

- MINUTES -

Liaison Committee of the
Kansas City District, Corps of Engineers,
American Council of Engineering Companies of Missouri,
& American Council of Engineering Companies of Kansas

January 20, 2005

The meeting was convened at 10:00 a.m. at the offices of Black & Veatch in Overland Park, KS.

In attendance:

K.C. Corps:

Bill Zaner
Steve Iverson
Lee Fuerst
R. J. Harms
Jim Turner

ACEC/Missouri:

Jim Waller
Alan Fandrey
Wayne Whitehead
Clarence Munsch
Larry Nespica
Peter Green

ACEC/Kansas:

Randall Gorton
John Denlinger

1. Review of Partnering Agreement:

Copies were distributed. Steve noted that ACEC-KS has been added to the agreement. He recommended approval and the group concurred.

ACTION ITEM: Corps to make corrections noted and to contact Bruce Wylie for final printout and signature, who will circulate to ACEC-KC for signature and return to Corps.

2. Update on Corps Procedures-Bill Zaner :

a) As part of Corps reorganization Northwest Division is implementing regionalization of contracts. This means that if five districts and need a construction management contract, possibly as few as one or two will be issued within the division, instead of one for each District as currently done. A concern expressed by the A-Es was that it will be more difficult for local firms to compete for regionwide contracts. It may also have the minor effect of reducing Corps workload from others districts that seek out Kansas City for their contracting capability. The A-Es expressed concern that local accountability and responsiveness may be lost and that services may have greater cost to the Corps than under the present system. This more centralized regional approach is being driven by the need for large procurement actions, because it costs the Corps several hundred thousand dollars to procure each new contract.

b) K. C. Corps is now starting to use the new project management system for all projects, using Primavera P3. They have "thrown the switch" to make its use mandatory across all projects, although the work breakdown structure (WBS) may be more detailed for some projects than others in the initial period. This may lead eventually to a requirement for AE's to use this software. However it is not now a requirement.

3. New Contracts -- Steve Iverson:

a) Numerous multiple contracts are forthcoming, as a result of a new brigade, with 4 or 5 others to come later at Fort Riley, as a result of overseas base closures. And there is a short timeline, a need to build new facilities, renovate existing ones and have them ready for occupancy. At first, existing contracts will be used extensively: a conservative estimate is 80 to 120 million in construction value to support 2,400 troops and their families with some support facilities including: medical facilities

maintenance facilities, new modular units using trailers, mostly at Camp Funston. As existing barracks are vacated, they will be renovated, and eventually a new permanent party barracks will be constructed. As capacity issues strain current contracts, new contracts will be sought.

- b) BRAC '05 (Base Realignment and Closure): Master planning requirements will come out as a result. It looks as if Fort Riley will be a gainer with the new brigades. Expansion of Fort Leonard Wood, however, may even dwarf Fort Riley's program with a minimum of \$300 million and a possible top end of \$1.6 billion after May 2005. The Corps will develop 1391s for numerous new projects. Because of the time frame, much of this will be design-build awards. However, the Corps will not be staffing up to handle this in order to avoid layoffs in 2006 and 2007.
 - c) BRAC will also have a lot of NEPA and HTRW work as well in the hazardous waste remediation area. Lee Fuerst mentioned that there will be new Indefinite Delivery-Indefinite Quantity (IDIQ) contracts to support EPA Region 2. Awards will be made with contract capacities of \$100 million. Up to five firms may be selected for nationwide contracts.
 - d) The Civil Works program nationally will be steady at \$4.5 billion. But no growth will happen because of the strains on the budget placed by military requirements. The top administration priorities will be dam safety and ecosystem restoration with a lesser emphasis on flood damage reduction and recreation. Kansas City's budget for Civil Works is projected at \$150 million for FY 06. For example, in the Tuttle Creek dam safety evaluation program, the request for FY 05 in Kansas City was fully funded, thus demonstrating the administration's priorities. In ecosystem restoration, the Missouri River Recovery (mitigation) Program still has the biggest emphasis. It encompasses eight states but has been reduced to an \$18 million budget. So the issue is how to prioritize these reduced funds across numerous jurisdictions. However, the program is here to stay because a total of \$3.73 billion is authorized over a 40 year period.
 - e) HTRW: the Military Munitions Response Program (MMRP) is the new thrust, and dollar wise it dwarfs the FUDS program, but not much has been heard yet about it except that Omaha District may take the lead.
 - f) Whiteman Air Force Base: has growth potential under BRAC because it is in Ike Skelton's area. McConnell Air Force Base also looks good under BRAC, Leavenworth has urban encroachment issues, but it will continue to exist, if not even grow.
 - g) For FY 05 some programs have been cut, such as the Blue River Channel, because of the lower Benefit-Cost ratio but it is under construction. So unused funds from other projects may be redirected to complete it.
4. Summary of National Partnering Meeting-- Bill Zaner: Bill presented the notes of the partnering meeting held between the headquarters U.S. Army Corps of Engineers and the American Council of engineering companies from 25 October 2004. He noted that academia and the consulting community will now be included in the Communities of Practice concept (Co P), along with the Corps's 12,000 employees, as part of the recent "2012" reorganization. He felt this was an important step. He had not been aware of special requirements for Qualifications Based Selection (QBS). Wayne Whitehead and Peter Green mentioned that the Missouri Division of Design and Construction Liaison Committee with ACEC had considerable experience in fine tuning QBS for design build projects. Based on the state's experience with design build on Cameron prison. In which design build teams were ranked for qualifications, including AE qualifications before prices were evaluated, and only qualified firms made to the pricey valuation level with the result

being best value for the government. Contact Randy Allen and Bruce Wylie for more detailed information.

5. Federal Summary—Steve Iverson: Congress has authorized a larger program for military construction. Currently Civil Works is at \$4.5 billion. This level is typical and will continue. Military construction (MILCON) is currently at \$10 to \$12 billion, but a 50% increase is now being considered, due to Iraq expenditures, which will include schools and infrastructure.
6. ACASS, CCASS and PPIMS Appraisal Systems—Bill Zaner: Bill described a PowerPoint presentation that he had given at an SAME meeting on 28 October 2004. He indicated that the new emphasis is to pull together all information related to performance and attempts to get more meaningful data. The Corps believes they should evaluate A-Es on design-build projects. Other suggestions that have been made by the Liaison Committee but so far not implemented include:
 - a) Raise the minimum size of task order requirement to be evaluated under ACASS from \$25,000 to \$50,000. So far, it has been considered too difficult to change the Federal Acquisition Regulations (FAR).
 - b) Do a yearly overall evaluation of firms. Up to now, the Corps says it has no staff or budget to accomplish this.
 - c) Change the forms so that they agree with each other and are consistent between the input forms and the final reports. Corps headquarters has indicated that it is a good idea and has said eventually the whole system will be changed and it could be incorporated at that future date.

ACTION ITEM (Bruce Wylie):

Since the adoption of these streamlining efforts seems to be moving so slowly, the A-E firm representatives on the committee requested that these improvements that we have been working on so diligently for the past year be elevated to the national level by Bruce Wylie to Camille Fleenor and our national staff, so that Don Basham might be motivated to implement the changes and improve the ACASS system's usefulness to the A-E community and the Corps.

The next meeting is scheduled for Thursday April 7, 2005 at the offices of Brungardt Honomichl & Company, 10895 Grandview, Suite 150, (Corporate Woods) Overland Park, KS. Suggested agenda items include:

1. Statistics on the use of Design-Build delivery by the Corps and effectiveness vs. Design-Bid-Build- (KC Corps).
2. Distribute signed Partnering Agreement.
3. Report by ACEC on any contacts made with national on ACASS streamlining issues.
4. Coming solicitations and recent contract awards
5. Corps budgets and procedure changes
6. Role of the Corps as relates to the Installation Management Agency and effect on A-E contracting.

The meeting was adjourned at about 1:30 PM.