

UMCS INDUSTRY DAY

INDUSTRY DAY OVERVIEW

11 December 2007

Chan Auditorium  
University of Alabama  
Huntsville, Alabama

ROCKET CITY REPORTING  
1-888-818-9771

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3 MR. FORD: There are not a lot of many  
4 people in here. I guess you can hear me, right?  
5 I'd like to welcome you all here to the UMCS  
6 Industry Day, Industry Conference. My name is  
7 Charles Ford and I am the Director of  
8 Installations Support, Programs Management for the  
9 Huntsville Center.

10 One of the first things I want to start  
11 off with is I've got a question for you, did you  
12 know that right now, we're having an energy summit  
13 for the Army over here in Huntsville? Does  
14 anybody know that, besides government people?

15 Colonel McAllister is there instead of  
16 here because we have generals there, we have all  
17 the gurus on energy from around the Army at the  
18 Energy Summit.

19 That's something that we're hosting here  
20 and the reason I'm bringing that up is because  
21 energy is one of the most important things in the  
22 U.S. Army right now and DoD. Because of that,  
23 they've decided to institute this energy summit.

1 The Deputy Commander for IMCOM is there. Does  
2 everybody know what IMCOM is? That's Installation  
3 Management Command, it's through the Army.

4 So, anyway, the Deputy Commander is  
5 there and the Chief Operations, two generals.  
6 It just shows you what kind of importance they're  
7 putting on energy.

8 Well, UMCS, to me, is just the transfer  
9 of energy. We've got to control the transfer of  
10 energy from space to space, from medium to medium.

11 So, what does that mean? That means  
12 that these contracts are very important to the  
13 Government, to the Army. These contracts are  
14 essential for the Army to achieve their campaign  
15 goals for saving dollars and making facilities  
16 more comfortable for the troops and for the  
17 families. Making a better working environment.

18 So, one of the things I want to stress  
19 to you all is important to your contracts, that  
20 you're going to be submitting proposals on.  
21 They're critical to the Army, and they are in  
22 support of Army goals.

23 One of the things that I want to make

1       sure we do here, though, today, is try to improve  
2       those contracts. We have an open forum for  
3       industry because we want to have the best  
4       contracts we can put in place.

5                 Right now, I guess most of you know the  
6       Huntsville Center is also the Center of Expertise  
7       for UMCS. And what does that mean? That means  
8       that we have the technical experts within the  
9       Government that the Army turns to to answer UMCS  
10      type questions, to come up with UMCS type policy.

11                We have the mandatory center of  
12      expertise for the Corps of Engineers and for the  
13      Army for that. We're about to put in the best  
14      contracts in the Army and DoD concerning the UMCS.

15                Now, you guys can help us make it better  
16      by making comments. We're also going to get,  
17      after the proposals are done, the best contractors  
18      in the Army dealing with UMCS.

19                So, what does that translate to? That  
20      translates to the cutting edge, state of the art,  
21      the type of installation of controls in Army  
22      facilities.

23                The Army hasn't done a very good job in

1 the past of putting in an efficient mechanical  
2 control system. Sometimes they do, but most of  
3 the times they don't. We're going to be able to  
4 help the Army increase the effectiveness of their  
5 controls in facilities. New ones and existing  
6 facilities.

7 We put in control systems in hundreds of  
8 facilities each year. Some of them are pretty  
9 exotic facilities, the Pentagon, the Kennedy  
10 Center. It could be anything, any Government  
11 facility anywhere in the world. So, there's going  
12 to be some pretty interesting facilities that we  
13 upgrade or that we install the new controls.

14 So, if we have the technical experts,  
15 and the best contractors and best contract  
16 mechanism, we can really benefit the Army and the  
17 DoD and the Government as a whole.

18 So, the kind of things that I want you  
19 to get out of these opening remarks is we need  
20 your comments. We want you to ask questions. We  
21 want you to make comments and because we do  
22 incorporate those comments into our Acquisition,  
23 your comments are very important to us.

1                   For us to have the best acquisitions, or  
2                   the best contracts in place, we need the best  
3                   minds which you represent, helping us put those in  
4                   place.

5                   So, I think that if, after today, you'll  
6                   see some pretty good agenda. We're going to have  
7                   a pretty -- we're going to have some pretty good  
8                   information to go back with and to try to improve  
9                   these contracts.

10                   Another thing I want to emphasize is  
11                   that we're putting these new contracts in place  
12                   with a lot of capability for small business.  
13                   There is going to be a lot of emphasis put on us  
14                   by the Commander and by the Chief Engineers, by  
15                   the Second Secretary of Defense to increase small  
16                   business participation.

17                   So, we are gearing these contracts up,  
18                   we're structuring these contracts to incorporate  
19                   more small business participation.

20                   So, I don't know how many small business  
21                   people are in here. Can I ask you that? Anybody,  
22                   well, good, a lot of you. That's good, so we want  
23                   your questions, too. We want your comments, too,

1       okay, because we want to really beef up our small  
2       business awards for small business participation.  
3       That's one of our big goals.

4                 There's enough work out there for  
5       everybody. So, nobody has to worry about somebody  
6       else taking work from them. There is so much work  
7       out there right now in the Army, that if we do a  
8       good job as a team, the work's going to come to  
9       us.

10                So, I want to encourage the small  
11       business people, the representatives, to study  
12       these acquisitions and make comments on it  
13       because, again, your comments are valuable to us.

14                I really don't have anything else. I  
15       didn't take up a whole fifteen minutes. I am  
16       going to be going to the Energy Conference, and  
17       hopefully, a lot of stuff will come out of that,  
18       the Energy Summit. We have those once in a  
19       quarter and it's going to last for two days.

20                Chuck Holland is going to be over there  
21       presenting tomorrow and he's going to be doing a  
22       lot of presenting today. So, with that, I am  
23       going to pass this on to Laura. I think Laura has

1 got some administrative things to tell you about  
2 and introduce some of the key people here.

3 So, thank you very much.

4 MS. MABEE: Good morning. I am going to  
5 try to talk without the mike, because I don't  
6 think we know how to work it. It does work? All  
7 right. Y'all can hear me okay. If you can't, let  
8 me know.

9 I'm Laura Mabee. I am the Program  
10 Manager for UMCS. Welcome. We have -- let's see,  
11 go ahead and do the next slide. We have some  
12 introductions. While he's doing that -- oh, I'm  
13 the operator. How do I use this? Press the  
14 button. The right button.

15 Okay, Number one, the bathrooms. If you  
16 have not figured out where the bathrooms are, go  
17 over there by the front atrium, if you go in, you  
18 are coming in the main door and you go straight  
19 instead of going right towards the auditorium, the  
20 bathrooms are right there. So, that's always  
21 Number one.

22 Okay. I'm Laura Mabee. I am the  
23 Program Manager for UMCS. Chuck Holland, where

1 are you, Chuck? Wave, stand up. Okay. Chuck  
2 Holland is our lead technical manager. He will be  
3 presenting a good portion of this morning's  
4 presentation.

5 Victor Taylor is with our Safety Office.  
6 He'll be talking about our safety requirements.  
7 Ed Powers is going to be talking about our  
8 Resident Management System. Toby Harryman, Toby  
9 is our legal counsel, he'll be talking about some  
10 of our legal issues.

11 Charlotte Hofstetter, I haven't met  
12 Charlotte, is she here? Oh, in the back, there  
13 she is. She is with our Deputy Principal  
14 Assistant responsible for contracting. We welcome  
15 her from Winchester.

16 Dr. Gary Heard, there he is. He will be  
17 talking about our small business concerns. And,  
18 Earl Johnson is our Procurement Contracting  
19 Officer and Suzanne Wear is our Administrative  
20 Contracting Officer. She is in the back.

21 And then Richard Mullady, he's with  
22 Contracting and he'll be working a good portion of  
23 our contracting issues.

1                   This is kind of a basic agenda. Y'all  
2                   have probably seen the agenda from the web site.  
3                   This might look a little bit different, but it's  
4                   basically the same outline. We're going to try to  
5                   go through as much as we can in the morning so we  
6                   have more time in the afternoon for a panel  
7                   discussion. A good portion of the discussion, or  
8                   a good portion of the discussion is in the  
9                   afternoon, but we'll try to get through it a  
10                  little bit quicker if we can.

11                  I don't know if the agenda you have --  
12                  does the agenda you have show who is doing what?  
13                  Maybe not. All right, that's fine. Anyway, this  
14                  is our general agenda.

15                  All right, questions. We are not going  
16                  to have any questions in the morning because we  
17                  are going to try to do all of this in the  
18                  afternoon with our panel discussions. So, during  
19                  the morning session, if you have questions, we ask  
20                  that you write them down on a 3 by 5 card.

21                  We have cards that we can pass out. I  
22                  don't know, Suzanne, do you have all the cards in  
23                  the front or in the back?

1 MS. WEAR: We have them in the back on  
2 the table.

3 MS. MABEE: Okay, so we will pass them  
4 out so that you can write questions down as you  
5 come to them and turn it in before we break for  
6 lunch and we will go over them while we're eating  
7 lunch and figure out who can best answer your  
8 questions.

9 Also, in the afternoon, the panel  
10 discussion will be taking live questions, so feel  
11 free to ask questions in the afternoon. We're  
12 going to try to compile all of these questions on  
13 our web site. We will provide basically our, all  
14 of the questions on the web site so you will be  
15 able to have access to all of that.

16 And that's all I have. All right, so  
17 our next presenter will be Chuck Holland. He's  
18 going to talk about our technical issues, a little  
19 bit about our UMCS contract and some other  
20 requirements.

21 Now, we will probably have a short break  
22 in the morning time, so you can get up and stretch  
23 your legs and go to the bathroom or whatever.

1                   MR. HOLLAND: Good morning. How many of  
2 you would like to take a card now before I start  
3 so you can start your message? Write it down.  
4 Anybody need cards? Okay.

5                   I am Chuck Holland. I'm the UMCS  
6 Technical Deputy, which means I have been here a  
7 long time.

8                   UMCS, Utility Monitoring & Control  
9 Systems. I know several of you are here with our  
10 current contract and other people here who  
11 obviously knows what UMCS is.

12                   And, what I intend to do is a brief  
13 overview of what UMCS is and what this contract is  
14 about. So, as I go through, hopefully, I will  
15 give you that information and in the afternoon  
16 session, if you have a particular question, we  
17 will try to do our best to answer it.

18                   Who we are. Charles Ford mentioned a  
19 minute ago that the Center of Expertise, it's even  
20 more important than that, it is a Mandatory Center  
21 of Expertise for UMCS and for Electronic Security  
22 Systems.

23                   What that means is the Corps of

1 Engineers has designated the two programs in our  
2 office, UMCS and Electronic Security as Mandatory  
3 Centers of Expertise which means that the Corps  
4 Districts, any projects that they design are  
5 involved in the installation and are required to  
6 come to Huntsville for an overview of the --  
7 technical overview of that work.

8 But, more importantly, what that does,  
9 it give us the legal right within the Corps, the  
10 Government to cross geographical boundaries. And  
11 that's how we can do work in New England or  
12 Washington State as opposed to a Corps District  
13 that normally does not do work across a  
14 geographical distance, geographical bounds.

15 Also in Huntsville, is the Director of  
16 Expertise, which means they're elected for  
17 heating, ventilating and air conditioning  
18 equipment and systems. So, that's very important  
19 of how we operate and why we operate the way we do  
20 or are allowed to operate the way we do.

21 So, what is the UMCS? Well, the UMCS is  
22 a phrase that came out several years ago to expand  
23 on energy monitoring and control, Building

1 Automation Systems, to include all utilities, all  
2 systems based on the monitoring control.

3 So, probably the most useful, most  
4 widely applied is Heating, Ventilating and Air  
5 Conditioning controls for environmental comfort in  
6 Government facilities.

7 Building and Automation Systems, it may  
8 be anything that you may want to automate. We've  
9 even seen, particularly in Europe, where they use  
10 Building and Automation Systems to control the  
11 vending machines. So, it is anything you want to  
12 do with it. So, Building Automation.

13 Metering Systems, particularly, the  
14 Energy Policy Act of 2005, which mandates all  
15 Government facilities have electrical meters  
16 installed and which will include water and gas,  
17 also steam on some applications.

18 A Metering System, a meter, itself, is  
19 not a UMCS. A meter connected through a  
20 communication means to a centralized computer is a  
21 UMCS by definition of our Mandatory Center of  
22 Expertise. So that falls in the realm of what a  
23 UMCS is.

1                    Lighting Controls, obviously, is  
2                    controlling and monitoring the systems, so  
3                    therefore it's part of the UMCS. Chem Bio  
4                    Controls, we've applied that in several locations.  
5                    Again, part of monitoring the control of that  
6                    facility or that Government organization.

7                    And, last is the catch-all of the  
8                    Utility Monitoring and Control Systems. That may  
9                    be a water treatment plant controls and monitors.  
10                   It may be a part of a system that we're monitoring  
11                   with our controls. So, it's anything that  
12                   monitors controls.

13                   So, that's the definition as defined by  
14                   headquarters, Corps of Engineers for what a UMCS  
15                   is. We will look at some of the others in a  
16                   moment.

17                   But, what do we do in Huntsville? Well,  
18                   we're unique in that, at least by our office,  
19                   we're unique in that we're co-located together as  
20                   Project Management, Contracting and Technical.

21                   So, Project Management, the whole, the  
22                   entire project is proven. We provide technical  
23                   support and contract administration, very simple,

1 three groups that are very important to make this  
2 contract vehicle work. There is a lot of vehicles  
3 out there, GSA schedule, those sort of things,  
4 that you deal with Contracting.

5 It may be in others where you deal with  
6 just technical. There is very few that have that  
7 three prong approach to part of the product.

8 Some of our customers that are displayed  
9 here, certainly not all of them, but, as you can  
10 see, there is quite a few, DoD, Department of  
11 Defense. But there's actually more listed there  
12 that are other government agencies, National  
13 Institutes of Health, GSA, even they went through  
14 GSA schedules to come to us to work. Again, not  
15 an all inclusive list, but a pretty impressive  
16 list across the Government.

17 Something I probably want to make you  
18 aware of when we talk about UMCS when you see that  
19 list of Building Automation or HVAC. The  
20 contract, itself, me included with related  
21 disciplines were placed on the installation, a  
22 system that required monitoring of controls. It's  
23 not something that we do everyday, but we've done

1 several.

2 Anything that is controlled monitoring.  
3 So, specific requirements will come up in the  
4 years of this contract's duration that will be  
5 unique and will fall into the realm of what a UMCS  
6 is, I wanted to make you aware of that.  
7 Particularly, those of you who will be successful  
8 as a contract, securing the contract to know and  
9 your market capabilities of what the realms of  
10 -- capability of this contract provision. So,  
11 that's very important.

12 I said a little bit of this, but the  
13 contract includes procurement, installation and  
14 support services of the Building automation, or  
15 the pure form, if you will, the UMCS, Building  
16 automation or Energy Management System. HVAC's  
17 systems and we'll talk a little bit about that in  
18 a moment.

19 Data controls, it's included in the  
20 Building automation in an energy management  
21 system, the HVAC systems. Fire alarm and life  
22 safety systems. The supervisor of Control and  
23 Data acquisition systems. Electronic security

1 system and maintenance and service of those  
2 systems and any system control monitoring.

3 So, HVAC includes anything related to  
4 HVAC chillers, boilers, the plants, themselves,  
5 centralized plants. Air handlers, VAV and fan  
6 coil replacements, duct work, anything associated  
7 with HVAC falls in the realm of this contract.

8 It gives a lot of opportunity, a lot of  
9 work. Obviously, the systems to replace, and  
10 particularly in Government facilities, quite  
11 often, an upgrade.

12 Fire alarm and fire detection alarm and  
13 smoke control again falls under the realm of the  
14 UMCS contract. There's a substantial number of  
15 fire alarm systems.

16 Supervisory control of data acquisition.  
17 Typically, can involve anything from a water  
18 distribution system that might be used for the  
19 PLC, or it may be a full blown SCADA system like  
20 you would have with electrical distribution where  
21 the electrical -- applications on a typical UMCS,  
22 very specific, entirely different industry that  
23 the UMCS, again, falls under the contract due to

1 the control monitoring.

2           Electronic security systems. Not all  
3 inclusive, but it talks about electronic security  
4 systems, it talks about card access, it talks  
5 about physical security and closed circuit tv and  
6 any system associated with security. Again,  
7 that's a sister organization that crosses over the  
8 bounds between foreign and control and it falls in  
9 the category of this contract.

10           Some of the specific contract  
11 requirements here, the first three listed up  
12 there, but first of all, those strange numbers,  
13 you see the parenthesis that says CEGS, that's  
14 Corps of Engineers Guides and Specifications. The  
15 current contract has 13807, which is about the  
16 fourth one down.

17           Those have been replaced by the unified  
18 facility guidance specification system. So, the  
19 new numbers, for instance, at the top of the UFGS,  
20 23 09 23 is what was the 15951 before, that is the  
21 direct digital control systems for HVAC and other  
22 systems, which is LON works, LON works, if you  
23 will, base systems. Those are new to this,

1 specific to this contract as part of the  
2 specifications.

3 We have been installing those systems  
4 under this contract with inserting that  
5 specification with each individual task order.  
6 Those specs will be in the basic contract this  
7 time around, as will the second one, which is the  
8 front end of the systems.

9 There's a note here, the 13807, the  
10 fourth line down was inspected for the utility  
11 controls and the central system and communications  
12 associated with it. It is now for the LON based  
13 system, from the two specifications. One for what  
14 the building controls, if you do this, the front  
15 end system which ties those utilities together and  
16 makes it network.

17 The remaining specs there are the  
18 standard specs which is a NonLON based spec, if  
19 you will. And, a testing document for that spec.  
20 And, last is the supervisory control.

21 Now, some of you who are familiar with  
22 something called Back-Net, which is a protocol, a  
23 parallel protocol, if you will, to LON, what if we

1 have a back-patching project? Well, we will at  
2 that point have such specs to do that job, to that  
3 task order and that will be the requirement. So,  
4 it's not excluding any control monitor system, the  
5 protocol or anything else. It's just that these  
6 are the ones that we expect to use because a LON  
7 work system is according to your specs at this  
8 point in time.

9 Now at the bottom, it says, "numerous  
10 HVACs, ESS, power alarm system specifications.  
11 There's a huge number of HVAC's, you can imagine,  
12 all of that HVAC equipment.

13 Something that is very important, it's  
14 unique to this contract over a lot of government  
15 contracts, or I should say, most government  
16 contracts, is to what we typically deal with in  
17 the way of the submittal of this technical data.  
18 And, by the FARs definition, a submittal would be  
19 either a shop drawing or technical data, computer  
20 software.

21 Ours, in most cases, fall in the  
22 category of technical data, computer software.  
23 And so we have technical data packages as part of

1 the submission. That is a very, very important,  
2 it ties to a payment schedule or it ties to the  
3 schedule itself. And, obviously, for the  
4 progression of the contract and what the  
5 contractors as well, this helps you to proceed to  
6 the installation.

7 So, the first one, design maybe,  
8 particularly, if we're looking at the design  
9 install project. We are going to award in Phase 1  
10 and Phase 2 approach. We require the design to be  
11 in before we authorize the installation part. The  
12 design will fall into the technical package we're  
13 looking for. If it's already designed, it may be  
14 nothing more than catalog cut sheets or diagrams,  
15 the architectural diagrams, that sort of thing for  
16 approval. All of these have to be approved by the  
17 Government prior to the next step in the task  
18 order contract.

19 TDP-2, the site survey report, not  
20 always required, but it is required particularly  
21 when it comes to an automated systems itself or  
22 the systems, itself, when the building are of an  
23 unknown condition, so we may require those.

1                   The fact the test procedures,  
2                   particularly, the contracts that may be new or  
3                   systems that would require the government to  
4                   witness a factory test, if an existing contract,  
5                   for instance, that we have now were to modify  
6                   their software or modify their hardware, then we  
7                   would require a factory test before we would  
8                   actually allow the work to begin on the site.

9                   Once you've passed that test, and you  
10                  don't change your hardware, you don't change your  
11                  software, then we will waive that test on the  
12                  future projects, until such time as those  
13                  conditions change.

14                 Performance verification testing. The  
15                 procedure is the procedure of how you are going to  
16                 do the performance verification test or the PVT.  
17                 That's the acceptance test for the system. That  
18                 is a very detailed specific test procedure that  
19                 will determine -- that will solve the problem.

20                 And, we won't get into details of the  
21                 payment schedules, but we do have payment  
22                 schedules of some shades with each of these that  
23                 tells the contractor how much we're going to pay,

1 and we will address it along.

2 TDP-5 O&M Manuals and software,  
3 obviously. We have at least included, abbreviated  
4 and last, but not least, the as-built drawings,  
5 which has always been a problem of getting  
6 completed as-built drawings. So, that sketch up  
7 front, the Government included. So, we've got  
8 that time and payment schedules also.

9 Some of the project follow thru. We  
10 will just kind of run through it very fast. If we  
11 were to put it on super fast forward motion, and  
12 say what do we do and how do we do it? Well,  
13 basically, the Technical Services for submittal  
14 reviews that was just mentioned in on-site,  
15 inspections and testing, included in there the  
16 design reviews and we're doing that, any technical  
17 solutions that we have to come up with or  
18 problems.

19 Invoice payment, invoice payment  
20 management. And, we'll talk a bit about in the  
21 next session that Ed's going to do on systems that  
22 we use. Schedule management, the same situation.  
23 Funds management, contract administration and

1 project close-out.

2 Well, as you can see there, it doesn't  
3 say who does what. Obviously, contracts  
4 administration's contract. A lot of these others  
5 are going to fall and cross over between Project  
6 Management and the technical engineering side.  
7 So, it's again, a team effort which makes this  
8 work.

9 So, when we go through this, we award  
10 the Task Order to do these things, again, in a  
11 rapid Task Order motion after two years, one year,  
12 six months, whatever duration of the contract.  
13 That's how it works and that's how we get through  
14 the project. If you guys make a profit, we're  
15 happy. So, this has to work in this quarter.

16 I believe that's all the time. There it  
17 is. It's a very fast skip. I think you'll be  
18 able to catch your plane. And, I know some of you  
19 -- I've gone through it very fast. If you've got  
20 any questions, please, I'll be glad this afternoon  
21 to answer them, but it's the process that we have  
22 that allows for questions and answers. Thank you.

23 ED POWERS: Good morning, my name is Ed

1 Powers and I am the RMS Coordinator for the  
2 Huntsville Center. And, I'm going to introduce  
3 you to our electronic data base that we're going  
4 to share with the contractors so all the  
5 contractual information can be the same from  
6 different contractors.

7 All right. RMS stands for Resident  
8 Management System. It is a tool that the  
9 Government uses to perform quality assurance and  
10 in all contracts, such as actions between us and  
11 the Government -- between us and the contractor.

12 The RMS sister data base is the Quality  
13 Control system and that is the one that we will be  
14 able to provide to the contractor. It's free, it  
15 is a very simple fire bird data base and it will  
16 allow you to exchange data between us, between you  
17 and the Government.

18 Some of the things that we will be  
19 tracking, keeping track with is going to have  
20 RFI's, subcontractor personnel, finances and pay  
21 requests are very important. Your submittals, all  
22 of the tech data packages that Chuck talked about  
23 earlier. It will be determined and sent to the

1 Government via engineering Form 4025, which is the  
2 track used in this system.

3 The schedule, you will input your  
4 schedule IPs into this system so that you can keep  
5 track of when the submittals are due, when your  
6 payments are due and when you have various quality  
7 control testing just to track that system.

8 Quality control, that will be the tool  
9 that you will use to write your Quality Control  
10 forms and to schedule your various inspections.

11 Okay, this is just a picture of the  
12 screen on the data base that you will see when we  
13 send this to you, you set it up. Very simple  
14 tool. As you can see, I want to cover  
15 administration, quality control submittals and  
16 also as a tool, importing and exporting to the  
17 Government.

18 In the future, we're going to have  
19 correspondence where if you send the government a  
20 letter, we will track it using this system and  
21 vice versa, the Government sends you a letter for  
22 tracking with this system.

23 And the data that you're going to submit

1 using the QCS file or RFIs, payment requests,  
2 quality control data, submittal registers and  
3 transmittal logs, which will track all of your  
4 tech data package submittals. And an activity  
5 schedule of how you are going to get paid,  
6 actually.

7 The contract will be set up for  
8 milestone payments and you will load those into  
9 the system and you'll get paid quicker.

10 The RMS web site has all of the  
11 information that you need to download the  
12 database, to download the software and we have the  
13 RMS Support Center that's available to help you  
14 with what questions you have. It can be stored on  
15 your server or as a stand alone PC. Very simple  
16 tool.

17 And that's about it. It's just a tool  
18 that will enable the contractor and the Government  
19 to keep track of the data and to share it between  
20 each other.

21 That's all I've got. With that --  
22 Mr. Taylor.

23 MS. WEAR: Real quick. Ed will not be

1 here this afternoon. If anyone has questions on  
2 RMS, please go ahead and ask Ed if you have a  
3 question.

4 MR. POWERS: Okay.

5 SPEAKER FROM AUDIENCE: Will your slides  
6 be available on the web site or can we get copies  
7 of them. It was good information?

8 MR. POWERS: Yes, the slides are going  
9 to be posted to the web site. And, something I  
10 didn't mention, I am available to assist and train  
11 and come to your offices, you can come to ours.  
12 It's a pretty -- a very good exchange of  
13 information, so and it's a very simple data base.  
14 Sometimes, people get a little leery about  
15 software. This is a real easy software. Yes,  
16 sir.

17 SPEAKER FROM AUDIENCE: You said that  
18 you're available to train, what's the length of  
19 the training sessions that will be required to  
20 accommodate them?

21 MR. POWERS: I can go over just about  
22 everything in the data base in a half a day. Any  
23 other questions?

1                   SPEAKER FROM AUDIENCE: Is your contact  
2 information listed for us to do that, but as far  
3 as your number or e-mail address?

4                   MR. POWERS: You contact the contract  
5 specialist and they will.

6                   SPEAKER FROM AUDIENCE: Thank you.

7                   MR. POWERS: Good luck to you. I hope  
8 everybody gets an award. Any other questions?

9                   (No response from audience.)

10                  MR. TAYLOR: Good morning, I am Victor  
11 Taylor. I work in Safety at the Center there. If  
12 you do get an award and you submit safety plans, I  
13 will probably be the one to look at it, so if you  
14 want to throw things at me now, you can.

15                  MS. WEAR: Can you go to the microphone?

16                  MR. TAYLOR: We did pass out a Safety  
17 and Health Manual when you came in. If you didn't  
18 get one and you want one, just stop by back there.  
19 I brought plenty and I really don't want to take  
20 them back, because they're heavy. I don't have a  
21 cart and I've got to carry them back.

22                  So, this is kind of like the, "Bible" as  
23 far as the Corps of Engineers Safety program.

1 Everything is in here and it's kind of -- it looks  
2 a little too impressive when you look at it.

3 If I go to my second slide because I  
4 only have two, so you are in for a treat. There's  
5 only a few things that you need to know if you are  
6 going to submit and work for us. One of them is  
7 you have got to have a safety plan to work at the  
8 Corps of Engineers projects.

9 We found out years ago, if you don't  
10 have a safety plan, some contractors won't do a  
11 very good job of taking care of their employees.  
12 Most of them will, but if you have got a plan, you  
13 follow the plan and everybody is better off.

14 The first one mentioned there is an  
15 abbreviated accident prevention plan. You won't  
16 find that in this green manual. What we found out  
17 was that when you're going to a project for the  
18 first time, to look at what you're going to do and  
19 develop your work, you don't need a full fledged  
20 accident prevention plan. It's only going to be a  
21 few people.

22 One little teams going to go there, you  
23 are going to look and see what you're going to do.

1 So, we came up with a seven or eight page, fill in  
2 the blank, abbreviated plan, just for a site  
3 visit. And if you were to get a contract, what  
4 you can do is you contact that contracting officer  
5 and we will forward you the information on how to  
6 fill this out.

7 You can actually get it on our web site.  
8 It's fill in the blank. It's simple. All we want  
9 to make sure is if you're at one of the sites,  
10 working towards a contract for us, that you have a  
11 safety plan.

12 You say, "Well, what in the world would  
13 I need it if I'm just visiting?" Well, you need  
14 to know how to get help. 911 don't work in all  
15 these remote areas. You need to know how far help  
16 is away and you need to know how to get there. If  
17 you are driving along and you need to get to the  
18 hospital, it would be nice to know where the  
19 nearest hospital was.

20 And the other thing that you might want  
21 to know is if any member of your team has some  
22 type of a medical condition, it's a good time to  
23 bring it up right at the start of the bid.

1                   If you have some of those little round  
2                   pills you have to take, nitroglycerine type thing,  
3                   it's nice for you to know that if one of your team  
4                   members has that problem. If he's allergic to  
5                   something, such as insect stings, that's good to  
6                   know right from the start of the visit. If his  
7                   medicine is in the car and you're a half a mile  
8                   away from the car, it's a good thing to know that  
9                   he needs that medicine with him, he or she.

10                   The next is the accident prevention  
11                   plan. That is covered in this book. There is an  
12                   Appendix A of this book. And they did a real good  
13                   job at headquarters developing it. Appendix A  
14                   tells you what's required in an Accident  
15                   Prevention Plan to do work on a Corps project.

16                   A lot of the stuff that's in there is  
17                   not going to be applicable to what you do. You  
18                   still have to put it in your plan. You say it's  
19                   not applicable because we're not doing that type  
20                   work. People say, "Well, why in the world do I  
21                   have to put diving in there when I'm not doing  
22                   diving."

23                   So, we know that you actually looked at

1 that portion, not that you just said, "Oh, well,  
2 I'm not doing diving." Maybe you are, some people  
3 are. Well, if you don't put it in there and you  
4 don't address it, you don't have a diving plan if  
5 somebody gets hurt.

6 And like I said, I will be reviewing  
7 those. Me or someone in our office will review  
8 them, usually it's going to be me, probably,  
9 unless we hire more people.

10 And I'm not there to keep you from doing  
11 work. That's what I want to make sure you know.  
12 I'm there to help you make sure your plan gets  
13 accepted. If you have questions, you can contact  
14 me. We're on the web site. You can go to the  
15 Contracting Officer or the Contracting  
16 Representative. I'll be glad to help you. I've  
17 even been to a couple of small businesses, sat  
18 down and helped them because they had no idea how  
19 to write a plan.

20 I can't volunteer that I'll go to all of  
21 your work places and help you with this, but if  
22 you have a question, don't let this stop you from  
23 doing the work.

1                   Accident reporting. If you have an  
2                   accident while you are working for the Corps at  
3                   one of our projects, you need to report that back  
4                   to the Center to the Contracting Officer. They  
5                   need to know that you've had an accident.

6                   If I had a scratch, do I need to report  
7                   that immediately to the contracting officer? No.  
8                   But, if you've got a fairly severe accident where  
9                   you've got a reportable case, a lost work day type  
10                  thing or you think it might be, tell the  
11                  Contracting Officer and the PM if they're  
12                  available.

13                  But get that information back to them,  
14                  because, guess what, we've got Colonels and  
15                  Commanders at all these sites. Pretty soon if you  
16                  have a little accident or a little incident,  
17                  they're going to call our commander.

18                  Our commander don't like it very much  
19                  when his first call comes from the Commander at  
20                  the site and he has no idea that an accident  
21                  occurred, no idea that you're even working on  
22                  site. That's not good, not good for us and then  
23                  eventually not good for you.

1                   Man-hour reporting. It is also required  
2                   that you report the number of man hours towards  
3                   the project, it's all automated now. It's an  
4                   E-form by the 10th day of the month. All of  
5                   that's going to be explained by Contracting if you  
6                   get a contract.

7                   Activity Hazard Analysis. That's the  
8                   simplest way for you to make sure your employees  
9                   are working safely and it's a covered in this cost  
10                  order. There is a format in here for an activity  
11                  hazard analysis. Does it have to be in that  
12                  format? I don't care as long as you have covered  
13                  the bases.

14                  Make sure you look at the activity, see  
15                  what the hazards are and do something to help  
16                  mitigate the hazard. You can't take care of all  
17                  of the hazards, I mean, you can't keep somebody  
18                  from falling off a ladder, if they really want to  
19                  fall off a ladder. But you can give them some  
20                  precautions on what to do to keep them from  
21                  falling off the ladder. Make sure they're  
22                  secured. And make sure they are not on the top  
23                  step of a stepladder which is always where

1 everybody wants to go, to the very top step of  
2 that ladder and that's not good.

3 Now, if there are questions, I'll be  
4 happy to answer them later or whatever. You can  
5 also get ahold of me. If you go to our web site  
6 you can find the safety office portion of it. The  
7 numbers are there. Like I said, I'm here to help  
8 you work safely, not keep you from working.

9 Thank you.

10 MS. MABEE: That's basically our whole  
11 morning. We will take a 10 minute break.

12 MS. WEAR: I'm Suzanne Wear. I will be  
13 the Administrative Contracting Officer for the  
14 upcoming UMCS III contract. Presently, I am the  
15 Contracting Officer on the UMCS II and the ESS 4  
16 contract. So, there's going to be some changes  
17 coming up and we're going to discuss these now.

18 One of the reasons, part of the reason  
19 we are here today to try and have Industry Day is  
20 to meet with the industry and communicate and find  
21 out how we can do this contract better, how we can  
22 meet the needs of the soldier and meet our mission  
23 in a better way.

1                   In order to do that, we want to involve  
2                   you, we want to partner with you and we want to  
3                   improve our processes. Everything that we're  
4                   discussing here is tentative. The solicitation we  
5                   gave you is a draft and we are looking for your  
6                   input.

7                   We're really interested in these new  
8                   contracts. We've all been interested in involving  
9                   small business and doing what we can to improve  
10                  our small business goals. And, our large  
11                  businesses to be able to improve their, meet their  
12                  small business goals more readily. But, that's  
13                  going to be even more important in these new  
14                  contracts.

15                  All the things that we have presented  
16                  today are online and can be found in this web  
17                  site.

18                  I'd like to introduce Virginia Mitchell.  
19                  Would you stand up, please? She is our Pre-Award  
20                  Branch Chief. She has an unbelievably hard job  
21                  over the next couple of years. Typically, it  
22                  takes from eighteen months to two years to award a  
23                  major contract. She is responsible over the next

1       eighteen months for awarding 33 major contracts.

2       And right now, she has about --

3                   MS. MITCHELL: Fourteen.

4                   MS. WEAR: She has fourteen people right  
5       now. It's unbelievable the job that they are  
6       going to -- that they have to do. They're going  
7       to need our support. They're going to need y'all's  
8       support. And, it's very important that we give  
9       them that support and that we partner with them  
10      and make sure that information that they need,  
11      they are getting.

12                  Also, over here is Earl Johnson, I think  
13      he's already been introduced once. He's going to  
14      be the Procuring Contracting Officer on this  
15      acquisition. And Richard Mullady.

16                  MR. MULLADY: I need to say something  
17      real quick.

18                  MS. WEAR: Okay, go ahead.

19                  MR. MULLADY: It must be by design. I'm  
20      the only one that has an e-mail address up there.  
21      Please insert the letter J between my first name  
22      and my last name or it won't go anywhere. Richard  
23      dot J dot Mullady. This is incorrect.

1 MS. MITCHELL: Well, we'll fix it before  
2 we post it to the web site. We'll get it fixed.

3 MS. WEAR: Thank you, Richard, I  
4 appreciate that. I keep forgetting to turn the  
5 pages up here after I turn them down here.  
6 Cassandra Mora. I don't believe Cassandra may be  
7 here today, she may be here --

8 MS. MITCHELL: She's going to come.

9 MS. WEAR: Okay. She had some other  
10 things to do. But, she is right now the Division  
11 Chief, the Acting Division Chief for the Programs  
12 and Project to Branch II. And, I am the  
13 Administrative Contracting Officer.

14 The contracts we currently had expired  
15 in August of '08, and I believe it's the 6th of  
16 August of '08. We had two different sections of  
17 contracts. We had a unrestricted, which had four  
18 large businesses and one small business.

19 And, I'm going to call -- I'm going to  
20 ask y'all to stand, okay. Johnson Controls, Mike,  
21 would you stand up so people can see who you are  
22 so the small businesses will know.

23 Siemens, Norman. Would you please

1 stand? Okay. TAC, Daryl, stand up for people  
2 over here. Ameresco, I don't think Anthony came.

3 MR. HAGER: Jeff Hager.

4 MS. WEAR: Jeff Haggert?

5 MR. HAGER: Hager.

6 MS. WEAR: Jeff Hager. Okay, is  
7 representing Ameresco and Williams Electric,  
8 Aubrey. There is Mr. Abrey Goumer there.

9 And Williams is a small business, but  
10 they got an award on our unrestricted which meant  
11 they could do everything in the whole scope. We  
12 did have a restricted section on the UMCS 2  
13 contract and EMC Engineers, is Carl here?

14 MR. WELCH: Lee Welch.

15 MS. WEAR: What was your name?

16 MR. WELCH: Lee Welch.

17 MS. WEAR: Lee Welch. And Alabama  
18 Controls, Chuck? There is Chuck right there. And  
19 we also had -- those two companies were restricted  
20 to UMCS and HVAC. And then we did have an award  
21 to ODESTA, which was restricted to ESS, okay, that  
22 didn't get on here. Is anybody here from ODESTA.  
23 I know they had registered.

1                   MR. LAZONE: You know my name, Frank  
2                   Lazone.

3                   MS. WEAR: Frank Lazone. Currently,  
4                   these contracts were awarded before the  
5                   implementation of the 803 process. So,  
6                   originally, we had awarded -- we had broken them  
7                   out and the plan was to give the smaller jobs, to  
8                   let the small businesses compete.

9                   But, when 803 came out, I mean, when 803  
10                  was implemented, what ended up happening is that  
11                  everything over a hundred thousand, we ended up  
12                  competing with everybody because those contracts  
13                  were issued under a single RFP, not two separate  
14                  RFPs.

15                  And we haven't really decided on this  
16                  one yet, what we plan to do. There's talk about  
17                  doing two separate RFPs so that we have a pool of  
18                  small businesses that will compete amongst each  
19                  other and then a pool of unrestricted, which a  
20                  small business could win an award on that, too,  
21                  that they would compete on the larger jobs.

22                  We really don't know how we are going to  
23                  split that out, but we would like some input from

1 industry, how do you think it would work best,  
2 what do you think? I mean, do you think, the  
3 small businesses, which of you could handle the  
4 large jobs, which of you can't. Are you going to  
5 partner with larger businesses to be able to do  
6 it?

7 And our large businesses, we really hope  
8 that you will partner with some people so that you  
9 will help grow our small businesses because that's  
10 really what the purpose of having small business  
11 goals is is to grow the small businesses, so they  
12 become large businesses.

13 What kind of impact do you think -- on  
14 our small businesses, we have seen -- I've seen it  
15 more on the ESS side of the house than I have on  
16 the UMCS side of the house, but small businesses  
17 are competing very well on the UMCS side of the  
18 house -- on the ESS side of the house.

19 On the UMCS side of the house, I think  
20 the jobs are a little bit larger and more  
21 complicated and it may not be quite as easy for  
22 the small businesses to compete.

23 But, we need your input on that. What

1 do you think about that? What do our large  
2 businesses think about it and what do the small  
3 businesses think about it?

4 Right now, we think that we are going to  
5 estimate our acquisition program to be \$750  
6 million dollars in a shared contract capacity over  
7 seven years. AS you can see, we've estimated or  
8 approximated what we think the split of work will  
9 be. And, this is based on what we presently have  
10 or work that we know is coming up. And, these  
11 will be available for y'all to download, so I'm  
12 going to go on.

13 We're also talking about how we are  
14 going to break up the seven year ordering period,  
15 what will be the best way to do it. Presently,  
16 our contracts are Service contracts, the type of  
17 contract that we have. They are not commercial  
18 services, but we are looking at making the new  
19 contract a commercial service contract.

20 There will probably be a restricted and  
21 an unrestricted area, but we haven't -- those  
22 decisions haven't been made yet totally. The  
23 minimum guarantee will be \$10 thousand dollars for

1 the base year with no additional minimum  
2 guarantee.

3 In the past in the UMCS II contract,  
4 part of our evaluation was how do you plan to  
5 market this contract, because we really looked to  
6 our contractor to help us bring business into  
7 Huntsville Center.

8 And, with the implementation of 803,  
9 even if you bring business in, if it's over a  
10 hundred thousand, there's no guarantee you will  
11 get that business. It will have to be competed at  
12 803 unless there is one of the exceptions apply.

13 So, but if you're already at a site, and  
14 you should be very competitive at the site that  
15 you are already at, that nobody else is at, so...

16 The acquisition approach on the basic  
17 and the task orders will be the best value source  
18 selection. These contracts will be performance  
19 based. Our old contracts were hybrid contracts  
20 with fixed price and T&M. Our new contracts will  
21 be fixed price and cost reimbursement.

22 We will have the opportunity to  
23 incentive and award fees on both the fixed price

1 and the cost contracts. And, it will be a  
2 multiple award contract and 803 will be a part of  
3 it, as I've already said.

4 Let's just talk about the 803 process.  
5 It streamlines the Task Order awards, not as much  
6 as before we did 803, when we could just go,  
7 "Okay, we're going to go to this one. We're going  
8 to go to this one." But, it's much better than  
9 having to go out on the streets and compete.

10 We're going to try to reduce the amount  
11 of information that's going to be required from  
12 the contractor and the time that it takes to  
13 evaluate that information.

14 The plan is for most Task Order RFPs to  
15 require a technical approach in your price and  
16 cost proposal and we'll be taking the past  
17 performance information out of the CFARS system.

18 Any cost contract requires that you be  
19 CAS compliant. T&M was a type of cost contract,  
20 so our present contractors are already cost CAS  
21 compliant.

22 You will be expected to provide a DCAA  
23 audit for your accounting system and your billing

1 system. Please request these audits now so that  
2 you'll be prepared when it comes time to submit  
3 your proposal.

4 That's something, I guess, that the  
5 preaward team has implemented because in the past  
6 it delayed us in making awards. And this is just  
7 a proactive approach to get this information up  
8 front.

9 Presently, our contract Tab, the 52-232-  
10 16 and 13 for Progress Payments. Since these  
11 contracts will be performance based acquisitions,  
12 the following clauses will be included. The 52-  
13 232-28 and -32 for performance based payments. If  
14 a task order is not performance based, we'll go  
15 back to the 232-13 and 232-16 or if it's a cost  
16 task order, but this is something that was not  
17 included in the old contract.

18 You've been provided Section L&M with  
19 your grade solicitation. Please read it and if  
20 you have any questions, go ahead and submit them  
21 so that we can get them answered this afternoon,  
22 or comments.

23 The evaluation criteria, there will be a

1 price and cost analysis done on the basic contract  
2 for your -- there'll be a CLIN structure that  
3 you'll have to price. There will also be a sample  
4 task order that will be priced, okay.

5           There will be an unbalanced pricing  
6 review and that is on the technical solution that  
7 you proposed, there will be -- to make sure that  
8 it is not unbalanced, the number of hours you  
9 proposed, is that the correct number of hours for  
10 the technical approach you propose, things of that  
11 nature. There will also be a technical  
12 evaluation.

13           The Government's purpose is to try to  
14 determine not only price reasonableness but price  
15 realism, also. We don't want you to propose too  
16 high or too low. If you propose too low, then  
17 your business can't grow and you'll be having a  
18 hard time. And we're here to partner with you and  
19 to make sure that you're growing and we're getting  
20 what we need at a reasonable price, also.

21           We will make sure that your proposals  
22 are complete and that they present the best value  
23 to the government, the one's that win.

1                   In conclusion, we're here to optimize  
2 mission success. There are lots of pros and cons  
3 on the different alternatives that we have  
4 presented. We need to know your opinion and what  
5 you think about the different things we present or  
6 if you have a new idea, what is that? We're not  
7 saying we will implement everybody's idea, but we  
8 do need to know your opinion, so that we can  
9 consider it.

10                   We expect the solicitation to be issued  
11 the middle of the year next year and hope to have  
12 an award by mid-year the following year.

13                   I've already had a couple of people ask  
14 me where they can find the information that we  
15 have presented to you and these are the places  
16 that you can find this information. And that's  
17 all I have.

18                   Virginia would like to say some things.

19                   MS. MITCHELL: I've just got a couple of  
20 things I'd like to add. The first one I'd like to  
21 mention. There's an industry feedback form that  
22 Suzanne's up posting right now, along with the  
23 draft that included an amendment.

1                   So, the draft solicitation and the  
2 feedback form is posted currently now on the site  
3 that you can see on these slides, which will be  
4 immediately posted. Well, but it's going to take  
5 just a few days because we have to do some ...

6                   But, please respond to that. Please  
7 just give us your input because that is the way  
8 that we are going to decide, finally, how to  
9 construct the solicitation. How we would go about  
10 setting aside pools for small business and what  
11 pools that you go to. Whether this is to be a  
12 commercial solicitation or not.

13                   Those are the types of information that  
14 we are going to use to make our decisions about  
15 how to construct.

16                   And the other thing is the court  
17 reporter's transcripts of these proceedings will  
18 have to be completed by the court reporter. They  
19 will have to be transposed by her. And, so that  
20 will take just a little bit of time. We'll get  
21 this posted as soon as we can, but it won't be  
22 immediately. She needs, I don't know, a week or  
23 so, I am not sure of the time line, to do that.

1                   And then once she does that, we will  
2                   route that through our security and PAO Office and  
3                   will also get that posted. But it won't be just  
4                   immediately. It will take a little time to get  
5                   that.

6                   MS. WEAR: Will you repeat the  
7                   information that you needed to make a decision?

8                   MS. MITCHELL: Okay, on the feedback  
9                   tool, on the industry feedback tool, we have to  
10                  ask very specific questions, but there is also  
11                  free form lines where you can just insert your  
12                  recommendations or your thoughts or your text on  
13                  how you think the new solicitation should be  
14                  constructed. And, so we value that information  
15                  and we really want to see that.

16                  So, we have to make some critical  
17                  decisions about whether this should be a  
18                  commercial service, should it be commercial? This  
19                  is how you currently package and deliver your  
20                  services to your customers today. So, that  
21                  feedback form is critically important to us to  
22                  make sure that we package the solicitation  
23                  correctly.

1                   So, we very much value your input and  
2                   your feedback. And we really want you to  
3                   participate. And, also, that will help us  
4                   determine how we will set up small business pools.  
5                   Are there enough small business participation,  
6                   perhaps, to help them set aside. Those pools will  
7                   be separate, so we are required to compete small  
8                   business pools separately. Say, we have small  
9                   disadvantaged, that would be a separate pool,  
10                  Hubzone, those types of things, 8(a), but we need  
11                  participation to know whether or not we have  
12                  enough proposed participation to truly have a  
13                  chance of a set aside.

14                  So, we need your input, we value your  
15                  input.

16                  MS. HOFSTETTER: Good morning.  
17                  Huntsville was kind enough to invite me to come in  
18                  and speak with you a little bit. My subject  
19                  matter is maybe not quite as apropos as all of the  
20                  other speakers. But, I am Charlotte Hofstetter  
21                  and I'm with the Regional Park Office in  
22                  Winchester.

23                  Okay, this is our office. Cathy Bella

1 is with PARC. Colleen O'Keefe, who I believe,  
2 spoke at the Industry Day for Ordnance and  
3 Explosives is our Deputy PARC.

4 Lynn Harper is a Procurement Analyst and  
5 Lynn is actually the most familiar with the  
6 Defense Based Act Insurance that I'm going to give  
7 a little bit of information on and overview.

8 Eric Horcick is a Procurement Analyst.  
9 He supports primarily HSTA and I support  
10 Huntsville. With that help from Lynn and Colleen.  
11 They are a big center and they have a lot of work  
12 going on. Lee Tew is one of our newer Procurement  
13 Analysts and he is supporting our Center.

14 I'm going to gloss over a little bit of  
15 this on the National Contracting Organization. I  
16 do, if you have been to any of the SA, MA meetings  
17 or small business meetings recently, you probably  
18 have heard a great deal about the National  
19 Contracting Organization.

20 We stood up about a year ago in direct  
21 -- what did I do, I'm technically challenged, I'm  
22 sorry. As I said, I think I am going to go  
23 through this very quickly and get to the Defense

1 Base Act, because that's really appropriate to the  
2 contract that's coming up. The PARC Office,  
3 though, was established after the National  
4 Contracting Organization was set up.

5 And, we were pushed out as regional  
6 PARCs to better help and service all of the  
7 various districts and centers.

8 One of the major reasons is a part of  
9 our new transformation, it is an effort to bring  
10 all of our policies and procedures in line with  
11 the Army way of doing business.

12 And you're going to see this more and  
13 more, because Mark Lumer is now the Director of  
14 Contracting at Headquarters of USACE now. And, he  
15 brings with him a great deal of experience.

16 One of the reasons that they did the  
17 National Contracting Organization was to try and  
18 foster "Success Criteria," to measure  
19 organizational strength, to have some  
20 accountability for the way that we do business.  
21 And, again, to bring us in line with Army  
22 procedures.

23 This is one of the tasks that Colleen is

1 working on. It's to help establish a surge plan.  
2 I know that there is so much going on overseas and  
3 also with all of the emergency support that the  
4 Corps does, that we are really getting pretty lean  
5 as far as technical people are concerned. So,  
6 they're working on a plan. And hopefully, that  
7 will be done soon.

8 One of the reasons, again, that we were  
9 pushed out was to co-locate. This is the location  
10 of the three PARCs, the one in Atlanta, the one in  
11 Dallas and we are in Winchester, Virginia. We are  
12 co-located with the Transatlantic Office.

13 That just gives you some idea of the  
14 alignment. And this is our reporting chain, from  
15 the contract awards going up to the head of  
16 contracting, or head of contracting, which is Joe  
17 Langford.

18 This is our PARC mission statement.  
19 And, this is our ultimate goal, I think, for all  
20 of us. We are all tax payers and we all want to  
21 do the best job that we possibly can.

22 Okay, Defense Base Act. How many people  
23 are familiar with the Defense Base Act? A few of

1       you. The clause will be in this contract if I'm  
2       not mistaken. Because at some time there may be a  
3       need for task orders to be issued OCONUS. And if  
4       work is there, then you will have to have the  
5       Defense Base Act Insurance.

6                I will try to go briefly over the  
7       background history objectives and PARC Instruction  
8       Letter, 2007-02, requires that it be used in any  
9       USACE contracts.

10               DBA Insurance has been around for a long  
11       time. Actually, it's been around since 1941. The  
12       USACE-wide contract was awarded to Continental  
13       Insurance. Rutherford is the underwriter for  
14       that. The Department of Defense actually came out  
15       and asked for the agencies to do a pilot program.  
16       The Corps volunteered to do it.

17               And awarded it, we saved quite a bit of  
18       money by doing that. Actually, this is probably  
19       the most important part for contractors and  
20       subcontractors unless waived by the Department of  
21       Labor. The Department of Labor is the oversight  
22       agency for the insurance.

23               After 9/11, insurance became so high

1 that many of the contractors could not afford it,  
2 particularly, small businesses. And this is one  
3 of the reasons USACE wanted to work and put in  
4 place a contract that was affordable so that they  
5 could be as competitive as larger businesses  
6 overseas.

7 You can see the price is at 350 per a  
8 hundred dollars compensation, construction 725 per  
9 a hundred dollars compensation. That's  
10 considerably less than you would normally pay for  
11 DBA insurance.

12 One of the reasons that they were able  
13 to do that was because of risk pooling. No matter  
14 what part of where you're at. If you're in Korea,  
15 if you're at Iraq, if you're in Afghanistan, you  
16 pay the same amount for your insurance, for your  
17 people.

18 It is the Contracting Officer's  
19 responsibility to ensure that the contractor and  
20 subcontractors maintain DBA coverage with CNA.  
21 CNA is the required insurance carrier because it  
22 is a requirements contract for any USACE contract.

23 The Contracting Officer, if the

1 contractor does not have this insurance on its  
2 people, she can simply ask, and most of them do  
3 ask for a Certificate of Insurance when you submit  
4 your invoice. If you don't have that insurance,  
5 your payment won't go through. You have to have  
6 the insurance. It's very important.

7 They're in the process now of starting  
8 the negotiations for a new contract. This one  
9 will end fairly soon. And, I believe that Lynn  
10 Harper is also going to be on that team.

11 If you have any questions or would like  
12 any information, feel free to call Lynn. She  
13 spends about fifty percent of her time, really, on  
14 a DBA issue. And, she's very reactive. She will  
15 provide you any information or help you in any way  
16 if you need that.

17 And, these are just the points of  
18 contact for Rutherford. And, again, we can  
19 provide you with that.

20 If you need any additional information,  
21 please just give me your card and I'll pass it  
22 along.

23 MR. HARRYMAN: Okay, thanks for coming.

1 I'm glad to be here. And, what I am going to talk  
2 about right now is some of the legal aspects of  
3 the upcoming procurement. My name is Toby  
4 Harryman. I've been working on the procurement  
5 with some of the contracting folks.

6 And, just to sum up my comments to you  
7 this morning, I'll categorize it as grading. How  
8 are you going to be graded when you submit  
9 proposals to us? And, what information are we  
10 looking for and especially put it in context why  
11 is that important to us and why do we need that  
12 information? So, those are comments that we need  
13 clarification on.

14 Okay, did anybody pick up a draft  
15 solicitation? Raise your hand if you have the  
16 draft solicitation with you. Okay, good, because  
17 I am going to actually be referencing that during  
18 my discussion here. If you'll pull that out, and  
19 I want to go through that a little bit.

20 First of all, the reason we put the  
21 draft solicitation out there is because we would  
22 like your comments. I know that is very  
23 surprising. We do listen to your comments. They

1 are important to us and they are going to  
2 significantly impact how we structure this  
3 acquisition.

4 One of the main reasons we do this is to  
5 avoid any issues later on. And, we want to get  
6 this right. We want to make awards that are fair  
7 and we want to do it in the best way we can and  
8 with the best savings to the tax payer, and, of  
9 course, getting the best service.

10 So, we're going to ask for your comment  
11 now and once we finalize the solicitations, it's  
12 going to go out there and form a Request For a  
13 Proposal. And, that is not the time to be  
14 complaining about what we put into the  
15 solicitation.

16 If you want to have a comment on the  
17 solicitation, the most economic way of doing it  
18 for us and also for you, is not in a form of a  
19 protest, but is to actually give us your feedback  
20 right now. You have an opportunity to do that  
21 this afternoon.

22 So, as I'm going through, and we work  
23 our way through the draft solicitation, go ahead

1 and provide that comment to us.

2 I kind of wanted to put this overall  
3 presentation in contract into context. There is  
4 two contract vehicles that are going to occur here  
5 that you will be involved in and that we hope you  
6 will be involved in. The first one is the award  
7 of this large contract. It's an IDIQ. Indefinite  
8 Delivery and Indefinite Quantity Contract.

9 That is just a -- the shell for the  
10 contract, it is the base view. So, for those of  
11 you who are in small business or you don't  
12 understand how that's going to work, let me just  
13 make it a little bit simple.

14 We'll award a large contract and there's  
15 no money there. Okay, there is no money on a  
16 large contract. It is basically a vehicle that we  
17 are going to issue task orders against as  
18 requirements arise.

19 What we are talking about today is the  
20 large IDIQ type contracts that are going to be  
21 used to issue task orders against. Once that  
22 contract is awarded, if you are one of the folks  
23 selected for that award, then you will have an

1 opportunity to compete for task orders under that  
2 competition.

3 So, there is really two phases before  
4 you get any money. And, most of you are looking  
5 at me like, "Hey, Toby, I know that. I've been  
6 doing this forever." But, if you are a small  
7 business out there, you may not understand these  
8 principles. I wanted to make it clear.

9 So, the first phase of this process is  
10 to submit a proposal to be an awardee under the  
11 large IDIQ contract. After we make those awards,  
12 and it is going to be multiple awards, I am not  
13 sure how many at this point or how they are going  
14 to be divvied up between large and small, set  
15 asides. We are going to ask you for those  
16 comments later on.

17 Once you make it into that pool of  
18 contractors, as requirements come up, you'll have  
19 an opportunity to compete for those requirements  
20 in the form of a task order. Now, everyone is up  
21 here saying 803, 803. Raise your hand if you know  
22 what 803 competitions are.

23 Okay, a few of you, some of you. That

1 is nothing, but Section 803, it's a law that says,  
2 "When you have a large contract," like the one  
3 we're proposing to award here with multiple  
4 awardees. "When we have a requirement on that  
5 large contract, everybody that's a contractor  
6 under that award gets an opportunity to compete  
7 for that work."

8 So, once you make it into the large  
9 contract pool, every time there is a requirement,  
10 generally speaking, you are going to get to  
11 compete if you're one of those awardees for that  
12 work. And that is what we refer to a 803  
13 competitions and Suzanne was talking about that  
14 earlier.

15 We have streamlined the 803 award  
16 process within our Center within the last six  
17 months, and that includes the amount of  
18 information we are going to be asking from you as  
19 you submit your proposals for those task orders.

20 So, it is a pretty efficient process and  
21 it really works good for us and it works well for  
22 you because we can issue requirements quickly and  
23 the customers, of course, are happy. And then we

1 can satisfy the requirements.

2 Okay, pull out your draft solicitation.  
3 I want to just highlight a couple of areas in here  
4 that are important. And these are the areas that  
5 we are going to be requesting your comment on  
6 later this afternoon.

7 If you'll look on Page 11, at least, it  
8 is Page 11 in mine, it's Section L. Section L is  
9 what we, the Government, would like to see from  
10 you, industry, in your proposals. And, just at  
11 the beginning of this discussion, I would like to  
12 know if we asked you to give us something in a  
13 proposal, that is very important and we would like  
14 to see that information.

15 Because if you submit a proposal and you  
16 haven't gone line by line like we've asked, many  
17 times we have to take your proposal and set it  
18 aside because you've not filled those  
19 requirements, other folks have and it would not be  
20 fair to those folks who have actually followed  
21 what we've asked to provide with your proposal.

22 You put us in a really bad position when  
23 you either overlook, forget, or decide purposely

1 just to not submit information because, "Well,  
2 they've been doing work for me for a long time.  
3 They know this. Of course, I know how to do this.  
4 I've been working with them for ten years." We  
5 have to take every proposal and look at it,  
6 individually.

7 So, today as you look at what we are  
8 proposing to require for the MATOC contract, I  
9 would like you to think through and say, "Hey, is  
10 this information necessary? Is there something  
11 else that I would like to tell them that I think  
12 they ought to require other proposals to submit  
13 that might help us make the determination of who  
14 can win the larger?"

15 So, Section L is the part of this  
16 solicitation that works -- I'm asking you today,  
17 "Hey, are we asking for the right information?" I  
18 don't know if you know. I'm not an expert in this  
19 industry, but you guys are. So, is there work out  
20 there that you are doing under the current  
21 contract, or for folks that aren't under the  
22 current contract, that know that's out there that  
23 we might want to consider when we are thinking

1 about an award? This is the area that we are  
2 looking for your input there.

3 So, that's -- and, particularly that.  
4 Now, that's Section L. Flip to Page 45 of your  
5 packet there. This is the grading part. So, once  
6 you complete a proposal and you submit it to us,  
7 we are required by law to grade you, using the  
8 evaluation factors that we put in Section L. We  
9 do not deviate -- we do not deviate from the  
10 evaluation criteria that's here in this section.  
11 We can't.

12 But, because this is how we are  
13 proposing to grade the proposals, we are looking  
14 for your feedback here, also. Look down through  
15 there and look at some of those factors on Page  
16 44.

17 There is going to be a technical  
18 evaluation, so we're going to look at your  
19 technical approach. We're certainly going to look  
20 at your past performance. Now, Suzanne said  
21 something that I wanted to make, to clarify a  
22 little bit.

23 During the submission for award on the

1 MATOC contract, the large contract, we are going  
2 to be asking for past performance information and  
3 we are going to evaluate it.

4           It is a very detailed requirement, a  
5 list of information we need. We do need you to  
6 submit that. Now, as Suzanne said, during the  
7 award of task orders, once we've awarded the large  
8 contract, we are not going to ask for past  
9 performance. And let me tell you why. If you  
10 just spent five or six days putting together,  
11 getting all these letters, saying the, "I love  
12 you," letters, photographing the certificates on  
13 your wall, sending it to us so we know how  
14 wonderful you are, you're not going to want to do  
15 it for every task order and we're not going to  
16 require you to do that.

17           Once we have your past performance  
18 information, we've got it. We're going to  
19 consider that. We will consider that in the  
20 overall award. So, once we start issuing task  
21 orders off of the large contract, we are only  
22 going to use the past performance that you get  
23 performing task orders underneath the contract.

1 And, that's going to be a significant evaluation  
2 factor when we start awarding task orders.

3 So, there's two types of past  
4 performance we're looking for here. Number one,  
5 the overall past performance issue when you submit  
6 your proposals for the MATOC award and then, of  
7 course, we get into task orders.

8 So, that is one of the evaluation  
9 criteria. The previous experience. Now, there's  
10 a difference between past performance, which is  
11 how you're rated, did you get an A, B, C or D  
12 based on the Contracting Officer or the  
13 evaluators? And the other one is your experience.

14 And experience typically comes in the  
15 way we do stuff here is rather indepth. How much  
16 of this work have you done, and how much of this  
17 work that is similar to the requirement that we  
18 need have you done?

19 And so, that's how we are going to be  
20 looking at those type of -- the experience.  
21 Programs and small business and all that.  
22 Okay, look over there on Page 45. We are  
23 contemplating in about -- we're not sure yet if

1 we're going to do this. We are contemplating  
2 using the sample task order.

3 Has anybody ever submitted proposals  
4 using a sample task order? Okay, good, so there  
5 are a few of you out there, not a few, many of you  
6 who will understand this. Let me just tell you  
7 why we're going to use this.

8 Because we are awarding the overall  
9 MAYTOC contract, not a task order. We don't have  
10 a specific requirement in mind, but we still need  
11 to know how you're going to perform on that  
12 specific requirement.

13 So, we're going to include, we think  
14 we're proposing to include in the solicitation a  
15 requirement that you fill out a sample task order.

16 Now, there's going to be two aspects of  
17 the sample task order. The first is what is your  
18 technical approach. How you're going to install a  
19 cooler/heater control system at a particular  
20 location. What kind of labor do you propose to  
21 use? What kind of material do you propose to use?  
22 What type of system do you propose to use? All  
23 the things that you would do on a normal job.

1                   And the next thing we are going to ask  
2                   for is your cost or price. Now, because this  
3                   isn't a real requirement or something we made up  
4                   as part of the solicitation process, your prices  
5                   are going to be, you're going to be basically  
6                   basing them on manhours, labor hours, or whatever  
7                   your past experience has been.

8                   What we are proposing to do and we would  
9                   like your comment on this, is we would like to  
10                  make much of the pricing in a sample task order  
11                  binding. What I mean by that is, if you propose a  
12                  price for a particular labor category or a  
13                  particular type of system, or a particular amount  
14                  of work in the sample task order on the MATOC  
15                  award, those prices will then be binding on you  
16                  when we start issuing delivery or task orders off  
17                  of that MATOC. Does that make sense to everybody?

18                  So, while it is kind of a hypothetical  
19                  situation that we're asking you for in a sample  
20                  task order, it has a significant impact on the  
21                  life of your cost that you can propose to us when  
22                  we get to the individual task order of work. So,  
23                  that's what we're kind of contemplating right now

1 and that's why we want to use the sample task  
2 order.

3           The other, and put on there, the  
4 Subfactor B. We are also contemplating and we  
5 would like your feedback on this, the use of oral  
6 presentations. The way we are currently thinking  
7 about using oral presentations is to have a part  
8 of the technical evaluation, but they are not  
9 going to -- they are going to be a one time shot.

10           You come in, you give us your concept  
11 and how we structure oral presentation and that's  
12 it. If you walk up to the stage, you trip and you  
13 break your neck, that's it. We're not going to  
14 reopen that for discussions. We are not going to  
15 tell you you did bad in oral presentations. We  
16 are going to look at you one time. It probably  
17 will be an element within the oral presentations  
18 where we give you what I would call a pop quiz.  
19 That's not the legal definition, but I'm going to  
20 call it a pop quiz.

21           We say, "Hey, this boiler has just  
22 exploded and your workers are there. What do you  
23 do?" And, of course, our intent there is to see

1       how you handle the safety aspects of it. Or how  
2       you would contact Management or just how you would  
3       go about doing that.

4               So, within that oral presentation, we're  
5       contemplating the use of something along the lines  
6       of -- most of what's going to be in your oral  
7       presentation, we are going to tell you up front,  
8       "You need to have this, this, this." Please look  
9       down through -- flip back to Section L. It's on  
10      Page 11 under Proposal Format.

11              And if you look at Page 13, "Oral  
12      Presentations." This is what we are thinking  
13      about asking for during oral presentation. But,  
14      again, I would love to hear your comment about  
15      what you think should be included in the oral  
16      presentation or for the main topic.

17              Because, you know the best, and we would  
18      definitely be curious to see what you have. So,  
19      look at that, you know, circle Page 13 on Oral  
20      Presentations. And if you have any thoughts about  
21      what we might want to look for and that type of  
22      thing.

23              If you are a small business, you might

1 want to emphasize something that a large business  
2 would not. If you're a large business, you may  
3 want to emphasize something.

4 So, those are all the things that we'd  
5 like to have you discuss with us during the  
6 session. This afternoon would be a great time,  
7 I'll be here taking notes furiously and we also  
8 are having this recorded so we'll be able to go  
9 back and do that.

10 Okay, so those are two areas that we are  
11 going to be looking for. Evaluation Criteria is  
12 the next slide, is it too restrictive? Are we not  
13 looking at the right things? Is this going to  
14 restrict competition in a way that we just don't  
15 know or see, because we don't understand the  
16 industry maybe as well as we should.

17 Because you've got to remember, who's  
18 writing these proposals? We're getting help from  
19 Chuck for the technical, but then knuckle-head  
20 lawyers like myself, we get to say what goes into  
21 that. So, I use what you guys say, it's very  
22 important to us.

23 Okay, too restrictive and will

1 accurately evaluate your expertise. Talk about  
2 the sample task order, oral presentations.  
3 Suzanne briefly touched on the concept of  
4 advertising this contract, the MAYTOC Contract, as  
5 a commercial services.

6           Currently, I think it's just a services  
7 contract and you may be saying, "Toby, why do I  
8 care? I don't care what you advertise it as," but  
9 it is important. If we advertise this contract as  
10 commercial services, it is going to have an impact  
11 on how we evaluate and make awards because under  
12 the FAR Part 12, which is commercial services.  
13 And that's a streamlined approach to make an  
14 award.

15           We're going to require less information  
16 because, after all, it's commercial service.  
17 We've required much less pricing information from  
18 you to us, because we will assume, because it's  
19 commercial services, the prices are set out there  
20 competitively in the market world. And it's also  
21 going to require less information overall in the  
22 sample task order or maybe in your oral  
23 presentations.

1                   So, we're asking you the work that you  
2                   see in the Section C, the scope of work, the  
3                   performance works statement, because this is going  
4                   to be a performance based contract.

5                   Is that something that you, the  
6                   industry, consider to be a commercial service? Is  
7                   it something that General Electric is going to  
8                   call when he comes in and says, "Hey, put this in  
9                   for him." Or are you asking each other out there  
10                  in industry to do it, because we are thinking here  
11                  at the Center, this is a commercial service. But,  
12                  again, we are asking, we are soliciting your  
13                  comments on whether or not you think this is a  
14                  commercial service.

15                  Service versus construction. The  
16                  contract as it stands now is a services contract,  
17                  which means the service contract at wages apply.  
18                  But there are some construction elements to the  
19                  work that you do. And, so this is very important  
20                  to us and it is very important to you.

21                  Let's say we issued this as a service  
22                  contract act, we say it's a service, you go out  
23                  there. You're paying service contract wages to

1 your employees. Someone falls and breaks their  
2 neck or whatever and the Department of Labor comes  
3 in and says, "Hey, stand by. Hold on a second."  
4 This is construction work, you should have been  
5 paying Davis-Bacon Act, for those of you out there  
6 who have experienced this before.

7 That's not a good thing. So, we are  
8 trying to make the determination about what type  
9 of contract this should be. Should this be a  
10 service contract, with construction, should this  
11 be a construction type, should it be -- we don't  
12 think it should be, but we're asking you.

13 One of the ways that we have thought to  
14 make this determination is to ask you what type of  
15 wages are you paying workers to do this type of  
16 work? Just by a show of hand, how many of you are  
17 paying service act wages to perform -- when you  
18 perform this type of work? I see one hand.

19 Okay, how many of you are paying Davis-  
20 Bacon? Okay, bull. Yes, this is the issue that  
21 we're having. So, if you go to the sheet that  
22 Virginia was talking about. It's the actual  
23 comments sheet, it's on the web, did everyone pick

1 this up? Did anybody get this? This is out  
2 there.

3 Let me just, on Question 3, it says, "In  
4 your opinion, is UMCS a commercial item contract?"  
5 So, we are asking for your feedback, and this is  
6 one way you can get this back to us.

7 Question 4, it says, "Do you use wage  
8 rates that complies with a service contract act or  
9 a Davis-Bacon Act?" So, we are asking you to help  
10 us make this determination. And, this is not only  
11 important to us, but this is also important to  
12 you. So, please help us make that determination  
13 by giving us feedback.

14 How many -- raise your hands if you  
15 don't know what kind of wages you pay your  
16 workers? Okay, nobody wants to raise their hand.  
17 I understand.

18 Suzanne also mentioned that we are not  
19 expecting, but that we are thankful for when you  
20 are out there on the job, you're drumming up  
21 business for the contract. Now, when she says,  
22 "There's the lawyer," you know, I just kind of bow  
23 my head and look the other way, and I'm not

1 listening, I'm not listening.

2 MS. WEAR: I didn't say when they were  
3 on the job, I said, when they find requirements,  
4 bring them to us.

5 MR. HARRYMAN: Yes, but I do agree  
6 with -- I do want to add a note to that. If you  
7 are on the job and you're doing a good job, the  
8 customer's probably going to say, "Hey, can you do  
9 this or do that?" I know many of you have  
10 experienced this in the field. When you get a  
11 task order that is worth "X", suddenly it grows  
12 into, "Y".

13 Well, we are restricted by the amount of  
14 X's turning into Y's that we can approve here at  
15 the Center. And that is something that we look at  
16 carefully, and it's my last comment down there,  
17 "If it's in the scope of the contract, we will try  
18 to make the determination of whether we need to go  
19 out and recompetete that work." If it is in the  
20 scope, we try to make it part of that task order.

21 But when the scope starts growing by  
22 five, six million dollars, we need to probably  
23 think about going out and recompeteting that work

1       against somebody else.

2                   So, if you are out there on the job,  
3       yes, we do think that additional work is going to  
4       come up, but that is something you need to discuss  
5       carefully with Suzanne as that work comes up.

6                   Okay, this has been a theme that you  
7       have seen over and over again. Please do not be  
8       afraid to ask questions. I'll be hanging around.  
9       I have helped put this solicitation together. I  
10      spent a lot of time on it the last couple of  
11      weeks. So, if you have questions, Suzanne's here,  
12      this is the time we'd love to hear them.

13                   If you don't ask, we don't know, we  
14      don't know if you are confused. So, over lunch, I  
15      think there is an hour and a half for lunch,  
16      please take some time. If you read nothing else  
17      today, read that Section L or read that Section M.  
18      So, when we come back this afternoon, we can have  
19      a meaningful exchange between us about what you  
20      think about our Section L and Section M. Those  
21      are the areas that I have highlighted to you  
22      already.

23                   If you ask a question and there's

1 competitors in the room, it doesn't mean that you  
2 don't know what you are doing and you're not going  
3 to win a contract. You won't be giving away  
4 secrets. But, it will help us bring a  
5 solicitation to you that is going to be worthwhile  
6 and meaningful.

7 Okay, we are proposing CLIN structures,  
8 contract-wide. CLIN structures are basically  
9 Section B of the contract where we ask you to give  
10 us a particular price for a particular good or  
11 service and then we hold you to that price during  
12 the course of the contract or task orders. And,  
13 we're going to do a firm fixed price and we're  
14 also going to have some cost reimbursement. I  
15 think the order was -- was it T&M, Suzanne?

16 MS. WEAR: Yes.

17 MR. HARRYMAN: Okay. So, for those of  
18 you who had old contracts. This cost  
19 reimbursement is not T&M. T&M is Time & Material.  
20 And, we are not doing that. The main difference  
21 between Time & Material contracts and T&M, which  
22 is the way it was before is the audit that we're  
23 going to require of your systems.

1                   So, if you compete on the last one and  
2                   you thought you had all the cost requirements  
3                   down, you need to go back and check the FAR for  
4                   the requirements that we're going to require on  
5                   cost and look at our solicitation because it's  
6                   going to be different than the previous contract  
7                   where we used Time & Material. We are not going  
8                   to use Time & Material.

9                   So, please take that seriously and that  
10                  is one of those elements of a proposal. When we  
11                  ask you for that information, especially, when it  
12                  comes to price, that's a no joke request for  
13                  information. We've got to have it. So, carefully  
14                  consider that.

15                 Okay, firm fixed price. What I mean by  
16                 firm fixed price is when a price is proposed and  
17                 we accept it, that is the price. And when we  
18                 advertise a commercial services contract, and we  
19                 issue task orders for commercial services, we're  
20                 very serious about firm fixed price. Because, as  
21                 I put here, this is not a new industry. It's a  
22                 blooming industry, this is definitely a growth  
23                 business. But, we've got a history of cost now

1 within the Center and in the Center of Expertise.  
2 And we know what techniques work and we know what  
3 techniques don't work.

4           So, if you propose a technique and we  
5 approve it, and you give us a cost for that  
6 technique, our smart technical folks are going to  
7 look at it and say, "Yeah, this price is  
8 realistic. It's not unbalanced, as Suzanne  
9 mentioned and they're good to go." And, that's  
10 the price that we're going to expect.

11           What is unfortunate is when we have to  
12 negotiate changes based on things that we didn't  
13 anticipate and we do do that on occasion, more  
14 than we'd like to, but because of the structure of  
15 this contract and this is by design, we are really  
16 going to be serious about the price that you  
17 propose.

18           Now, we run a risk there, I'll be honest  
19 with you. We run a risk at the Center of holding  
20 your feet to the firm fixed prices because we  
21 would expect and that places the risk on you, the  
22 industry, that prices could be a little bit higher  
23 because you're bidding in at the risk assumed with

1 a firm fixed price.

2 But, firm fixed prices give our  
3 customers certainty, they give budget certainty  
4 and they are very good. Now, there's going to be  
5 some cost reimbursement. Elements like travel, I  
6 think is going to be cost reimbursement. And  
7 there's just going to be some work that we can't  
8 do.

9 So, I just wanted to be very up front  
10 with you. Now, if you think, if you're sitting  
11 out there and you're thinking this -- we can't do  
12 this, commercial services. We can't do this  
13 services, we can't do this firm fixed price. The  
14 only way this is going to work and be efficient to  
15 you and the government is to have T&M or whatever  
16 it is going to be, tell us that now. I would like  
17 to hear that. We would like to consider this.

18 Because, remember, we put this contract  
19 together based on our experience, but you know,  
20 we're not perfect. So, if what I am saying to you  
21 today is shocking or upsetting or if you don't  
22 agree with what I'm saying, come on up and talk to  
23 me. Talk to the contracting folks and we will

1 definitely consider your comments. So, if you  
2 think this isn't going to work, now is the time.

3 Okay, performance based contract. Oh,  
4 yeah, this is very popular and all, very in.  
5 Everything is performance based. So, this is a  
6 performance based contract.

7 Now, I just want to generally speak  
8 about what we are talking about, performance  
9 based. First of all, in a performance based  
10 contract, we are not going to tell you how to do  
11 the work. We're going to tell you what we want  
12 the outcome to be, what we want to achieve. And  
13 you're going to tell us in your proposals, how you  
14 propose to do that work and if it will work.

15 So, we are very interested in your  
16 technical approach on both aspects. In the MATOC  
17 award, that's the one that we're talking about now  
18 and then, of course, on the individual task  
19 orders.

20 If you are awarded a contract, we look  
21 at your technical approach, we look at your cost,  
22 and we mesh those two together, along with your  
23 past performance. And we determine that that is

1 the best value to the Government.

2 So, there's going to be some leeway out  
3 there for you to give us best government or best  
4 industry practice. This is supposed to stimulate  
5 the best industry practice. Now, I know there is  
6 some debate out there about performance based  
7 contracts. But what we are trying to do is to  
8 stimulate best industry practice, which will drive  
9 cost savings and we're doing all that under a  
10 fixed price, cost reimbursement task orders.

11 So, if those aren't meshing in your head  
12 like they are in ours, let us know. But, that's  
13 the conflict we're operating under.

14 Okay. So, if you give us a technical  
15 proposal and let me give you an example. And you  
16 say, "I think this job is going to require the use  
17 of an electrician for twenty hours and a plumber  
18 for twenty hours." And you say, "I'm going to pay  
19 my electrician \$12.00 an hour and I'm going to pay  
20 my plumber X number of dollars an hour."

21 Your technical proposal is not going  
22 to -- your price may say one thing, your technical  
23 may look great, but your price is going to say

1 this and we're going to say, "That's not  
2 realistic. They can't perform at those wage  
3 rates."

4 So, even though it is performance based  
5 and you may have a high school graduate, he's the  
6 best plumber in the world, he's not like, got his  
7 masters degree in plumbing. That's going to  
8 impact the way we evaluate your proposal.

9 Performance based means, yeah, you can  
10 get the right one to, but we're still going to  
11 abide with, whether we're going to get quality out  
12 of your service. So, you're still required to  
13 give us quality products and services, but we are  
14 not going to be out there and this is my last on  
15 this.

16 We are going to expect a contractor in  
17 performance based contracting to be responsible  
18 for doing their own quality assurance, quality  
19 control. And, then we're going to spot check the  
20 quality.

21 Now, did you get the QUASP. There's a  
22 QUASP that's out there on the web site, and I  
23 printed a copy of it. What I'd like you to do,

1 let me find my QUASP here. Oh, it's in Attachment  
2 A. So, just jot that down in your notes, please.  
3 As you go back on to your hotels or whatever,  
4 Attachment A is a QUASP.

5 We are looking for your feedback on how  
6 we are going to assess your Quality Control  
7 Program. The QUASP is out there, we've given it  
8 to you, it is not a secret. This is how you are  
9 going to be graded. When you get into the Task  
10 Order Performance, if you think there are better  
11 ways for us to grade your performance in a  
12 performance based environment, let us know.

13 We run COR classes here in our Center.  
14 We have some good folks out there. We will  
15 consider any feedback and say, "Hey, I think I  
16 ought to be graded looking at this. This is a  
17 better way to determine whether I've given you  
18 what you asked for or not." So, go ahead and flip  
19 open that QUASP and give us some comments on that.  
20 Okay, and why we are fixing price.

21 All right, so we're here to work with  
22 you and you can see this last comment. We're  
23 trying to make this as efficient as we can. And

1 I'm just -- I want to make sure I've covered  
2 everything I wanted to cover. Okay, I've covered  
3 everything that I needed.

4 Are there any questions, thoughts,  
5 comments from those of you out there? You're very  
6 quiet this morning.

7 MS. WEAR: We asked them to hold their  
8 comments.

9 MR. HARRYMAN: Okay, that's right. Oh,  
10 that's right, you can't ask questions and comments  
11 at this point. But we will be here this afternoon  
12 and if you do want to talk to us later on, please  
13 do. Thanks a lot.

14 MR. HEARD: Good morning, I'm Gary  
15 Heard, I'm the Small Business Administrations  
16 Procurement Center Representative. I monitor the  
17 Small Business Programs for both the Corps of  
18 Engineers and the Army's Aviation & Missile  
19 Command.

20 And, mainly I'm going to talk about some  
21 small business issues associated with this  
22 acquisition. The primary NAICS code that was  
23 advertised for the Sources Synopsis was 334512.

1 The size standard for that NAICS code is 500  
2 employees to be considered a small business.

3 Every decision is made in this  
4 procurement to set aside certain parts of it for  
5 small business and participation is listed in the  
6 limitation of the subcontracting clause will be  
7 when the contractor will apply. In that case, the  
8 prime contractor will have to perform fifty  
9 percent of the work to be considered responsive in  
10 executing that contract.

11 So, I want to talk about some teaming  
12 considerations that could help you meet that fifty  
13 percent of the work if we decide to set aside a  
14 portion of it for small business.

15 First of all, the FAR recognizes a  
16 couple of things associated with teaming. The FAR  
17 9.601, "Contractor team arrangement," as used in  
18 this subpart means 2 or more companies that form a  
19 partnership or a joint venture to act as a  
20 potential prime contractor.

21 Or, if you have a prime contractor that  
22 has a prime sub relationship where you have the  
23 prime contractor, he has several subs,

1 subcontractors acting under him. So, those are  
2 the two basic definitions and differences as far  
3 as teaming or joint venture versus a prime sub  
4 relationship.

5           What are the benefits of performing as a  
6 teaming or joint venture relationship. The  
7 general benefit for all concerns, both large and  
8 small: The joint venture or team is able to  
9 compete for larger more technically complex  
10 contracts by combining the capabilities and past  
11 performance to the various team members. If you  
12 form a joint venture or a team, you get the --  
13 when you submit your proposal, you get to present  
14 it as a team, so you have the experience of the  
15 entire team working together.

16           What kind of "Contractor Associations"  
17 does SBA Regulations recognize? SBA recognizes a  
18 formal joint venture where you form a separate  
19 legal entity, for example, a limited liability  
20 corporation. This would be a legal entity, you go  
21 to a lawyer and discuss what the joint venture is  
22 bringing.

23           Or you can have an informal joint

1 venture which no separate legal entity will be  
2 created. If you have an informal joint venture.

3 Now, what are the benefits to forming a  
4 joint venture or a teaming arrangement? For  
5 larger procurements, I'm going to talk about a  
6 special situation with the next slide, with larger  
7 procurements.

8 Essentially, there is an exception from  
9 the affiliation for size purposes. You can form a  
10 joint venture, there are some exceptions to the  
11 affiliation rule that I will discuss in detail.

12 Performance of the work requirements,  
13 the limitations on subcontracting will apply to  
14 the cooperative venture of the joint venture. So,  
15 if you form a legal joint venture, it is the joint  
16 venture that must meet the 50 percent of the work  
17 in the contract, not the individual contractor,  
18 themselves. So, that's the benefit of forming a  
19 joint venture.

20 Now, there's an exception to the normal  
21 rules of affiliation. If you have a bundled  
22 procurement or a procurement, in this case, we  
23 have a dollar value, an employee based size

1 standard for the contract.

2 For a procurement that has an employee  
3 based size standard and if the value of this  
4 procurement exceeds ten million dollars, which is  
5 the case for this particular requirement. And,  
6 for those procurements, a joint venture can be  
7 considered small as long as each member of the  
8 joint venture is small under the NAISC code  
9 assigned to that contract.

10 So, under normal circumstances, if you  
11 form a joint venture, then you look at the  
12 conglomerate of the two entities and you look at  
13 their combined employees, they would have to be  
14 considered small to combine total of all the  
15 employees.

16 But, if you have got a large procurement  
17 like this is, over two million dollars, then for  
18 the joint venture to be considered small, then  
19 even if it is a small business, if each entity of  
20 the joint venture is a small business on its own.

21 So, that's the major difference between  
22 a general procurement and one of this magnitude.  
23 And, again, the performance of work requirements

1 apply to the cooperative efforts of the joint  
2 venture, themselves, so the joint venture has to  
3 meet the 51 percent rule.

4 Now, there's been some confusion having  
5 to do with small business teaming. The term,  
6 "teaming arrangement," was first used in the Small  
7 Business Regulations in June 30th, 1998, and that  
8 CFR is referenced where it read, "A joint venture  
9 or a teaming arrangement of two or more business  
10 concerns may submit an offer as small business for  
11 a non-8(a) Federal procurement without regard to  
12 affiliation..." for certain large procurements.  
13 That was the original statement in 1998.

14 In 1999, this provision was added to the  
15 CFR at 125.6, so which the prime contractor  
16 performance requirements that says, "Where an  
17 offeror is exempt affiliation under that section  
18 of this chapter and qualified as a small business  
19 concerning performance of work requirements set  
20 forth in this section apply to the cooperative  
21 efforts of the team or joint venture, not as an  
22 individual member." So, that was published in the  
23 regs in 1999.

1                   Now, a definition of a, "team," or a,  
2                   "teaming arrangement," was not provided in the SB  
3                   regs, even though they make the reference to a  
4                   teaming arrangement, nobody put in a definition of  
5                   what a teaming arrangement is.

6                   So, in November of 2002, SBA proposed  
7                   adding a definition of what is a teaming  
8                   arrangement. However, when they issued a final  
9                   ruling May 2004, they provided no definition for a  
10                  teaming arrangement.

11                  In fact, the terms, "teaming  
12                  arrangement," and, "team," were removed from all  
13                  records from the CFR. So, the CFR, the current  
14                  regs only mentioned joint venture, they don't  
15                  mention a definition for team or teaming  
16                  arrangement anymore.

17                  And the CFR 121.103 was revised to read  
18                  that, "A joint venture may or may not be in the  
19                  form of a separate legal entity. This preamble  
20                  referred to those, "formal," and, "informal,"  
21                  joint ventures that I discussed earlier.

22                  Well, FAR Part 9 uses the general term,  
23                  "contractor team arrangement," to include: Joint

1 venture to act with a prime contractor or prime/  
2 subcontractor teams. So, the FAR, itself  
3 recognizes that a teaming arrangement is both a  
4 legal joint venture and just a prime subcontractor  
5 relationship.

6 So, the 13 CFR now uses the general  
7 term, "joint venture," to include: A joint  
8 venture where a separate legal entity is formed  
9 and the joint venture, (the new entity acts as  
10 prime (contractor) or a joint venture where a  
11 separate legal entity is not formed, is just  
12 considered a prime/subcontractor relationship.

13 So, now, the CFR only recognizes the  
14 legal, the formal legal entity as a joint venture.  
15 If you don't form a legal entity, then it's just a  
16 prime/subcontractor relationship, not a joint  
17 venture.

18 How does the SBA currently define a  
19 joint venture? Well, the CFR reads, "A joint  
20 venture is an association of individuals and/or  
21 concerns with interests in any degree or  
22 proportion by way of contract, express or implied,  
23 consorting to engage in and carry out no more than

1 three specific or limited-purpose business  
2 ventures for a joint profit over a two year  
3 period."

4 So, if you form a legal joint venture,  
5 under SBA regs, you cannot perform over three --  
6 you can't propose more than three specific  
7 contracts in a three year period using that same  
8 legal joint venture.

9 So, it is not going to continue on a  
10 permanent basis. So, you're limited to only three  
11 contracts to propose on over a two year period of  
12 performance a joint venture. And it just repeats  
13 what I said up at the top.

14 "A joint venture may or may not be the  
15 form of a separate legal entity. The joint  
16 venture is viewed as a business entity in  
17 determining power to control its Management. SBA  
18 may also determine the relationship between a  
19 prime contractor and its subcontractor is a joint  
20 venture, and that affiliation between the two  
21 exists."

22 So, SBA may look at a prime  
23 subcontractor as a joint venture and determine if

1 the two are affiliated, that would be for size  
2 purposes.

3 Okay. How did the New SBA Definition  
4 of joint venture affect teaming as a small  
5 business tool?

6 Well, an Air Force memo came in around  
7 August of 2004, that stated, "The CFR refers to  
8 joint ventures but also states that the term,  
9 "joint venture," is not limited to legally formed  
10 joint venture entities but also refers to  
11 informally formed joint ventures."

12 The Air Force interpreted this to  
13 include what is commonly referred to as, "team,"  
14 which is most frequently manifested in teams  
15 formed by a lead prime contractor with one or more  
16 first tier subs.

17 Therefore, the Air Force concluded that  
18 small business teams were eligible for the  
19 exception to affiliation and for cooperative  
20 fulfillment of the performance of work  
21 requirements. The SBA did not officially agree or  
22 disagree with the Air Force's interpretation of  
23 the regs. As a result, most other federal buying

1 agencies just adopted the Air Force guidance  
2 concerning the small business and prime/sub teams.

3 Most recently, the SBA Office of General  
4 Counsel has issued a legal analysis of small  
5 business regulations related to joint ventures in  
6 response to a GAO bid protest they received.

7 And based on SBA's response to GAO, the  
8 Air Force has rescinded its policy memo that was  
9 issued in '04. So, here's what an SBA's legal  
10 analysis has to say.

11 "The legal analysis makes a point that  
12 in the final rule stated May 21st, 2004, the SBA  
13 did not define the term, "teaming arrangement,"  
14 but in fact deleted that term and the term,  
15 "team," from the regulations and redefined the  
16 Small Business Associations, consorting to carry  
17 out business ventures for joint profits only in  
18 terms of joint ventures.

19 So, SBA had removed the word team or  
20 teaming arrangements from its regs completely,  
21 only refers to joint venture in its regulations.

22 So, when a prime receives an award as a  
23 result of a solicitation set-aside for small

1 business concerns, the small business prime  
2 contractor, in general, must meet the performance  
3 of work requirements (subcontracting limitations)  
4 itself and not use subcontractors to meet this  
5 requirement.

6 The one exception is that SBA's  
7 regulations allow the cooperative efforts of a  
8 joint venture to meet performance of work  
9 requirements on larger procurements where certain  
10 requirements are met. And that's mainly the fact  
11 that this requirement on a large procurement, over  
12 ten million dollars.

13 The joint venture can be considered as a  
14 small business as long as each of the separate  
15 entities of the joint venture are qualified as a  
16 small business. If it's not a large procurement,  
17 then you would look at the combined conglomerate  
18 of all parties in determining the firm's size.

19 So, they made the language to that  
20 effect. And, they only define a legal joint  
21 venture that SBA interprets in a form of a joint  
22 venture is just a sub relationship.

23 Now, if you don't want a legal joint

1 venture, then it's just a prime contractor with a  
2 subcontractor.

3 If you want to read more about the CFRs,  
4 there's the web site with the CFR. The CFR is  
5 down at the bottom, size, 8-A and SDB regulations,  
6 Government contracting programs and the Hubzone  
7 program, those are where you can generally find  
8 those in the CFR.

9 And, there's my contact information, my  
10 telephone number and e-mail, fax, where you can  
11 contact my office. I'm out on the Arsenal in the  
12 Sparkman Center if you want to contact me with any  
13 particular questions.

14 I will be here this afternoon to answer  
15 any questions that you have related to small  
16 business issues. This is all I have.

17 MS. MABEE: Okay, this takes care of all  
18 of our briefings that we had set for you. So,  
19 what we are going to do now is go ahead and break  
20 for lunch. It's about 11:15 now, so we will break  
21 for lunch until 1:00. So, what we will do is have  
22 our panel discussions at one o'clock.

23 If you have any questions, put them on

1 your 3 by 5 cards. Please put them in the boxes  
2 on the back table. And we will also be able to  
3 entertain your live questions from the audience as  
4 well.

5 We will see you this afternoon.

6

7 (Lunch recess.)