



Joint ASCE & SAME Event

NAVFAC SW Update

John Coon, PE
Chief Engineer, NAVFAC Southwest

26 MAY 2026

Legislative Scope

- **Commander's Intent:** NAVFAC will actively and aggressively implement new authorities to accelerate and improve project execution
- **Background / Focus Areas:**
 - The FY26 NDAA provided several agile authorities the DON is operationalizing to align with best commercial practices. These include:
 - Accelerated Design-Build (ADB)
 - Other Transaction Authority (OTA)
 - Multiyear Procurement (MYP)
 - Progressive Design-Build (PDB)
 - The FY25 NDAA provided:
 - 10 USC §2818 Authority
- **Additional Legislative Enablers**
 - Relief from Energy requirements
 - Expanded Repair by Replacement
 - UMC Threshold increase

Accelerated Design-Build (ADB)

- **FY26 Authority**

- The authority to use ADB for MILCON projects is provided by Section 2809 of the National Defense Authorization Act (NDAA) for Fiscal Year 2026. The authority allows the award of the design portion of a design-build contract prior to project authorization and appropriation.
- By advancing design initiation relative to Traditional Design-Build (DB) procurement, ADB reduces the time between construction authority and construction start

Other Transaction Authority (OTA)

- **FY26 Authority**

- A permanent authority under 10 USC §2808a that enables the use of transactions other than contracts, cooperative agreements, or grants for facility repair and construction projects
- A follow-on transaction for production may be entered into w/o further competition if a complete and useable facility was successfully completed in the original transaction
- Acquisition delegation from ASN RDA in process

Multiyear Procurement (MYP)

- **FY26 Authority**
 - Authorized for certain repeatable projects like barracks and CDCs, MYP allows contracting for a series of buildings, or system and components of buildings, over multiple years using available MILCON appropriations
 - Requires a SECNAV certification that MYP will result in a cost savings of at least 10% compared to individual annual contracts
 - Applies to authorized MILCON projects identified in budget submit for an MYP contract
 - Requires manufacturable designs in place to use this authority
 - Earliest possible implementation is FY28

Progressive Design-Build (PDB)

- **FY26 Authority**
 - PDB is a collaborative, two-phase delivery method where a design-builder is selected primarily on qualifications
 - Unlike traditional design-build, the final price is established after the owner and builder have collaboratively progressed the design to a point where risks and costs are well-understood

Reimbursable Orders

- **FY25 Authority**
 - Section 2818 of title 10, United States Code permits heads of DoW elements to place reimbursable orders, referred to as “contracts” under the authority, with DCAs for the design and construction of DoW facilities, including facility maintenance and repair projects and unspecified minor military construction projects
 - Reimbursable orders placed under §2818 are considered obligations in the same manner as a similar order or contract placed with a private entity. The DOW element may include an amount up to 10% of the proposed value for contingency expenses.

Q & A