DoDI Update Work Group 3

(Acquisition / Delivery Method Selection)

Building World-Class Healthcare

http://www.tricare.mil/ocfo/ppmd/index.cfm

Purpose: Support the DoDI updates and HFSC Adhoc Work Group efforts

Subject: Delivery Method Definitions

Status: FINAL

MARCH 21, 2011

Contents

Document Focus 3
Acquisition Process 4
Acquisition Strategy 4
    Delivery Method 4
    Procurement Method 4
    Contracting Method 4
Delivery Method Definitions 5
    Design-Bid-Build (DBB) 5
    Design-Build (DB) 6
    Variation: Design-Build Bridging (DB Bridging) 6
    Early Contractor Involvement (ECI) 7
    Integrated Design Bid Build (IDBB) 7
    Site Adapt 8
    Lease / Buy 8
Acronyms 9
Points of Contact 10

Document Focus

The focus of this document is on the definitions of delivery methods that are relevant to the Department of Defense (DoD) Military Health System (MHS). The delivery methods will be defined by the available acquisition strategies currently used by the design and construction agents.

Definitions of procurement and contracting methods available may be addressed at a later date. However, it should be noted that the Federal Acquisition Regulation (FAR) defines most of the procurement and contracting methods available to the federal government.

Acquisition Process

A general graphic portrayal of the acquisition process is presented in Figure 1 below.

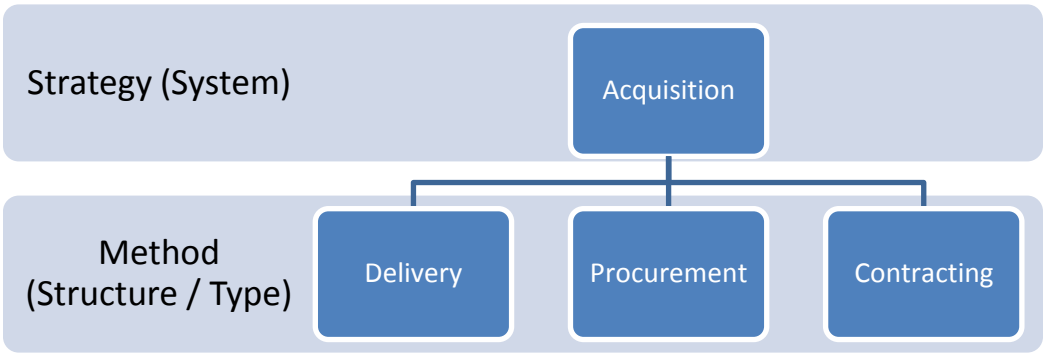

Figure 1. Acquisition Strategy

Acquisition Strategy

The acquisition strategy is the unique combination of delivery, procurement and contracting methods that are applied to a given project defining the structure of the Design Architecture / Engineering (AE) firm and the Construction Contractor, the sequence in which they are assembled or engaged, the way in which entities are selected and the basic financial risk structure associated with the contracts.

- **Delivery Method**
  Delivery methods refer to the Design AE firm and Construction Contractor organizational structure and the sequence in which these entities are acquired. (Design-Bid-Build, Design-Build, etc.)
- **Procurement Method**
  Procurement is the means by which the facility is purchased or more accurately the selection process used to acquire the skill and resources needed. (Best Value Source Selection, Low Bid, etc)
- **Contracting Method**
  Contracting methods are identified by the terms in which they assign financial risk to the various entities and the delivery methods. (Firm Fixed Price, etc)

Delivery Method Definitions

The following represents delivery methods that are currently available through the design and construction agents. This does not reflect all the potential delivery methods allowed under the FAR nor all of those employed by the private sector. The scope of this discussion was focused by the workgroup chairs (USACE and NAVFAC) on those delivery methods currently employed by the agents. The delivery methods are:

- Design-Bid-Build
- Design-Build
  - Variation: Design-Build Bridging
- Early Contractor Involvement
- Integrated Design-Bid-Build
- Lease / Buy

Note: Site Adapt can be applied to all of these options.

The Delivery Methods figures that follow represent two clear elements:
(1) organizational relationship and (2) the sequence of acquisition.

Design-Bid-Build (DBB)

FAR Part 36.36.102 Definitions. “Design-Bid-Build” means a traditional delivery method where design and construction are sequential and contracted for separately with two contracts and two contractors.

The design and construction agent contracts with a design firm to provide a “complete” set of plans and specifications. The design and construction agent then solicits bids from contractors to perform the work. One contractor is usually selected and enters into an agreement with the design and construction agent to construct a facility in accordance with the plans and specifications. The general structure is graphically represented as follows:

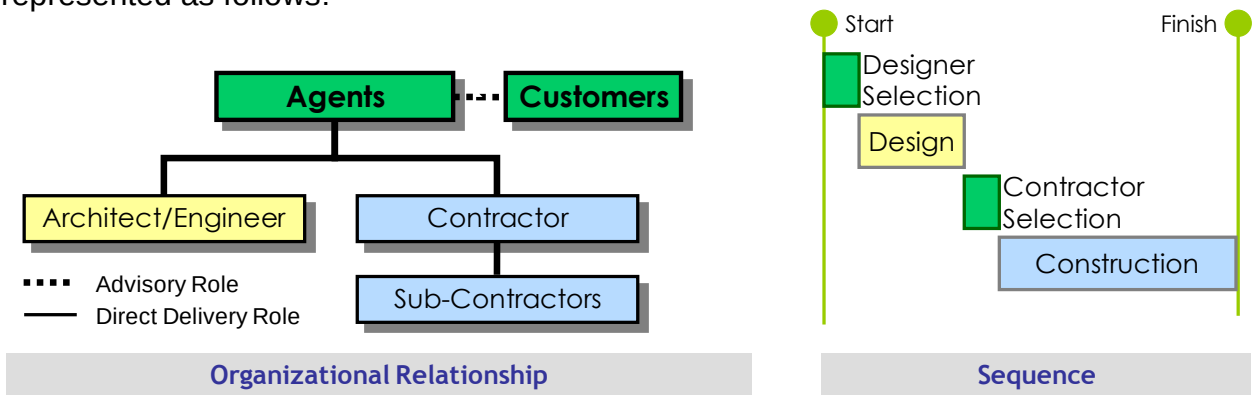

Figure 2. DBB Traditional

Design-Build (DB)

FAR Part 36.36.102 Definitions. “Design-Build” means combining design and construction in a single contract with one contractor. The general structure is graphically represented as follows:

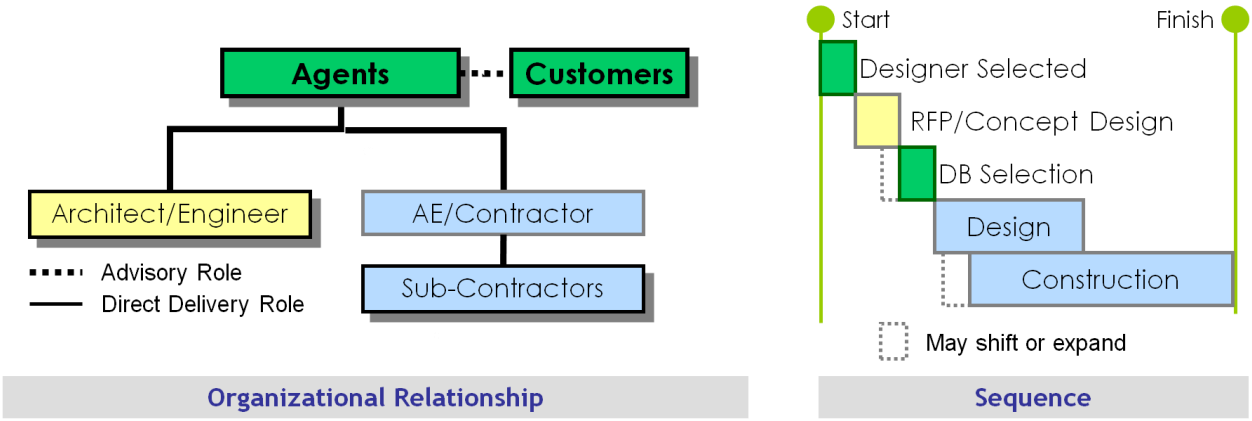

Figure 3. DB Generic

Variation: Design-Build Bridging (DB Bridging)

There are basically two types of DB approaches used by the agents. One is where an architect/engineering team develops a Request for Proposal (RFP). This RFP is typically a project description of performance requirements. The second approach involves RFP development from approach one but adds additional design work. The product from this additional design work is typically known as a bridging document. The bridging document typically consists of concept drawings of the building and site. The RFP (with or without bridging) is used as the bid document for contractor selection.

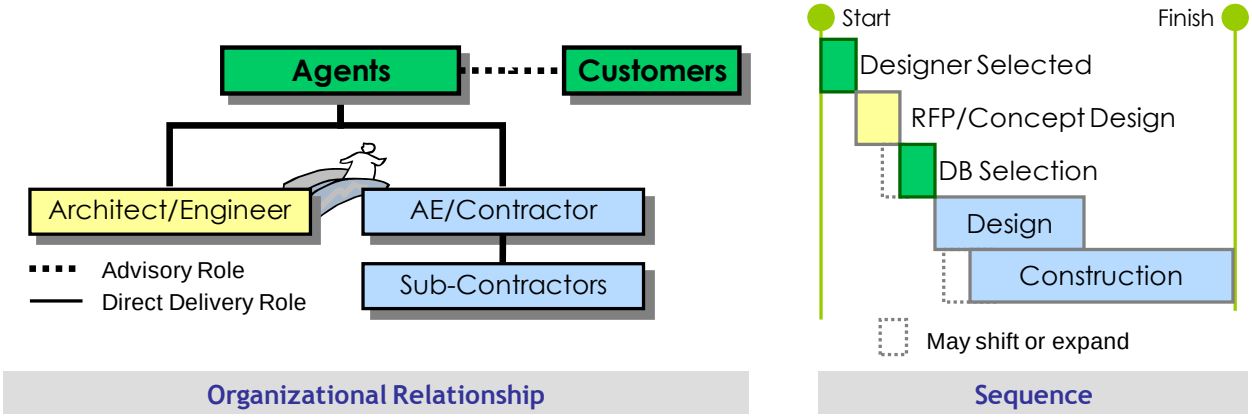

Figure 4. DB Bridging

Early Contractor Involvement (ECI)

The design services and pre-award construction consultation services are awarded at the same time then the design team and the construction team work together on the design. After sufficient design development the contractor has an option to provide a bid on the construction contract. The government can choose to make the award or start the construction procurement as they would on a DBB project.

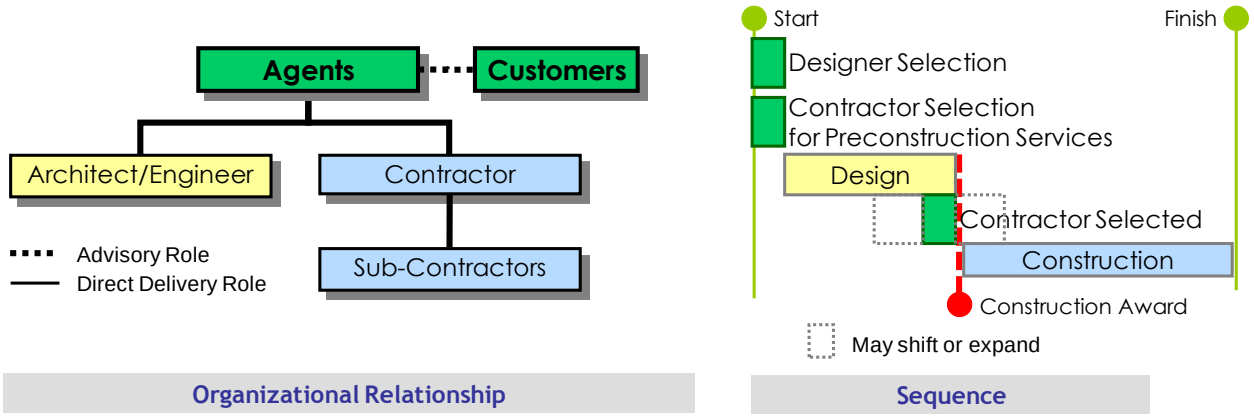

Figure 5. ECI

Integrated Design Bid Build (IDBB)

The services for the design contract and the construction contract are awarded at the same time early in the process, followed my multiple modifications of the contract to represent design development details as they are refined. The key differences from ECI are found in the procurement and contracting methods employed and the fact that there is a construction contract award rather than procurement for pre-award construction consultation services.

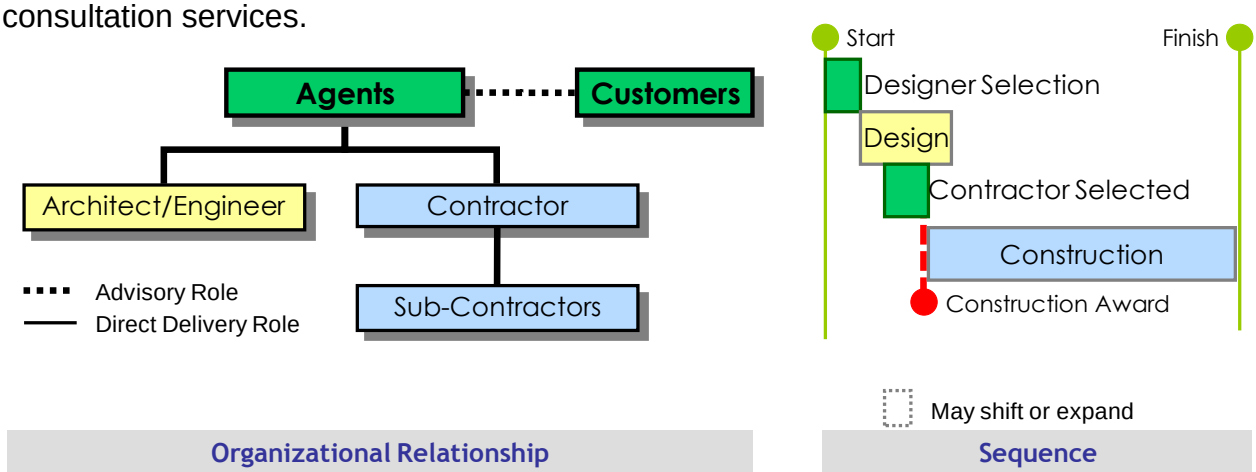

Figure 6. IDBB

Site Adapt

A site adapt approach is similar to a DBB with the exception that the plans and specifications from another similar in scope and cost project are used on a different site. Typically the civil and foundation plans will have to be adjusted for the “new” location.

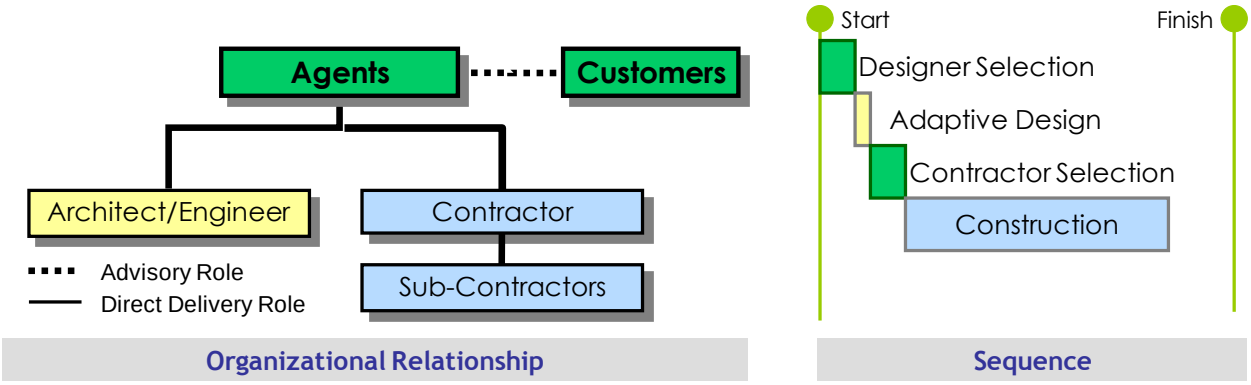

Figure 7. Site Adapt (using Design-Bid-Build model)

Lease / Buy

The developer/contractor/AE or designer (could be a joint venture) is responsible for the financing, design and construction of the facility. At Building Occupancy Date (BOD), there is a commitment by the government to either pay the first year lease or purchase in entirety. Other deviations to lease duration, etc. can be negotiated.

Acronyms

The Following is a list of acronyms relevant to this document.

Acronym	Represents
AFCEE	Air Force Center for Engineering and the Environment
BOD	Building Occupancy Date
DB	Design-Build
DBB	Design Bid Build
DoD	Department of Defense
DoDI	Department of Defense Instruction
ECI	Early Contractor Involvement
FAR	Federal Acquisition Regulation
HFD	US Air Force Health Facilities Division
HFPA	US Army Health Facility Planning Agency
FSC	Health Facilities Steering Committee
IDBB	Integrated Design Bid Build
MHS	Military Health System
NAVFAC	Naval Facilities Engineering Command
PPMD	Portfolio Planning and Management Division
USACE	US Army Corps of Engineers
USAF	US Air Force

Points of Contact

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File Name

DoDI - AdHoc Workgroup 3 - Acquisition -- Delivery Method Definitions.docx