

What You Need to Know About Procuring Government Contracts

Overcoming challenges in contracting for design and construction work with the Federal Procurement System can open a new category of projects

— Tom Christensen, Dewberry

Working with the federal government creates challenges unlike those on any other type of design project. But overcoming those challenges can open up a new category of commissions that can greatly boost a company's capabilities and profits. The good news is that some of the more difficult aspects of the work are being changed to make it easier for companies to work through the process.

The benefits of gaining government work are apparent. Federal agencies and the military undertake many projects of all sizes and types, and the work often remains unaffected by construction downturns impacting other markets. Due to the Base Realignment & Closure (BRAC) actions initiated in 2005, for instance, the current downturn is not affecting construction planned by the Department of Defense, which is separated from other budgets.

More Demanding Work

Understanding the specific needs of the federal government's different building owners is critical to succeed-

ing with this work. There are many aspects to the projects that are more demanding and more precise than with other designs.

Government projects often have a variety of social programs written into their processes. These include requirements for providing a percentage of the subcontracts to small businesses, such as those owned by minorities, women, or service-disabled veterans. These subcontractor requirements must be spelled out by the bidder in representations and certifications submitted during the bid-proposal process. In some cases, outlining these requirements can require 20 pages of documentation.

The key obstacle is determining which companies that meet these requirements will be needed to perform functions on a specific project. Bidders often have a group of companies that meet the prerequisites, but they are not necessarily the best companies to handle specific portions of the project being bid. That creates more difficult calculations for awarding subcontracts. Failure to meet the goals can lead to liquidated damages in some contracts and can affect selections for future work.

It is critical for companies interested in working with the government to continually network, recruit, and perform due diligence on small businesses that do quality work in a variety of disciplines and meet the federal requirements, so those firms can be allotted work in bid proposals as needed. Waiting until an RFP is issued to search for companies to handle a percentage of the work will be too late.

More Quality Assurance

Quality-control issues also are a concern that the contractor must expect to handle. While the contractor remains responsible for quality control, the government has many levels of quality-assurance personnel that will oversee the project. The quantity will be far more than the owner and architect normally employ in the private sector.

Some of the quality-assurance people are in fact contractors hired by the owners to oversee the project, and their responses to issues can be proscriptive rather than specific to the project. That results in more bureaucracy and notices of noncompliance, as these quality-assurance personnel often want to do everything exactly by the book.

Adding to this challenge is that each agency has its own supplemental regulations in addition to the voluminous Federal Acquisition Regulations (FAR), which are contractually binding and intended to ensure pricing and procurement remain competitive. Federal contracting often takes the approach of "don't do anything wrong" rather than finding the best approach, to ensure all requirements are met. But the FAR don't cover every possibility, creating dissension over what approach is compliant with the regulations.

Record keeping and documentation for federal contracts in general are more onerous than for a commercial contract. Some of the documentation also has statutory weight, such as meeting requirements of the Truth in Negotiation Act. For many projects, as many as nine copies of submittals must be included. This adds labor and paperwork to the process.



— Tom Christensen is the director of federal program management at Dewberry in Fairfax, Va. The firm provides architectural, engineering, and consulting services to a range of clients and has extensive background working on government projects. Prior to

joining the firm, Christensen worked for many years with the Navy Civil Engineers Corps.

Companies must continually network, recruit, and perform due diligence on small businesses to find subcontractors.

More Product Demands

Also affecting bids is the need to meet higher levels of criteria with product installations. Design criteria in government projects typically exceed code requirements in a number of areas. These upgrades increase the cost of materials and labor and can affect schedule with a longer material lead time for the “government model.”

Government specifications also typically require more testing, material submittals, and shop drawings. Those materials also must be reviewed and approved by more people than on commercial projects. All of these requirements add administrative costs and schedule risk that must be factored into scheduling and bid requirements.

Federal buildings also require additional needs for antiterrorist controls. Meeting the requirements to protect against progressive collapse of a multistory structure due to a bomb blast, for instance, can add significantly to a project’s design criteria and construction techniques, adding more cost than for a project on a major seismic fault. (For more on blast considerations, see the accompanying article.)

The government’s embrace of the Leadership in Energy & Environmental Design (LEED) standards also can add cost to a project and create more labor in designing sustainable systems and procuring products. Typically today, all government projects must be certified for LEED Silver standards. Initially, the government required that

the project needed to be “certifiable,” but it determined that standard was too loose, allowing for considerable fudging and overestimation. It now requires formal submission to the U.S. Green Building Council.

To be sure, the government’s role is helping to build the sustainable market, encouraging new products and helping designers understand how to achieve sustainable goals more easily. Today, many government projects comfortably achieve the Silver rating, leading some designers to push harder to qualify for Gold. In many cases, filling out the documents required to achieve specific LEED points provides the most challenging aspect for designers and construction contractors.

Schedules also can be critical, such



The new National Geospatial Agency campus being built on the former Engineer Proving Grounds at Fort Belvoir, Va., consists of two 1,100-foot-long, eight-story buildings connected by a six-story atrium. Built by the joint venture of Clarke/Balfour-Beatty, the project includes a large central utility plant, a parking structure, and a technical/data center.



As a Base Realignment & Closure (BRAC) project, the National Geospatial Agency complex was on a fast track. To speed construction, precast concrete panels complete with wall assemblies were used to enclose the buildings. The design created distinctive architecture while meeting AT/FP requirements.



The new Fort Belvoir Community Hospital, a 1.3-million-square-foot facility, contains 120-inpatient beds and more than 650,000 square feet of out-patient clinical services. The campus also includes a six-story parking structure (left) and a five-story parking structure (right) with space for 3,000 cars.

To ensure the parking structures fit into the aesthetic design for the Fort Belvoir Community Hospital, the structures were clad with precast concrete spandrel panels. Colored precast concrete panels were used on the stair towers to tie in with the terra-cotta finish on the hospital complex.

as with BRAC projects for DOD. In many cases, it is assumed buildings will be ready for occupancy on schedule, so activities are planned for those buildings ahead of time. Soldiers may be assigned to barracks to be completed by their arrival date, and hospitals may begin making appointments for patients after the scheduled completion date. Missing these dates can cause havoc.

The Good News

Government project owners are aware of these drawbacks, and they are working to alleviate them where possible. A key improvement has been the growing trend to use existing commercial and industry standards, especially the IBC and ASTM requirements, rather than specialized proscriptive materials and methods. By moving away from military specifications, the government is aiding designers who work more often with the traditional standards.

In addition, government projects overwhelmingly are being awarded on the basis of producing the best value rather than providing the lowest cost through a sealed bid. This encourages design-build approaches.

Other key factors in determining the best value in evaluating bids are

the company's past performance on projects, which encourages a close and strong relationship with the owners that creates closer and more effective communication. The qualifications and experience of key personnel on the project and experience working together on other successful projects also receives major weight. The company's safety record is weighted more heavily than in the past, too, providing procedure-driven companies with more incentive to maintain those processes.

Centers of Excellence have been established in the Naval Facility Engineering Command (NAVFAC) and the U.S. Army Corps of Engineers (USACE), the two agencies with command over most construction projects for DOD. These groups communicate with industry experts in a number of forums and through participation in professional organizations such as the Society of American Military Engineers. Such communication on all subject matters is helping to create continuity across the enterprise, so best practices can be incorporated more readily than in the past.

The agencies also have established standard designs for facilities that are common to all projects by that construction agent (such as NAVFAC

or USACE), including barracks within the Department of Defense and embassies for the Department of State. They provide latitude to meet exterior architectural guidelines suitable for the cultural differences among various installations or countries, but they simplify the design and construction processes by replicating concepts and material lists.

Working on government projects creates unique challenges that make many companies wary. But this work can be rewarding in many ways. It provides a cushion against other business cycles, and it can differentiate the firm from other designers. It also provides new areas of expertise that other clients can draw on for their projects.

Creating projects for the government also offers a chance to work closely with public servants and military personnel who sacrifice for our country. Contributing to their safety and service adds a distinction to a project unlike that achieved with any other type of design. ■

For more information on these or other projects, visit www.pci.org/ascent