CONSTRUCTION, A CONTACT SPORT
SAME’s PATH FORWARD

May 3, 2023, 10:30 a.m.
CONSTRUCTION, A CONTACT SPORT: SAME’s PATH FORWARD

Moderator: Maj. Gen. Mike Wehr, USA (Ret), Atkins, VP, Defense

Speakers:
- Rear Adm. John Korka, USN (Ret), Clark, Division President
- Ben Nichols, Harkins Builders, Inc. President
- Mario Burgos, Burgos Group, LLC, President & CEO
HOUSEKEEPING NOTES & TIPS

- Take Note of Emergency Exits
- Silence Your Mobile Devices
- Thank You to Our Sponsors!
- Questions will be addressed in the allotted time
- Presentations will be posted in the Attendee Service Center (ASC) post conference
1st SAME Industry Engagement Summit Results

By Examining three topics:

• Can we afford the consequences of not making changes?
• Got Risk: How to improve current project delivery methods?
• The Shrinking Federal Contractor Base

The Summit identified two broad Lines of Effort:

• Developing and communicating a shared purpose and urgency
• Maximizing industry support, synchronized as the government regulations, policy, and laws evolve
Construction COI Mission and Essential Tasks

Mission:
The Construction Community of Interest (CCOI) enables SAME to improve construction delivery of federal projects. We focus on keeping projects on budget, on schedule, and of the highest quality with a goal of reversing current trends. We openly represent interests of both the Government and contractor. Through that collaborative mindset we foster opportunities for reform and partnership ultimately to ensure the infrastructure security of our Nation.
Construction COI Mission and Essential Tasks

Essential Tasks:

• Develop an action plan on what efforts are underway and create a forum to provide progress to Industry.

• Make the contract and delivery methods more collaborative (more equitable risk sharing), attracting more qualified constructors to compete and are ultimately selected. With constructors more involved in the entire process, more projects are executed on time and on budget, and we accomplish the mission.

• Increase the federal contractor construction base by removing barriers to market entry and promoting collaboration as well as early involvement between government and industry to deliver projects on time and on budget.

• CCOI standup -- Commit to establishing an inclusive steering group of government E&C, acquisition and legal; A/E’s and contractors, Large and Small, representational (lobbying) associations, established COIs, etc.
Construction COI Supporting Tasks

Supporting Tasks:

• Enable SAME to make alternative project delivery methods more visible and train both private and public sector participants (on alternative project delivery methods) on ‘signature projects’.

• Acknowledging shortages within government and industry staff, align capability and capacity against essential functions.

• Implement a consistent framework for Industry Days between Services and across the country – easy win.

• Exploit private sector innovation to speed completion, minimize and focus resources, challenge over-regulation, and maintain financial discipline.
Poll Question

Which topic is most important to you?

a) Acquisition method reform
b) Supply chain disruption and material sourcing issues?
c) Qualified worker shortage?
d) Inflation?
e) Get more early partnering!
Fun Facts

• Enjoys Playing Chess – Blindfolded

• Spanish was my first language; Hometown: Sherry Capital of the world

• 3 of my 5 kids were born while I was stationed on Guam, but my family was only stationed on Guam once.
Can we afford the consequences of not making changes?

Main Take Aways

• Perception of “who” lacks urgency -- Contractor views Government as being “slow” with turn-around times
  — Field Offices not staffed to execute terms and conditions of current specs
  — Government lacks the ability to provide good constructability reviews and cost estimates…Results: slow down in execution (time) and increase contract mods ($$$).

• NAVFAC SE “Gold Standard” Industry Day… Warfighter Views, Dissemination of Pertinent Information and Right Government Personnel in attendance to address questions (not just engineers).

• No New Issues were Raised, that have not been noted in past SAME forums…who is managing commitments to improve delivery?

• “Say, Do” disconnect – Is anything being done to better share risk?
Can we afford the consequences of not making changes?

Priorities:

• Implement a consistent Framework for Industry Days between Services and across the Country – easy Win.
• Develop an action plan on what efforts are underway and create a forum to provide progress to Industry.
Can we afford the consequences of not making changes?

What’s missing?

• A prioritized list of actions underway by “whom” and a formalized forum to reporting out to industry.
  — Who has the lead and who is accountable for updating?

• Louder CG voice at SAME

Top Actionable Task:

• Assign Construction Community of Interest (COI) to develop the Game Plan for addressing GC issues.
Poll Question

Do you feel you have a __________ understanding of the ultimate mission your project may be supporting?

a) Very Good
b) Good
c) So-so
d) Not really!
e) What mission?
Ben Nichols
Harkins Builders, Inc.
President

Fun Facts

• Served as a Marine Combat Engineer Officer in Afghanistan, the Philippines, Spain and Japan

• Avid fisherman catching striped bass every month of the year on Chesapeake Bay

• Four kids under 7, all future Baltimore Ravens and Orioles fans

• Taking the family for a week of glamping on Lake Placid in NY this summer
How can the use of alternative delivery methods improve risk sharing and overall project performance?

Main take-aways:

• Alternative delivery methods such as CMAR (ECI / ID&C), Design Build, and Progressive Design Build are underutilized
• Alternative delivery methods help make risk sharing more equitable, increase collaboration, provide opportunities to fast track / mitigate supply chain issues, improve contractors’ ability to effectively plan construction operations, mitigate legal disputes, and facilitates a more qualification-based selection of contractors

Priorities:

• Improving overall project performance metrics (Quality Control, Schedule, Budget, & Safety)
• Aligning the right project with the right delivery method
How can the use of alternative delivery methods improve risk sharing and overall project performance?

What’s missing?

• Planning for the use of alternative delivery methods at time of project programming
• Training all project stakeholders in the execution of alternative delivery methods

Top Actionable Tasks:

• Educating all stakeholders on the benefits and risks of all project delivery methods
• Training all project stakeholders on the execution of all project delivery methods
Poll Question

Which project delivery method has the best potential to improve overall project performance and minimize legal disputes?

a) Design Bid Build
b) Design Build
c) Construction Manager at Risk w/ GMP (ECI / ID&C)
d) Progressive Design Build
e) Changing delivery methods has no impact on project performance or frequency of disputes
Poll Question

Why do you think public agencies overwhelmingly use design/bid/build for construction projects?

a) It minimizes their risk
b) The FAR mandates it
c) Their requirements are so specialized
d) It’s the least labor intensive for the understaffed agency
The Shrinking Federal Contractor Base

Main take-aways:

• Government contracting challenges has been well-known for decades.
• “Contracting, participation of small business in the defense industrial base has declined by over forty percent in the past decade.”

Priorities?

• Creating equitable risk sharing
• Addressing critical labor shortage
The Shrinking Federal Contractor Base

What’s missing?

• Changes to the FAR, bonding, affiliation, etc.
• Potential Impact of PLA, CMMC, Buy American changes, etc.

Top Actionable Task:

• Increase partnering to include risk sharing
• Change the bidding process
Poll Question

What do you think is the primary reason for the shrinking federal contractor construction base?

a) Shrinking pool of available craftspeople
b) High cost of entry to perform work in the federal government
c) Insufficient capacity in the market to perform all the work that needs to be done
d) Solicitation requirements that exclude the entry of new contractors
e) Lack of flexibility in government regulations and procurement processes
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THANK YOU

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