07 P-126 Ammunition Supply Point Upgrade PH II, Camp Lejeune			
Color Code For When Data Field Is Filled In:		At initial DB contract award	
		After Auth/Approp/Const \$ have been received by construction agent	
		At BOD	
METRIC	PILOT	BASELINE	COMMENTS
		<i>NOTE:</i>	<i>Baseline is average date for all other MCON DB projects in FY 2007 (excluding Fam Housing, BRAC & Reserves) with approp amts 75% - 125% of the pilot's approp amt</i>
1. Cost Impacts			
A. Total DB Contract Cost: Appropriated Amount (\$)	\$7,610,000	N/A	
Initial Contract Cost At Award (\$)	\$7,271,830	N/A	Includes cost for both design and construction of facility
Final Contract Cost At BOD (\$)		N/A	
Contract Cost Growth (%)		N/A	(Final Cost minus Initial Cost)/Initial Cost
B. Design Portion of DB Contract Cost (\$)	\$531,000	N/A	
Design Portion As % Of Construction Portion Cost	7.9%	N/A	Design Portion Cost/(Total Contract Cost minus Design Portion Cost)
Pre-award (i.e. RFP phase) Design Cost (\$)	\$245,522	N/A	
Total Project Design Cost At Award (\$)	\$776,522	N/A	Design Portion of DB Contract Cost + Pre-award Design Cost
C. Project Delay Cost (\$) due to Auth/Approp Delay	\$81,782	N/A	Increase in concrete prices for 2 bid options
2. Schedule Impacts			
A. Beneficial Occupancy Date (BOD):			
Planned BOD At Initial DB Contract Award	10/4/08	12/01/08	MM/DD/YY
Actual BOD			MM/DD/YY
B. Contract Duration:			
DB Contract Award Date	9/15/06	08/08/07	MM/DD/YY
Planned DB Contract Duration (# days)	750	481	Planned BOD minus DB Contract Award Date
Actual DB Contract Duration (# days)			Actual BOD minus DB Contract Award Date
Contract Duration Change (# days)			Actual Contract Duration minus Planned Contract Duration
C. Predicting Construction \$ Availability To Agent:			
Actual Date Construction \$ Available	3/27/07	N/A	MM/DD/YY
Target Date Construction \$ Available	12/15/06	N/A	MM/DD/YY - use 12/15/06 for FY07 pilots
# Days Actual Date Is Before(-) or After Dec 15th Target	102	N/A	Actual Date minus Target Date
3. Number of Bidders (Proposals):	19	3	Pilot is the seed project for a mega-MACC contract
4. Lessons Learned:	<p>1 3+ months construction \$ delay resulted in higher material costs for options (funded with contingency \$). Design progressed during construction \$ delay. Contractor obtained all North Carolina site permits, a critical path item that often delays construction. Contractor was ready to roll when given construction NTP.</p> <p>2</p>		
5. Industry/Client Feedback:	<p>1 Construction \$ arrived at the last possible moment to avoid adverse impact to construction schedule. The uncertainty made it impossible to plan for how to handle any delays if the \$ didn't arrive in time.</p>		

APPENDIX C - DBES PILOT METRICS

Pilot: FY08 P-KMND093000 Squadron Operationis Facility (PACAF), Hickam, HI			
Color Code For When Data Field Is Filled In:		At initial DB contract award	
		After Auth/Approp/Const \$ have been received by construction agent	
		At BOD	
METRIC	PILOT	BASELINE	COMMENTS
		<i>NOTE:</i>	<i>Baseline is average date for all other MCAF DB projects in FY 2008 (excluding Fam Housing, BRAC & Reserves) with approp amts 75% - 125% of the pilot's approp amt</i>
1. Cost Impacts			
A. Total DB Contract Cost: Appropriated Amount (\$)	\$16,500,000	N/A	
Initial Contract Cost At Award (\$)	\$13,325,000	N/A	Includes cost for both design and construction of facility
Final Contract Cost At BOD (\$)		N/A	
Contract Cost Growth (%)		N/A	(Final Cost minus Initial Cost)/Initial Cost
B. Design Portion of DB Contract Cost (\$)	\$950,000	N/A	
Design Portion As % Of Construction Portion Cost	7.7%	N/A	Design Portion Cost/(Total Contract Cost minus Design Portion Cost)
Pre-award (i.e. RFP phase) Design Cost (\$)	\$469,520	N/A	
Total Project Design Cost At Award (\$)	\$1,419,520	N/A	Design Portion of DB Contract Cost + Pre-award Design Cost
C. Project Delay Cost (\$) due to Auth/Approp Delay	\$0	N/A	
2. Schedule Impacts			
A. Beneficial Occupancy Date (BOD):			
Planned BOD At Initial DB Contract Award	10/9/08		MM/DD/YY
Actual BOD			MM/DD/YY
B. Contract Duration:			
DB Contract Award Date	9/27/07		MM/DD/YY
Planned DB Contract Duration (# days)	378	0	Planned BOD minus DB Contract Award Date
Actual DB Contract Duration (# days)			Actual BOD minus DB Contract Award Date
Contract Duration Change (# days)			Actual Contract Duration minus Planned Contract Duration
C. Predicting Construction \$ Availability To Agent:			
Actual Date Construction \$ Available	3/7/08	N/A	MM/DD/YY
Target Date Construction \$ Available	12/15/07	N/A	MM/DD/YY - use 12/15/07 for FY08 pilots
# Days Actual Date Is Before(-) or After Dec 15th Target	83	N/A	Actual Date minus Target Date
3. Number of Bidders (Proposals):	3		
4. Lessons Learned:	1		
5. Industry/Client Feedback:	1		

APPENDIX C - DBES PILOT METRICS

Pilot: FY08 P-963 Armory, Twentynine Palms, CA			
Color Code For When Data Field Is Filled In:		At initial DB contract award	
		After Auth/Approp/Const \$ have been received by construction agent	
		At BOD	
METRIC	PILOT	BASELINE	COMMENTS
		<i>NOTE:</i>	<i>Baseline is average date for all other MCON DB projects in FY 2008 (excluding Fam Housing, BRAC & Reserves) with approp amts 75% - 125% of the pilot's approp amt</i>
1. Cost Impacts			
A. Total DB Contract Cost: Appropriated Amount (\$)	\$6,100,000	N/A	
Initial Contract Cost At Award (\$)	\$5,731,112	N/A	Includes cost for both design and construction of facility
Final Contract Cost At BOD (\$)		N/A	
Contract Cost Growth (%)		N/A	(Final Cost minus Initial Cost)/Initial Cost
B. Design Portion of DB Contract Cost (\$)	\$513,270	N/A	
Design Portion As % Of Construction Portion Cost	9.8%	N/A	Design Portion Cost/(Total Contract Cost minus Design Portion Cost)
Pre-award (i.e. RFP phase) Design Cost (\$)	\$103,956	N/A	
Total Project Design Cost At Award (\$)	\$617,226	N/A	Design Portion of DB Contract Cost + Pre-award Design Cost
C. Project Delay Cost (\$) due to Auth/Approp Delay	\$0	N/A	
2. Schedule Impacts			
A. Beneficial Occupancy Date (BOD):			
Planned BOD At Initial DB Contract Award	3/17/09		MM/DD/YY
Actual BOD			MM/DD/YY
B. Contract Duration:			
DB Contract Award Date	9/24/07		MM/DD/YY
Planned DB Contract Duration (# days)	540	0	Planned BOD minus DB Contract Award Date
Actual DB Contract Duration (# days)			Actual BOD minus DB Contract Award Date
Contract Duration Change (# days)			Actual Contract Duration minus Planned Contract Duration
C. Predicting Construction \$ Availability To Agent:			
Actual Date Construction \$ Available	2/20/08	N/A	MM/DD/YY
Target Date Construction \$ Available	12/15/07	N/A	MM/DD/YY - use 12/15/07 for FY08 pilots
# Days Actual Date Is Before(-) or After Dec 15th Target	67	N/A	Actual Date minus Target Date
3. Number of Bidders (Proposals):	3		
4. Lessons Learned:	1		
5. Industry/Client Feedback:	1		