
MEETING AGENDA

AGC – Naval Facilities Engineering Command (NAVFAC) Meeting 1:00 PM – 4:00 PM

Introductions

Welcome Remarks

Chief Engineer Update

Acquisition Update

AGC Questions for NAVFAC

PAST PERFORMANCE EVALUATIONS

- AGC thanks NAVFAC for its partnership with industry to better standardize the contractor performance ratings system (CPARS) process across all of NAVFAC by introducing a new CPARS Matrix tool.
 - Please explain the new CPARS Matrix tool.
 - How does the new CPARS Matrix ensure timely issuance of past performance evaluations, accurate ratings, and sufficient narratives?
 - What resources are available for contractors?

SAFETY

- *Prequalification of Subcontractors.* NAVFAC has undertaken an initiative to prequalify subcontractors based on certain safety criteria, including their: (1) Experience Modification Rate (EMR); and (2) OSHA Days Away from Work, Restricted Duty, or Job Transfer (DART) Rate. AGC has expressed its concerns and recommendations concerning this policy during its meetings with NAVFAC over the last several years.
 - What is the status of this initiative?
 - What are the findings of NAVFAC FECs that have undertaken the initiative?
 - Is there continued interest to roll out such an initiative nationwide?
- *EM 385-1-1 revisions.* Please give AGC members an update of the EM 385-1-1 (Safety and Health Requirements Manual). What changes AGC members can expect through the EM385-1-1
- Many NAVFAC facilities are entertaining going to OSHA Voluntary Protection Program (VPP) status. What changes in the safety management process can contractors of all sizes expect?

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- The safety of our workforce is paramount to AGC members. As such, timely feedback that NAVFAC can offer contractors outside of the CPAR process as to what safety measures are and are not successful is appreciated. For instance, if there is a notable uptick in a specific type of job site injury, informing contractors as soon as possible would help the community at large identify the root cause and address the problem expeditiously. Often times contractors can implement stringent controls more quickly and effectively as an employer than an agency can through a trickle-down information program.
 - Will NAVFAC and DoD at large work with AGC and the contracting community to share more statistics and practices highlighting safety successes?

ACQUISITION

- *Best Value: LPTA versus Trade Off.* Over the last few years, NAVFAC has increased use of Low-Price Technically Acceptable (LPTA) compared to Best-Value Trade Off acquisitions. LPTA equates to simply taking the low price. AGC understands the need for LPTA in certain circumstances, however, AGC encourages NAVFAC to return to the Best Value Trade Off delivery system to avoid the noticeable increase in change orders, claims, project delays, and disputes.
 - Does NAVFAC have plans to utilize more of the Best Value Trade-Off delivery system?
- *Project Award Delays.* As delayed awards and bid extension requests are common in the federal construction marketplace, it is important to understand the impact these have on contractors, particularly small and mid-sized firms. Among the many impacts is the strain on bonding capacity. For example, if a firm has a \$150M bonding capacity inclusive of current backlog and pending bids, that contractor would no longer be allowed to bid any additional work if the contractor in this example had an active backlog of \$50M and pending bids at any given time of \$100M (not an unrealistic scenario). Delays in awards keeps both the contractor and the contractor's bonding company on the hook until an award is made. The options this contractor faces are to stop bidding on new work or to not extend their bid when asked by the government.
 - AGC understands that there are many reasons to ask contractors to extend bids. However, there are steps agencies can take to help contractors make informed decisions such as: 1) keeping contractors in the loop on why project awards are pushed; 2) inform them what is being done to rectify the situation; 3) explain what the solution may be (i.e. obtaining additional funds, removing scope from the work, etc.); 4) give a realistic timeframe for resolution; and 5)

when asking contractors to extend their bids for periods greater than 30 days, give the contractors the ability to confirm or rebid the project prior to an award.

- Is NAVFAC considering the impact delays and extensions have on contractors and is the agency taking steps to improve how those extensions are managed in the future?
- What is the NAVFAC doing in regard to avoiding putting projects out to bid that are over budget?

POST-CONTRACT AWARD CONCERNS

- *Project starts.* AGC members continue to see challenges in getting projects started on time after award such as scheduling of kickoff meetings, design reviews, administrative submittals, unforeseen conditions, occupancy of existing facilities, etc.
 - Does the NAVFAC recognize this issue and if so, is there any information you can share with AGC on your findings?
 - Has NAVFAC considered holding Notice-to-Proceed direction on design-bid-build projects until the kickoff meeting in lieu of at the time of award?
- *Modifications.* Timely issuance of Contract Modifications continues to be an issue for contractors. Although there have been improvements in the process, overall, the burden is still with contractors to fund and continue work while modifications are being prepared and issued. The alternative for contractors is to face project delays and the burdens of Time-Impact-Analysis. AGC appreciates the progress NAVFAC has made in this arena, however, a major hurdle still exists with the contract modification process. By and large, the unreasonable length of time it takes to process a changed condition from inception to obtaining a fully executed modification is still a real concern.
 - Please comment on NAVFAC procedures for handling small and large modifications, expected turn-around times, if any, and any guidelines or in-house training as to what is expected from your FEC's relative to processing Mods.
 - How can AGC help the NAVFAC in resolving the excessive amount of time needed to process a modification?
 - What is the status of Naval Engineering Training and Operation Procedure (NETOPS) #35, which requires field offices to use Lean/Ultra Lean process for modifications equal or less than \$150K?
 - Please describe NAVFAC's efforts to address its upward obligations?

CYBER SECURITY

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- *Cybersecurity.* DFARS 252.204-7012 (Safeguarding Covered Defense Information & Cyber Incident Reporting) requires covered contractor information systems to comply with NIST 800-171 (Protecting Controlled Unclassified Information in Nonfederal Systems and Organizations). These rules require contractors to implement cybersecurity safeguards and reporting requirements that will cover unclassified Controlled Technical Information or other information Controlled Unclassified Information registry published by the National Records and Archives
 - What steps is NAVFAC taking to educate its personnel on the new cybersecurity requirements?
 - What resources is NAVFAC providing for contractors?

PARTNERING

- AGC believes that engaging in project-level partnering as committed team members with NAVFAC will improve project execution, staff efficiency (NAVFAC and contractor), safety, trust, and the project team relationships. AGC members have embraced partnering and are committed to bringing key decision makers into the fold in order to get the most out of the process. We see an opportunity to improve the process by getting a commitment from all parties attending to bring key decision makers (i.e. Design Manager, Contracting Officer, Contract Specialist, Project Manager, and Operation Manager, FEAD Director, Public Works Officer, etc.).
 - What is NAVFAC's policy on Formal vs. Informal Partnering?
 - Does NAVFAC have a policy regarding what agency staff should participate in this process?
 - If so, what is that policy and what can contractors do to help encourage attendance by key decision makers, particularly on large or complex projects?
- *Issue Resolution.* All parties would like for issues to be resolved at the lowest possible level, however some issues need the support of senior leadership for resolution. The process for Issue Resolution can be confusing for contractors when dealing with multiple leadership 'paths' that NAVFAC has in place and there is often a resistance to elevating issues in a timely manner.
 - Would NAVFAC consider a process that elevates resolutions that could be applied uniformly across all projects for key issues such as Modifications, Time Impact Analysis, Final Design Approvals, etc.?

General Questions

- Open questions from the floor?

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NAVFAC Questions for AGC

Adjourn