Hawaii Engineer Training Workshop

Aloha
Contractors on the Battlefield

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PANEL:

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Agenda

• Versar Overview
• Setting Expectations
• What Worked
• What Still Needs Work
• Summary
• Questions & Answers
Versar Business Segments

**Engineering & Construction Management (ECM)**
- Program & Construction Management
- Engineering Services
- Construction
- Protective Equipment

**Environmental Services (ESG)**
- Performance Based Remediation
- UXO / Munitions Response
- Air / Greenhouse Gas / Energy
- Risk Assessments / Natural Resources

**Professional Services (PSG)**
- Staff Augmentation
- Pollution Prevention
- Resource Conservation and Preservation
- Facility and Sustainability Services

% of FY13 Gross Revenue
- Engineering & Construction Management: 48%
- Environmental Services: 42%
- Professional Services: 10%
Versar Revenue Mix

Fiscal Year 2014

By Market
- DoD: 76%
- Other Federal: 10%
- State & Local: 8%
- Commercial: 6%

By Geography
- Domestic: 67%
- International: 33%
Longstanding and Diversified Customer Base
Our Global Locations

Headquarters
1. Springfield, VA

Inside the US
2. Aiea, HI
3. Boise, ID
4. Chandler, AZ
5. Charleston, SC
6. Columbia, MD
7. Denver, CO
8. Dulles, VA
9. El Paso, TX
10. Germantown, MD
11. Hampton, VA
12. Knoxville, TN
13. Louisville, KY
14. Plano, TX
15. Sacramento, CA
16. San Antonio, TX

Outside the U.S.
17. Abu Dhabi, UAE
18. Baghdad, Iraq
19. Kabul, Afghanistan
20. Manila, PH
21. Milton Keynes, UK
22. Misawa Air Base, Japan
Battlefield Experience

Iraq
- QA/QC – Title II Engineering and Construction Management (AFCEC)
- Personal Services (USACE)
- Electrical Inspections – TF SAFE (USACE)
- Engineering Services (USACE)

Afghanistan
- QA/QC – Title II Engineering and Construction Management (AFCEC)
- Personal Services (USACE)
- Electrical Inspections (USACE)
- Engineering Services and Electrical Inspections (DynCorp)
- Operation Desert Shield/Storm (1990-1991)
- Afghan AFCEE Program Manager (In-Country) (2010-2011)

Individual Experience
Setting Expectations

Future Battlefields

• Understand the Paradigm Has Shifted
  • Reduced Logistics Force Structure
  • Reduced Engineer Force Structure

• Anti-Contractor Bias is Nearly Gone
  • “Guns for Hire” Mentality is Fading
  • A Decade of Proven Performance in Iraq
    • and Afghanistan

• Contractor’s Technical Expertise
  • Recognized and Needed
  • Limitations Are Understood By Both Government and Contractors

Bottom Line: Contractors on the Battlefield are the New Norm
Setting Expectations

What You Can Expect From Contractors

• The Relationship – Understand Your Teammate
  • Contractor is NOT the enemy...
  • Nor is the Contractor another military unit
• Contractor Provide
  • A Wide Range of Technical Skills/Expertise
  • Organization Tailored for the Task/Mission
  • Rapid Availability and Surge Capability
  • Innovative Solutions
• Contractor Motivations Based On
  • Risk Analysis
    • Contract Type
    • Financial Operational Risks
  • Reward for Shareholders/Investors
  • Can We Achieve Outstanding Performance

Bottom Line: Look At Contractors As Another Tool in the Toolbox
Setting Expectations

What Contractors Expect From The Government

- Clear Statements of Requirements/Scope of Work
  - Plan the Mission/Work
  - Remember – *If You Don’t Know What You Want, You’ll Get It!*
- Risk Allocation Appropriation to the Situation
  - Acknowledge What You Don’t Know
  - Choose the Appropriate Contract Type
- Early Contractor Involvement in Planning Whenever Possible
Setting Expectations

What Contractors Expect From The Government (continued)

• Timely Decisions When Required
  • Understand that “Time is Money”
  • Be Prepared for Changes – There Will Be Some

• Consistency in Contract Management and Direction
  • Limit Government Personnel Turnover and Conduct Good Handoffs
  • Provide Experienced Personnel
  • Train Your Personnel

Bottom Line: Treat Us As Full Fledged Members of the Team
What Worked

Use of Local Nationals

• Personal Services
  • Extension of Government Staff
  • Reduces Cost
  • More Secure Operations – Freedom of Movement
  • Capacity Building Benefits

• But – Requires a Robust Training Program
  • International Standards
    • Construction Quality Management
    • Construction Safety Requirements
    • Electrical/Plumbing Inspection
  • Construction Best Practices
  • Concrete Testing
  • Cultural Acclimation

Bottom Line: Integration of Local Nationals into Operations is Essential
What Worked

Staffing Mix

- Expatriates
  - Leadership and Management
  - Technical Expertise
  - Critical Positions (PM, CM, H&S, Security, SME)
- Third Country Nationals
  - Technical Expertise
  - Support Functions (Admin, Logistics, Life Support)
  - Reach Back Support (Submittals, Metrics, Reports)
- Local Nationals
  - Technical Support (QA Inspectors, Local Practices)
  - Translators
  - Support Functions
  - Cultural Awareness

Bottom Line: Use the Best Mix of Personnel for the Mission
What Worked

Subject Matter Experts

• Master Electricians & Plumbers
• Enforcing Building Safety Standards thru Code Enforcement
  • High Profile Electrical issues
  • Occupant Health
• Capacity Building
  • International Building Standards
  • Craftsman Want to “Do It Right”

Bottom Line: Bring the Expertise for Mission Accomplishment & Capacity Building
What Still Needs Work

Contractor Security in an Asymmetric Environment

• Security Options
  • Military
    • “Inside the Wire” – OK
    • “Outside the Wire” – Insufficient Resources
      In Most Cases

• Organic Contractor Security Forces
  • Not a Core Competency
  • Unacceptable Risks
  • Not an Option for Engineering/Construction Firms

• Contract Security Forces
  • Cost Issues
  • Host Nation Issues

Bottom Line: Contracts Must Provide for Contractor Security
Summary

• Contractors On The Battlefield Are the New Norm

• Expect A Lot From Your Contractors – They Are Very Capable – And They Expect A Lot From You!

• We’ve Come A Long Way In The Past 10+ years – Much To Be Proud Of But Room For Improvement

• The Contracting Community Looks Forward to Being An Integral Part Of The US War Fighting Team
QUESTIONS?

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CONTRACTING IN THE AOR
INDUSTRY LESSONS LEARNED
Key Lessons Learned

- Contractors are Essential on the Modern Battlefield for Plng/Dsgn, Construction, O&M
- Contract Risk must be understood and shared appropriately
- Develop “Battlefield Acquisition Regs”
- Improve Resolution of Changes, REAs and Claims
- Integrate our Nation’s Military and Civilian Engineer Capability
Concrete Parking Apron
Constructed 1974 with two-sack Mixer
Battambang, Cambodia
Contractors Are Essential

- Vietnam: US JV RMK-BRJ, LOE & CPFF
  - TCN Contractors – Intl RFPs w/FFP
  - Local Contractors, Tiered Slates w/FFP RFPs
- Diego Garcia: Seabees + Contractors
- Somalia: LOGCAP I – Log Support/CPAF
- Disaster Relief: CONCAP I – Constr/CPAF
- OEF/OIF: Design-Build – US, TCNs, LNs
  - CPAF to FFP Best Value to FFP LPTA
Share Risk Appropriately

- Must adapt contracts to risk: PH-0 to PH-V
  - “Most able to bear the risk should accept it”
- Establish Construction MOUs w/Host Nation – Stand Alone or SOFA Annex
- Address War Risk – don’t just pass it on
- Allow Integrated Scope/Security, Military & Civilian – OP Commander’s Decision
- Set Reasonable Construction Criteria
  - Don’t compete US vs TCN vs LN contractors
Battlefield Acq Regs (BAR)

Establish a BAR annex to the DFAR

• Govt covers war damage: labor/matl/equip
• Unit cost CLINs for GRs and Security
  – MODs based upon threat-based SEC Plans
• Recognize KO’s role as US Govt Rep
  – KO’s hold 5-10% contingency $$$$  
  – TAC OPS MODs under changes clause
• CACs to US ExPats; Base Access/Medical
Improve Dispute Resolution

- Primes and Subs are key Force Multipliers
  - Settle Changes on site promptly
  - Issue Unilateral MODs if no agreement
  - Time only MODs OK for “external delay”
- Move quickly to COFD if REAs “get stuck”
- Press Primes to settle Sub Claims
- Settle Formal Disputes promptly
  - Try “Bundling” and Informal Disputes Boards
Integrate Engineer Capability

• Contractors are a component of the 21st Century Battlefield Engineer Force
  – Operational and Acquisition Doctrine and Strategy must proactively integrate this Force
• Place Combined Mil/Civ Engineer Force under command of Engineer FO/GO
  – Must integrate maneuver/construction Ops
• Develop Contractor Annexes to all OPLANS – Exercise, Learn and Improve
QUESTIONS?

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