

DESIGN-BUILD & DEFENSE SPENDING



BELAY ARCHITECTURE
705 Broadway, Suite 180 Tacoma, WA 98402

Scott E. Harm
DBIA
Partner

p. 253.441.6400
f. 253.441.6401
sharm@belayarchitecture.com

Scott E. Harm, Founding member and Senior Partner of Belay Architecture

DOD experience for more at 19 years

DBB/DB/DD

SCIF Projects; Guam, Argentina, Korea, Japan, Hawaii, Iceland, Western States

Design Build sole (90%) business line of Belay Architecture for 7 years

DESIGN-BUILD



Project Types:

Fire Stations, Bachelor Enlisted Quarters (BEQ), Equipment Maintenance Facilities, Headquarters Buildings, Dining Hall, Air Traffic Control Rooms, Training and education Buildings, City Hall, Baseball Stadium, Hotel, Lift Stations

CLIENT CONTRACTORS		
Vet Industrial		
Shape Construction		
Hoffman		
Mortenson		
P&L		
Bristol ANC		
Doyon ANC		
Alutiq ANC		
Soltek		
Korte		
Cherokee General		
Cheokee Construction Services		
Alantic Marine		

Clients list: Who our client is; and who they are serving :

OUR CLIENTS: Vet Industrial, Shape Construction, Hoffman, Mortenson, P&L, Bristol ANC, Doyon ANC, Alutiq ANC, Soltek, Korte, Cherokee General, and Cherokee Construction Services, Atlantic Marine.

SERVING OWNERS

NAVFAC NW

- North Island Coronado
- San Diego
- NAS Fallon NV
- NAS Whidbey Island
- Naval Station Kitsap
(Bangor, PSNS, CIA, Indian Island)
- Pearl Harbor

JBLM

- Department of Public Works

USACE

- JBLM
- McChord
- Fairchild
- Veterans Administration
(American Lake, Seattle)



**US Army Corps
of Engineers®**

THEIR CLIENTS:

NAVFAC NW

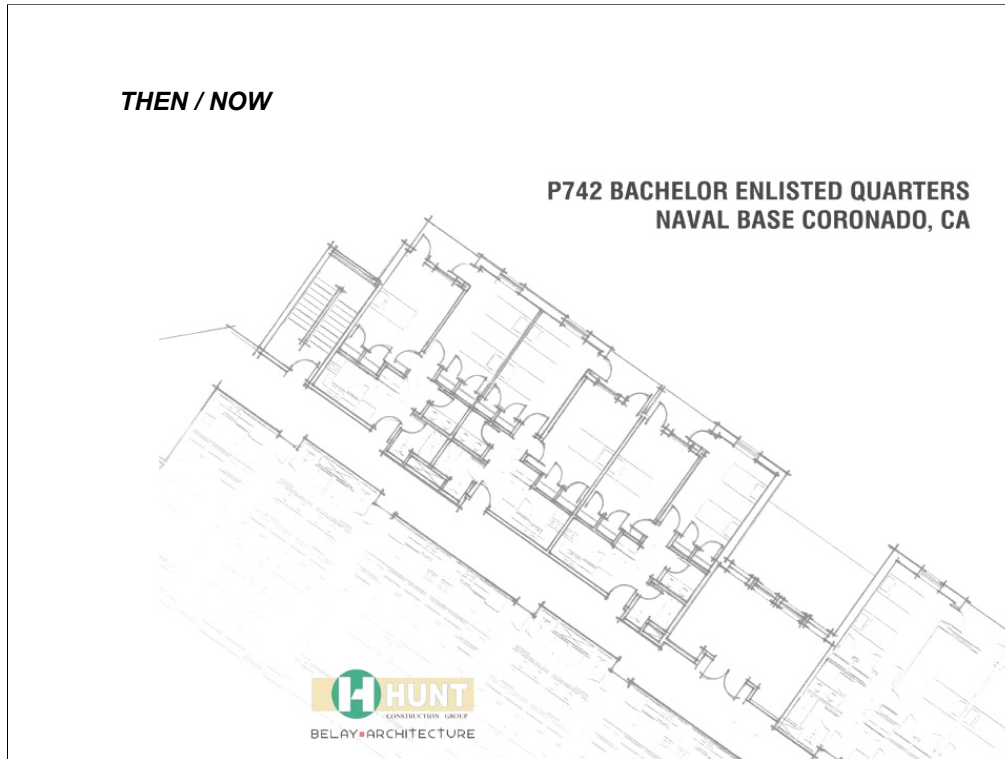
- North Island Coronado
- San Diego
- NAS Fallon NV
- NAS Whidbey Island, Naval Station Kitsap (Bangor, PSNS, CIA, indian Island)
- Pearl Harbor

JBLM

- Department of Public Works

USACE

- JBLM
- McChord
- Fairchild
- Veterans Administration; American Lakes and Seattle



That was then – This is now

Everett BEQ - \$61 Million Design Build

Coronado Island, CA BEQ (North Island)

Fairchild Fitness Center

Border Patrol Stations; Colville, Oroville, Bonners Ferry

Coast Guard ENG/AST Coos Bay, OR

Emergency Power Improvements

What has worked – What has not?

Best Value Awards

Lowest Bid Awards

Buying a Project

Change orders ‘on the fly’

Conflicts in Request for Proposals

“Assumptions”

WHO & WHAT

Set Asides

- HUB, SB, SBD, MBE, WOSB, VOSB, SDVOB

Full & Open

(2) Phase

MATOC / MACC / IDIQ



Who and what they are now

Set Asides

HUB, SB, SDB, MBE, WOSB, VOSB, SDVOB

Full and Open

(2) Phase

MATOC/MACC/IDIQ

MAJOR DIFFERENCES | D/B/B vs. D/B

Design / Bid / Build

- Contractor often has right to assume least expensive

Design / Build

- Contractor is told to assume most restrictive
- Contractor is responsible and liable for almost everything



Major Differences: Design/Bid/Build vs. Design/Build

D/B/B: Contractor often has the right to assume least expensive

D/B: Contractor is told to assume the most restrictive

D/B: Contractor is responsible and liable for almost everything

D/B CHALLENGES & OPPORTUNITIES

Past Performance

CCASS Ratings

Exclusive Arrangements

Bidding at 30%

Design Narratives

Scope Coverage



Design/Build Challenges and Opportunities:

Must have Past Performance; save everything that is good

CCASS Ratings: the good the bad & the ugly

Non DoD project may count

Exclusivity vs Non Exclusive Arrangements: designers & engineers

Bidding on 30% at best (70% not shown): Bidding what you don't see

Design Narratives

Someone has to know everything: One person is best ; Scope coverage's

DIRECTION

3-4 Years of Solid Local Spending

Congressional Debt Concerns

More Restrictive Qualifications

Changed Paradigm



Where do we think it is going:

Solid Local Spending for the next 3 to 4 years

Subject to the whim of congress

Offices of Standardization

More restrictive qualifications

A changing paradigm when the economy improves

WHAT TO DO?

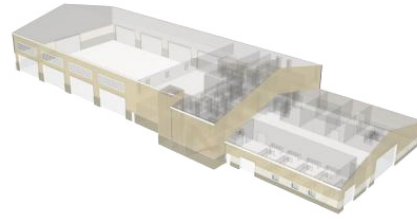
WHERE TO LOOK?

Subcontracting Opportunities

- Joint Ventures
- Teaming Agreements

MACC & MATOC

Business Set-up



What to do now and where to look:

Subcontracting opportunities

Joint Ventures

Teaming Agreements

Determine who has the MACC's and MATOC's

They are all setting up businesses

Stationary

Living Quarters; extended stay, hotels, rental homes and purchases

Cars

Uniforms

Signage

Catering

Trailers

Office equipment

How to integrate into the system / Network.

Single Day Passes

SAME

Open Houses at Headquarters

Regional Offices

AFTER YOU WIN – WHAT TO EXPECT?

- Be prepared to wait.**
- Be prepared to extend proposal and price.**
- Award vs. NTP**
- Get off on the correct foot.**
- Play by the rules, but the rules will change.**
- Client review periods.**
- Liquidated damages are real.**



After you win: what to expect

- Be prepared to wait
- Be prepared to extend proposal and price: as long as a year
- Award vs NTP
- Get off on the correct foot
- You will be required to play by the rules; but the rules will change
- The clients has review periods they will not reduce
- Liquidated Damages are real

Pitfalls of DoD work compared to Public/Private sector

- Paperwork
- Reporting
- Staffing
 - Safety
 - Superintendent
 - Construction Quality Control (CQC)
 - Project Manager
 - Design Manager

IN THE NOT TOO DISTANT FUTURE

New construction will slow down... it has to.

Building Repair and Maintenance.

Systems Services.

Expanded Community Needs.



The not too distant future

New construction will slow down..it has to

Building Maintenance

Building Repairs

Systems Services

Expanded Community Needs

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