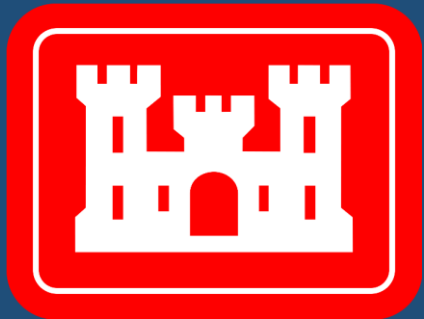


U.S. MILITARY SPENDING IN EUROPE

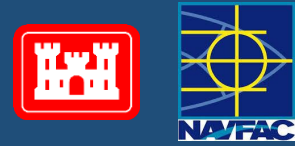
The Challenges of Doing Business with
the U.S. Department of Defense



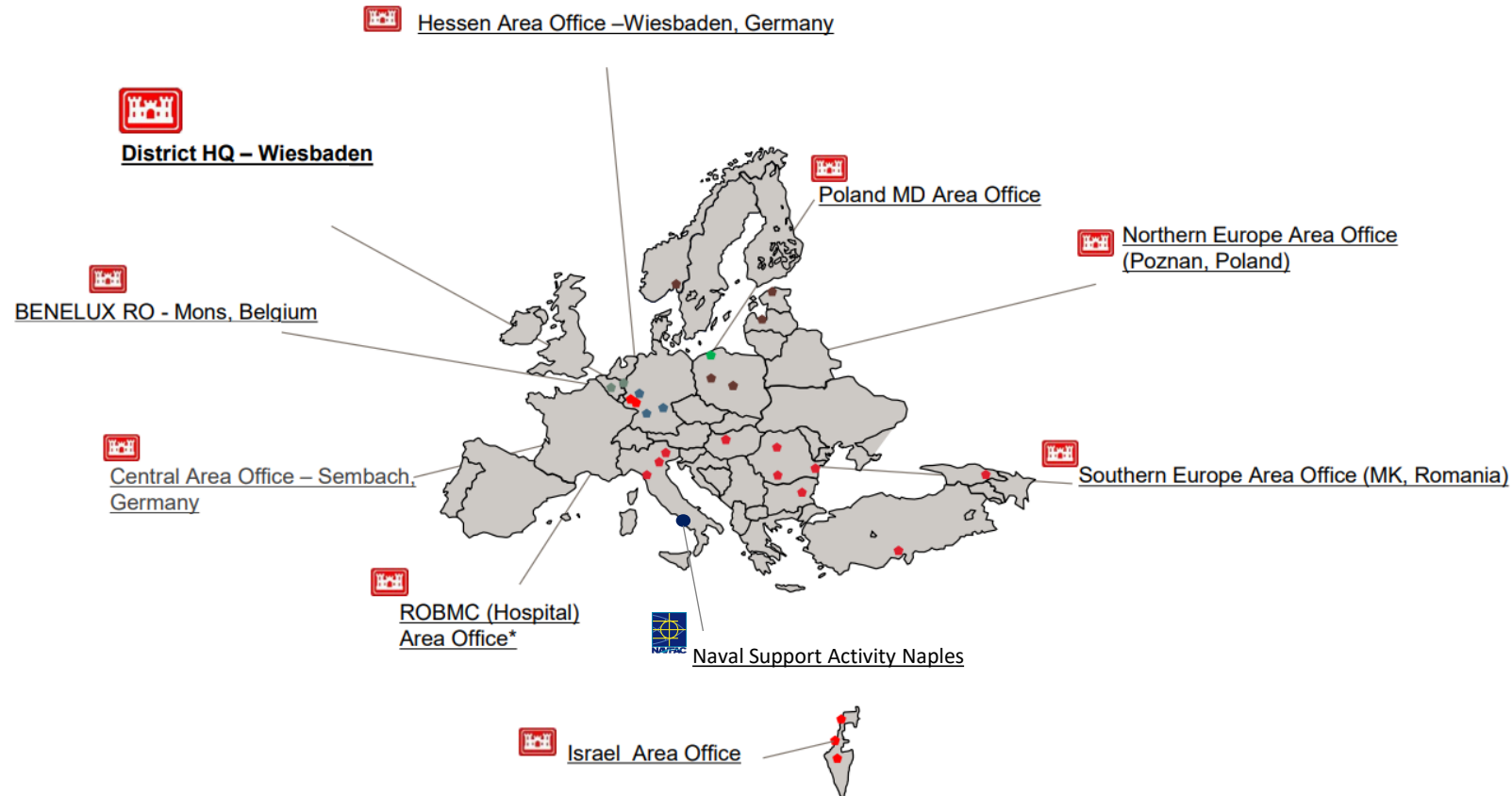
Stephen B. Christensen
ASRC / AIS / Brad Cole Construction



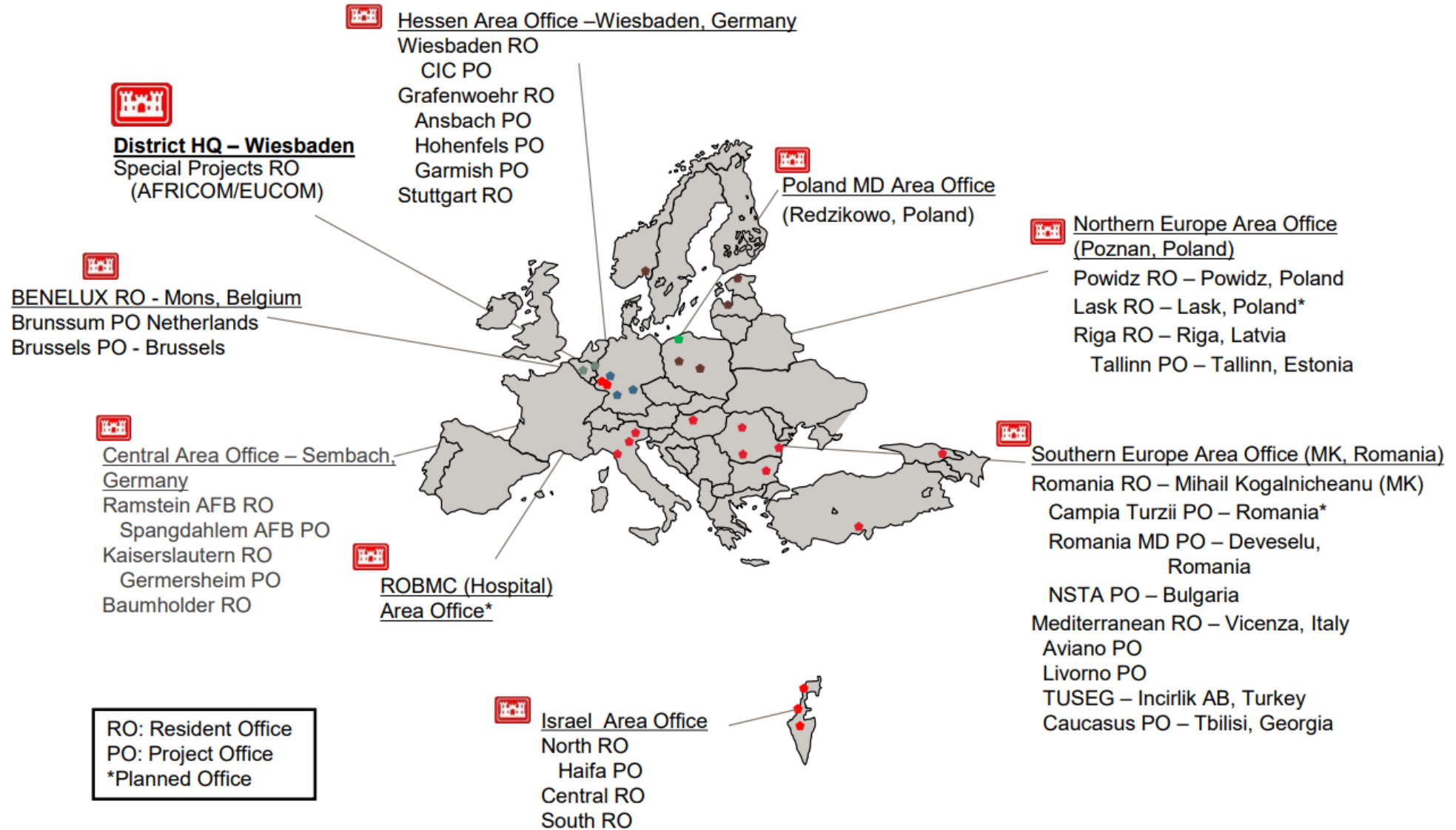
DoD Contracting Agencies



- Primary U.S. Department of Defense (DoD) contracting agencies:
 - United States Army Corps of Engineers (USACE)
 - Naval Facilities Engineering Command (NAVFAC)



U.S. ARMY CORPS OF ENGINEERS



U.S. ARMY CORPS OF ENGINEERS – LOCATIONS



- USACE – Europe District
 - Germany, Belgium, Poland, Romania, Israel
- USACE – Europe District Headquarters; Wiesbaden, Germany
 - USACE Europe District, CMR 410, Box 1, APO, AE 09049
 - Local Phone: 0611 9744 2705 / Long Distance Phone: +49 611 9744 2705
 - Europe-district-public-affairs@usace.army.mil

U.S. ARMY CORPS OF ENGINEERS – BUDGETS



USACE Europe Proposed Budgets for 2022 to 2024:

2022 - \$369,000,000	Note 1
2023 - >\$400,000,000	Note 1 & 2
2024 - >\$400,000,000	Note 1 & 2

Note 1: Does not include projects with a value of less than \$1,000,000.

Note 2: Funding levels will be increased on a yearly basis.

NAVAL FACILITIES ENGINEERING COMMAND



- NAVFAC Atlantic → NAVFAC Europe Africa Central
- Naval Support Activity Naples
 - Naval Support Activity Naples, PSC 817 Box 1, FPO AE, Naples, Italy 09622-0001
 - 331 647 1634
 - Nsa.naples.omb@gmail.com
- Primary NAVFAC Facilities
 - NAS Moron & NSA Rota, Spain
 - NAS Aviano, NSA Naples & Vicenza, Italy
 - NAS Sigonella, Sicilia
 - Souda Bay, Greece
 - NAS Iceland
 - Romania



NAVAL FACILITIES ENGINEERING COMMAND – BUDGETS



NAVFAC Atlantic Proposed Budgets for 2022 to 2024:

2022 - \$390,000,000	Note 1
2023 - \$127,500,000	Note 1 & 2
2024 - \$118,500,000	Note 1 & 2

Note 1: Does not include projects with a value of less than \$1,000,000.

Note 2: Funding levels will be increased on a yearly basis.

DOING BUSINESS WITH THE DOD



- Systems and Registrations
- Rules and Regulations
- Proposal Processes and Award

DOD REQUIRED REGISTRATIONS



- System for Award Management (SAM); www.sam.gov
 - Required registration for all U.S. Department of Defense Contracts
 - Register and maintain annually
- Registration completed through www.sam.gov
 - Replaces Dun & Bradstreet Number (DUNS)
- CAGE: Commercial and Government Entity Code
 - <http://cage.dla.mil>
- NCAGE: NATO Commercial and Government Entity Code
 - <https://www.nato.int/structur/ac/135/welcome.htm>



- FAR: Federal Acquisition Regulations
 - Principal set of rules regarding Government procurement in the United States, and is codified at Chapter 1 of Title 48 of the Code of Federal Regulations, 48 CFR 1. It covers many of the contracts issued by the U.S. military and NASA, as well as U.S. civilian federal agencies. If the FAR requires that a clause be included in a government contract, but that clause is omitted, case law may provide that the missing clause is deemed to be included.
 - www.acquisition.gov/browse/index/far
- DFARS: Defense Federal Acquisition Regulations Supplement
 - Amendment to a set of rules that the Department of Defense and similar agencies of the U.S. government use to oversee the purchasing of goods and services, including technology.
 - www.acquisition.gov/dfars



SOURCE SELECTION & ACQUISITION PROCEDURES



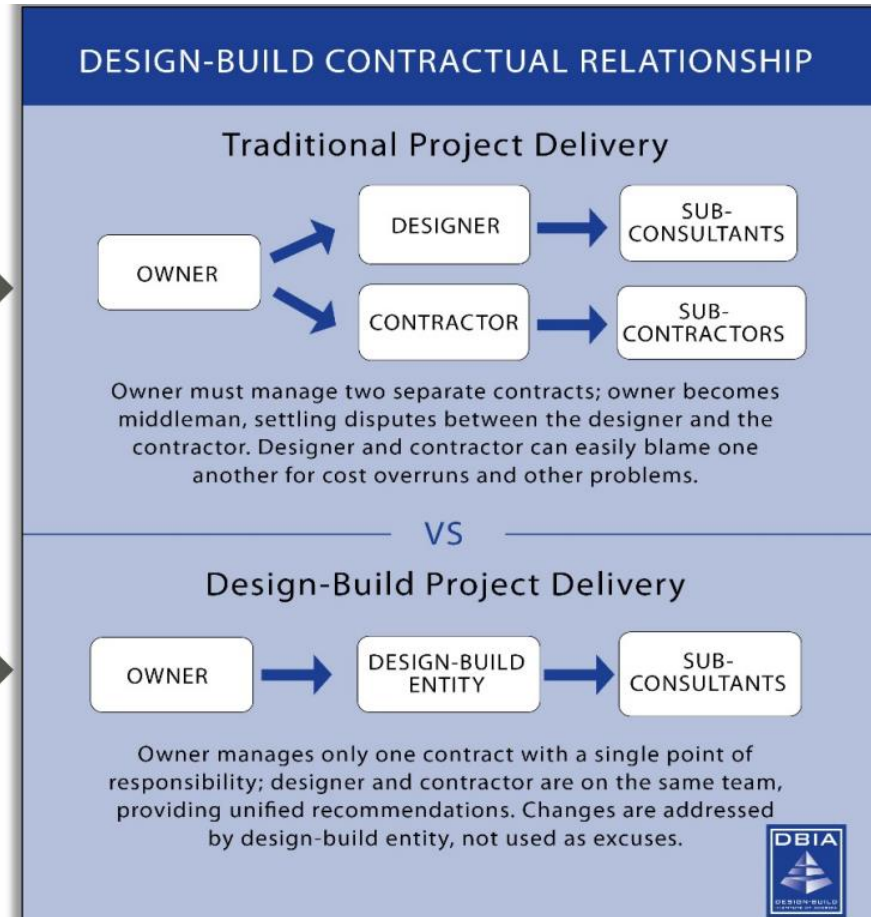
- Source Selection Types & Procedures
 - Firm-Fixed-Price (low bid award)
 - Government awards to the lowest price contractor when technical data is not required
 - Lowest Price Technically Acceptable (LPTA)
 - Technically acceptable proposal with the lowest evaluated price
 - Trade-Off Process
 - When the government wants to consider award to other than the lowest price, or other than the highest technically rated offeror
 - Sole Source Award (limited to registered 8(a) contractors)
 - Approved for contracts up to \$100M with written justification
 - Primarily used for Alaska Native Corporations (ANC)

- Project Delivery Methods
 - Design-Build
 - Plans and specifications prepared by Agency/Owner
 - Design-Bid-Build
 - Plans and specifications prepared by Contractor's Designer

PROJECT DELIVERY METHODS



- Project Delivery Methods
 - Design-Build
 - Plans and specifications prepared by Agency/Owner
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DOD SOURCE SELECTION PROCESS



- Develop Requirement & Conduct Market Research
- Develop Acquisition Strategy
- Solicitation Released via www.sam.gov
- Contractors Submit Proposals
- Award based on Initial Offers
- Establish Competitive Range
- Conduct Discussions with Contractors (if applicable)
- Request & Receive Final Proposal Revisions
- Evaluate Final Proposals
- Make Source Selection Decision
- Contract Award
- Contractor Debriefings

CONTRACTOR PROPOSAL PREPARATIONS



- Understanding the Solicitations
 - Request for Proposal is a lengthy document that reads like legal text with very specific requirements. Each document must be thoroughly read and understood as all RFPs are different.
 - Offeror may be disqualified for submitting proposal that does not meet **all** of the requirements
- Preparing Contractor's Proposal
 - Follow required document organization and formatting (volumes, tabs, page limits, font)
 - Follow instructions **exactly** as specified
- Exchanges with the Offerors & Debriefings
 - At government discretion
 - Never assume you will have a change for discussion; provide your best proposal the first time

U.S. PROCUREMENT & OVERSEAS CONTRACTING



- U.S. Government Requirements for Overseas Contracting
 - Bonding / Letters of Credit
 - Insurance Requirements
 - Import Tax / Value Added Tax (VAT)
 - English speaking Representative (required in all foreign contracts)
 - Special security requirements (base access, facility clearances)
 - Teaming Agreements (Joint Ventures, Key Subcontractors, Affiliates)
 - U.S. Contracting Officer Authority

- Contracts are awarded and executed under United States Procurement laws and regulations
 - Contract shall be construed and interpreted in accordance with the substantive laws of the United States of America (DFARS 252.233-7001)
 - Contractor expressly agrees to waive any rights to invoke the jurisdiction of local national courts (DFARS 252.233-7001)

- Contract disputes are ruled by the Contract Disputes Act (41 United States Code, Chapt. 71), which is implemented under FAR Subpart 33.2, Disputes and Appeals

PRIME CONTRACTOR REQUIREMENTS



- Contracts are **only** between the Prime Contractor and U.S. Governments
 - Government will not work directly with your subcontractors
- Prime Contractor is responsible for actively managing the project and ensuring work meets contract requirements
 - U.S. Government holds Prime Contractor responsible for contract execution
- “Compliance with Host Country Rules and Customs” – provision stating the Prime Contractor is responsible for manning and staffing the project
- Prime Contractor assumes all risks and costs
- U.S. Government will not compensate the Prime Contractor if labor costs are more than expected; no exceptions.
- U.S. Government does not have the authority to influence decisions made by the host nations regarding visas of work permits; typically will not provide assistance.

DOD/NATO – UKRAINE CONFLICT



- Ukraine / Russian War: U.S. DoD Spending To-Date - \$15.2 Billion (none construction)
- U.S. NATO spending anticipated to be \$773M for 2023
- USACE & NAVFAC preparing to support re-building efforts in the Ukraine.
 - USACE to support interior construction operations.
 - NAVFAC to support coastal construction operations.
- European contractors will need to be prepared to carry the load on re-construction efforts.
 - Manpower and equipment needs, can contractors meet the demand?
 - Material resources will be limited from local sources.

Stephen B. Christensen

ASRC / AIS / Brad Cole Construction

<https://www.asrc.com/>

<https://asrcindustrial.com/>

<https://bradcoleconstruction.com/>

