

Department of the Air Force

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DAF MILCON UPDATE



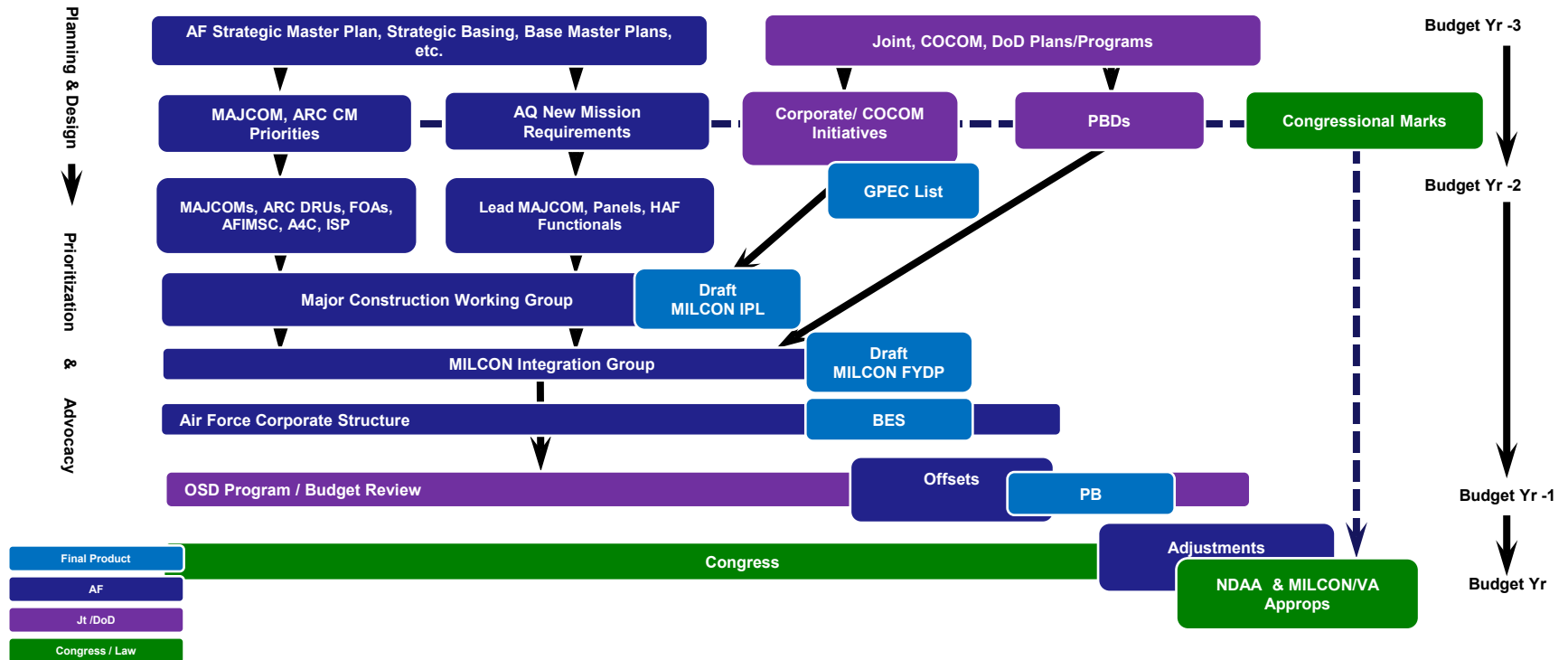
**Chief, Facilities Division
HAF/A4CF
6 Aug 26**



Agenda

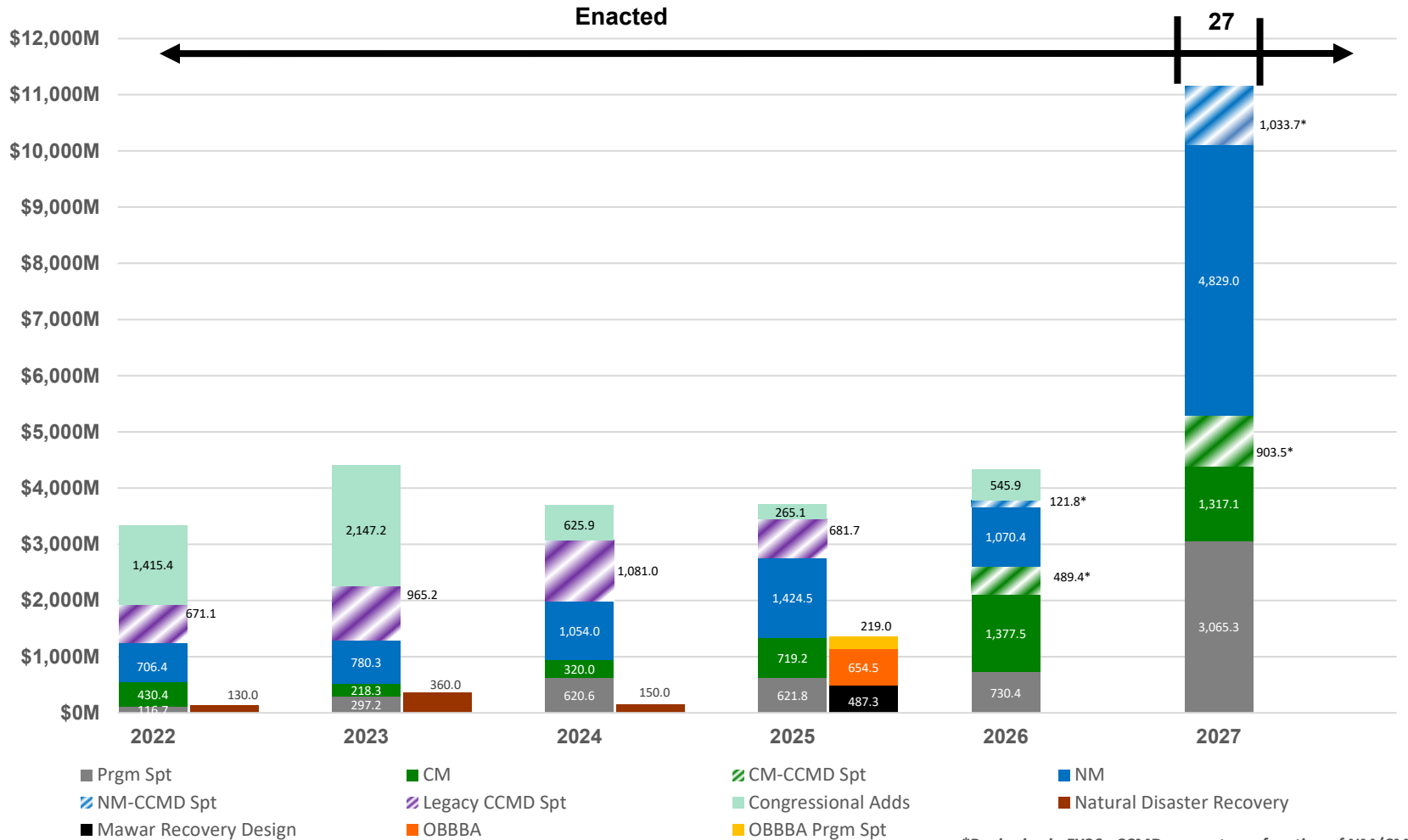
- Introduction
- MILCON Basics
- FY27 DAF MILCON Budget Request
- How Do We Execute
- Questions

MILCON BASICS





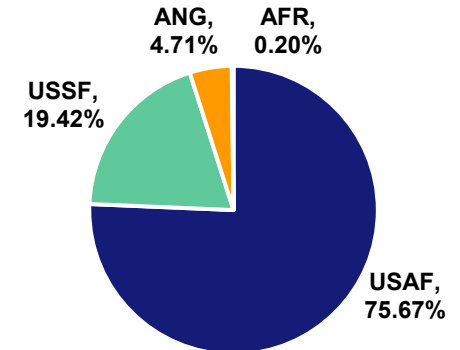
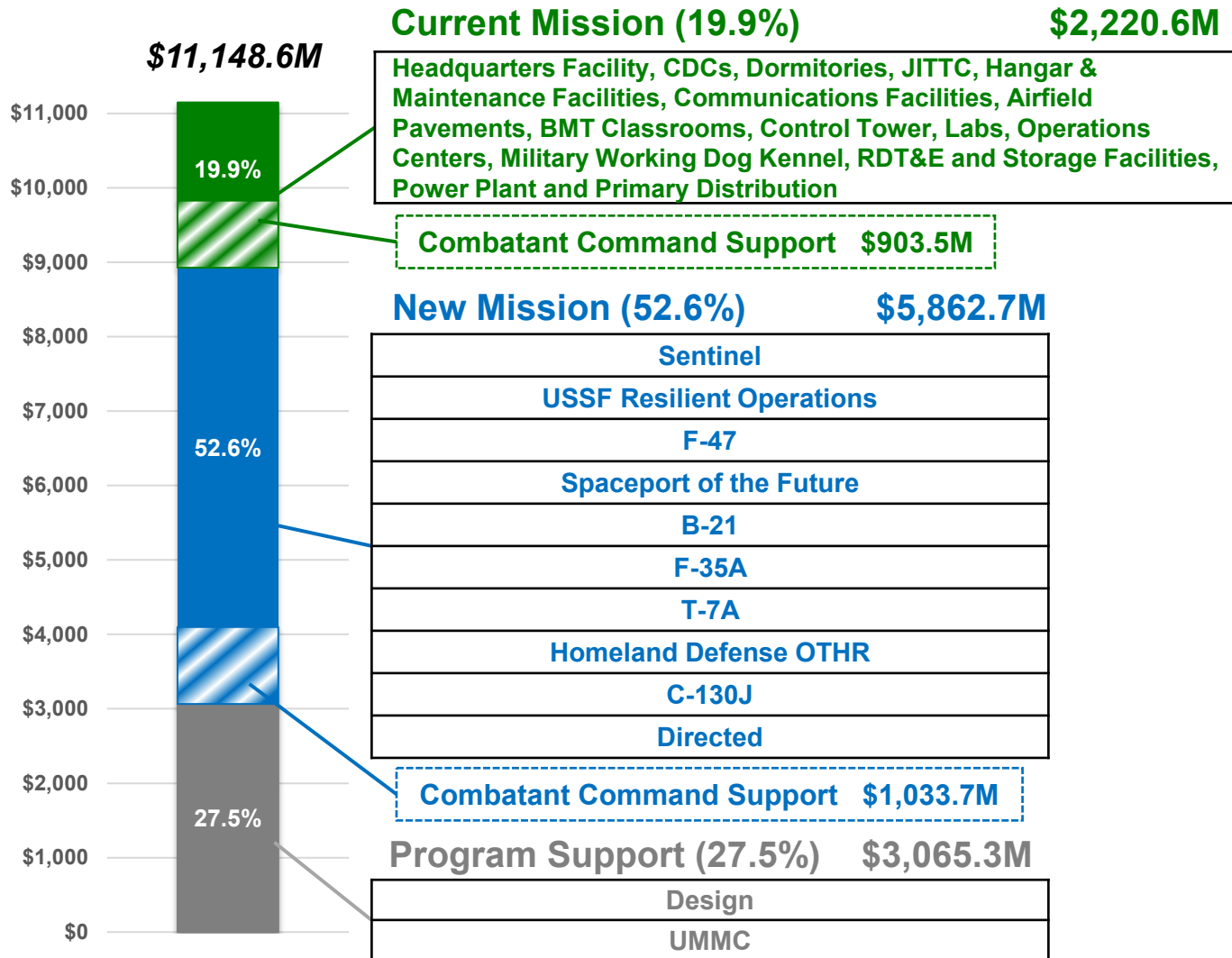
FY27 DAF MILCON Program Funding Profile (\$11,148.6M)



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FY27 DAF MILCON Program (\$11,148.6M DAF Request)



Component Overview

Active AF - \$8,436.2M

Active SF - \$2,165.0M

ANG - \$525.2M

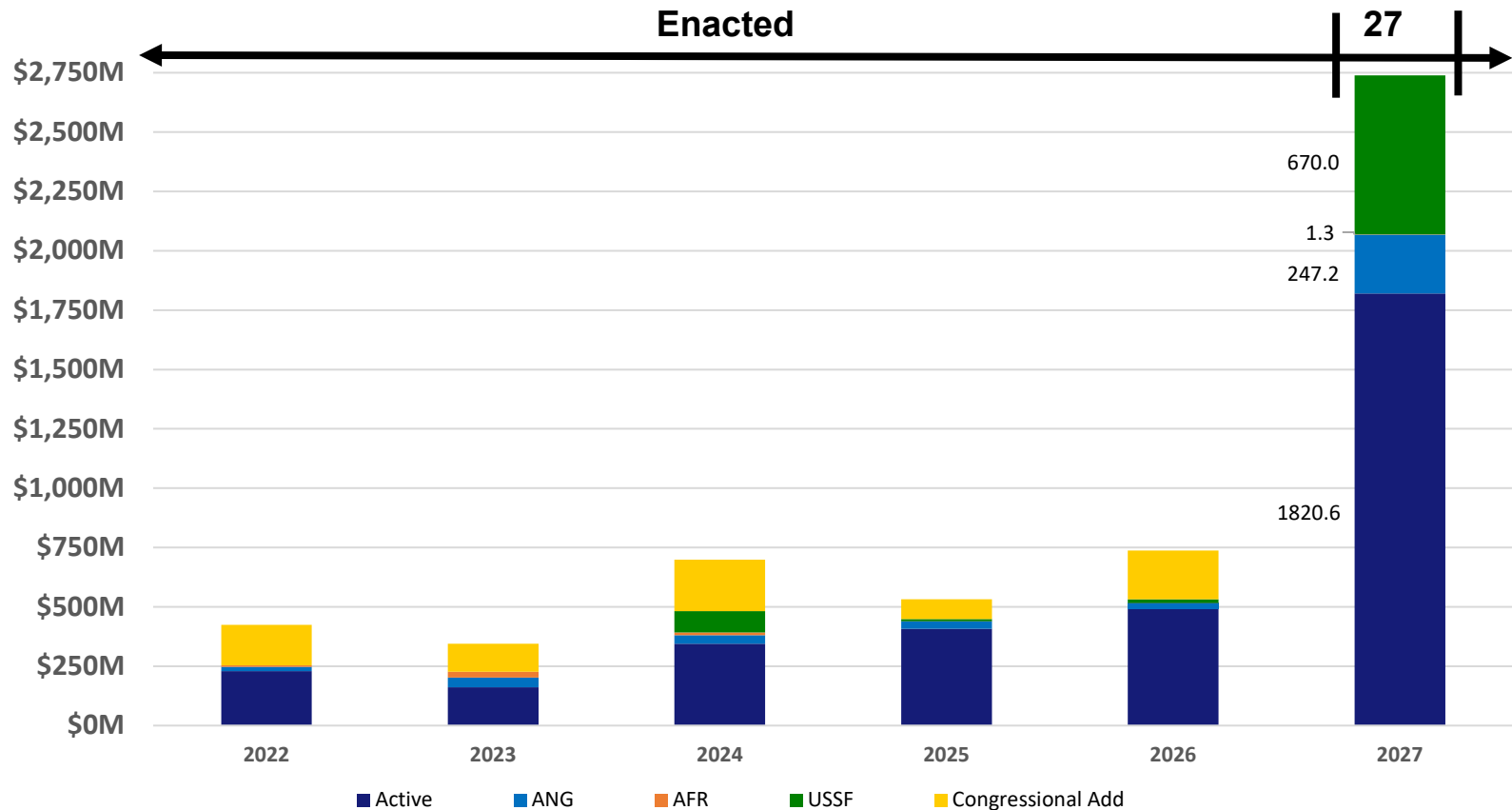
AFR - \$22.1M

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FY27 DAF Design Funding (\$2,739.1M)

■ Design funding request for FY27 based on projected FY29-31 requirements

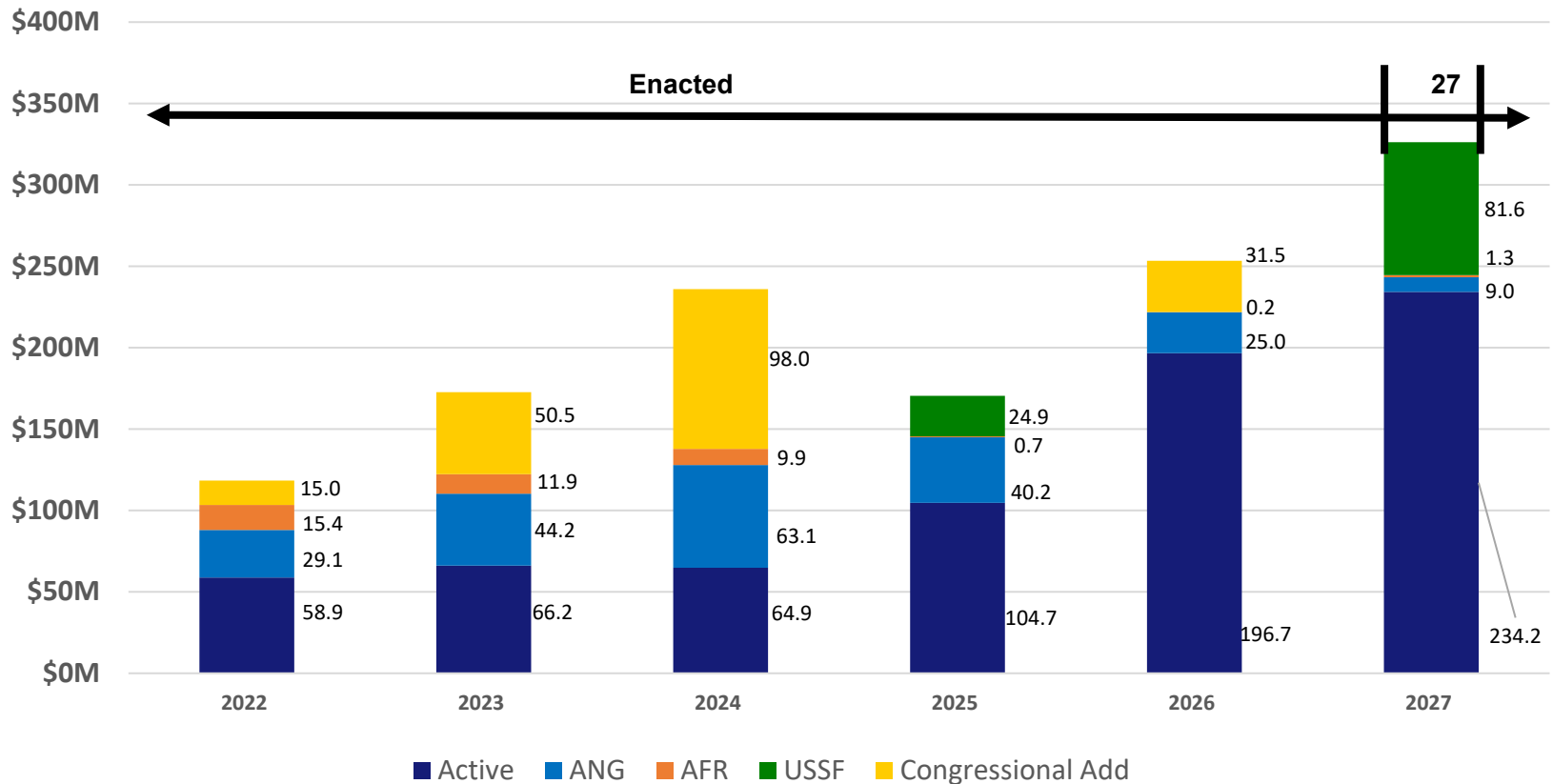


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FY27 Unspecified Minor Military Construction (\$326.2M)

■ UMMC funds support lower cost and emergent requirements



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How Do We Execute

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FY26 NDAA

- **Sec. 2802** - Creates 10 USC 2808a providing Other Transaction Authority (OTA) for Construction: Makes permanent the use of OTA outside of 10 USC 4022 for facility construction and repair, enabling flexible, innovative delivery methods
- **Sec. 2808** – Modifies 10 USC 2851 regarding oversight of MILCON projects
- **Sec. 2809** – Modifies 10 USC 3241(f) Accelerated Design-Build Authority: Allows design of efforts to begin before project authorization and appropriation, reducing project timelines and improving cost transparency.
- **Sec. 2809** - Modifies 10 USC 3241(g) Authorizes Progressive Design-build contracts. Allows for award of a single-phase Design-Build contract where the government and contractor enter into negotiations and scope development to determine a *guaranteed maximum price* (GMP) or other fixed-price agreement for the construction phase.
- Sec. 2814 - Multiyear Contracting Authority for MILCON: Introduces multiyear contracts for standardized, industrialized construction projects, leveraging economies of scale.
- Sec. 2848 – Repeal of construction requirements related to antiterrorism and force projection.
- Sec. 2872 – Modifies 10 USC 2805 UMMC project notification threshold from \$4M to \$6M and 10 USC 2807 design notification threshold from \$1M to \$5M.



Why We Changed / New Authorities

- Congress granted DoW new construction authorities; 29 Apr 26 SAF/IE policy directed their use:

- Acquisition Methods

- FAR-based Part 12 and “construction as a service”
- Non-FAR based – agreements based
 - Other Transaction Authority (OTA)

New
Legislation

- Delivery Methods

- Progressive Design Build (PDB)
- Accelerated Design Build (ADB)

New Focus

- Supervision

- DoW Construction Agent (DCA) authority

Pilot
Program

- Innovative Construction Methods

- Industrialized Construction / Permanent Modular Construction
- Engineered Tensile Facilities
- Pilot – Dormitory Repair by Replacement

From A4C's view, here's where the value will be created:

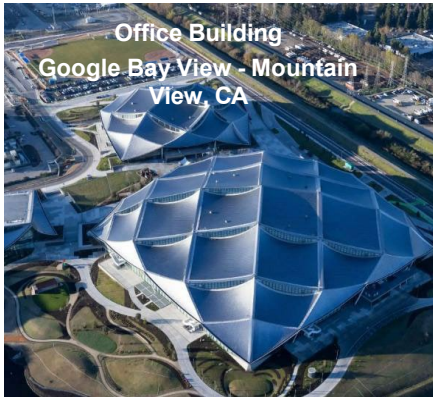
- Define the requirement, not the means/methods
- Bring the prime in ASAP
- Ensure Value Engineering from the start
- Drive forward the payment milestones to match contractor spend
- Drive early-completion incentive payments



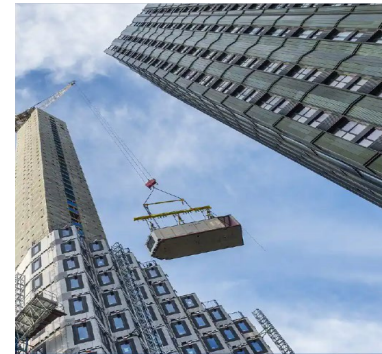
New Policies

- **DUSW(A&S) Memo: Accelerating Delivery of Infrastructure to the Warfighter**
- Focus areas:
 - New contracting authorities (Other Transaction, Progressive/Accelerated Design-Build)
 - Supervision of MILCON contracts
 - Intergovernmental Support Agreements for installation support services
 - Innovative Construction Methods
 - a. Volumetric Modular Construction: Off-site manufactured units assembled on-site.
 - b. Kit of Parts (Panelized)/Pre-Cast Systems: Prefabricated components and assemblies designed for a specific building that are brought to a site and assembled.
 - c. Pre-Engineered Buildings (PEB): Facility construction using a site-adapted foundation design and pre-manufactured components that are assembled on-site to expedite construction schedules and reduces local labor burden..
 - d. Engineered Tensile Facilities: Rapidly deployed aluminum or steel-framed fabric structures.
 - e. Additive Manufacturing (3D Printing): On-site automated construction.

Innovative Construction



Engineered
Tensile Facility



Industrialized
Construction

Other Transaction Authority

What it is:

- Legally binding agreements
- Non-FAR based; streamlined process
- Engage with industry collaboratively to provide solutions to problem statement
- Intended to remove barriers for entry to working with DoW
- Used for construction or repair projects
- Commonly use Commercial Solutions Opening (CSO)
- A CSO is fundamentally a "pull" from industry rather than a "push" from the government
 - RFP: Here is our detailed 100-page requirement. Build *exactly this* for us, and we will pick the best bid.
 - CSO: Here is our *problem*. We need to achieve X capability. Propose your innovative commercial solution to us, and we will evaluate its merit."



Other Changes

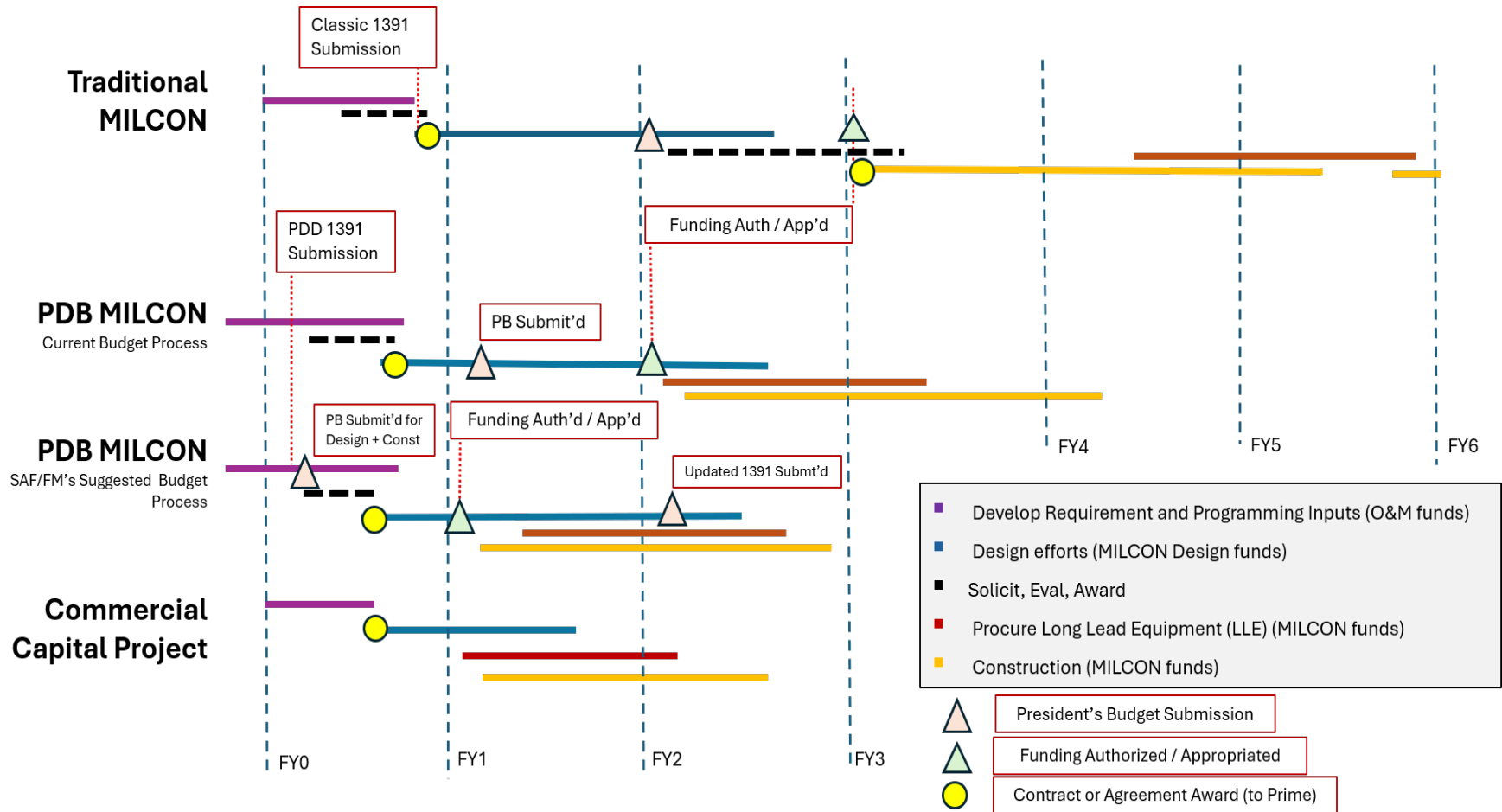
- **AFI 32-1020 Relocatable Facilities Chapter re-written as Temporary Facilities Chapter**
 - **Temporary facilities are defined by temporary mission requirements rather than a type of fabrication or construction and are accounted for in Enterprise Logistics Management System (ELMS) (ie. 3080 or equipment funds)**
 - **Permanent mission requirements regardless of construction method (e.g., ETFs) will require a construction appropriation (UMC, UMMC, or MILCON) and, as real property, will generate sustainment funding**
- **Adjusted life cycle considerations (25 year vs 50+ years design life)**
- **Using IBC with local building codes vs UFCs, if appropriate**
- **Use of standard designs vs custom solutions**

“We must be relentless in our execution, exhausting every authority and leveraging every resource at our disposal to cut through red tape and deliver excellence.”

-- HON Dale Marks PTDO DUSW(A&S)

What does Faster Look Like?

A MILCON Example, for Comparison





Questions?

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