

# Permanent Canal Closures & Pump Stations Industry Day

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22 January 2009



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# Introductions



**COL Michael McCormick**, Hurricane Protection  
Office (HPO) Commander

**Richmond Kendrick**, Chief, Program Execution

**Daniel Bradley**, Chief, Permanent Pumps Branch

**Sandra Davis**, Chief, HPO Contracting Branch

**Ricardo Torres**, Contracting Officer

**Diana Hoag**, Acquisition Advisor



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# Submission of Questions



- Questions may be submitted during the intermission on 3” x 5” cards. Cards need to be turned in before you leave for the break at designated areas.
- We will attempt to answer questions within the “Questions and Answer” session.
- Answers to questions received during Industry Day will be posted via the [www.fbo.gov](http://www.fbo.gov) Web site.



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# Industry Day Intent



- Provide key project technical and acquisition data
- Encourage networking opportunities among industry
- Encourage open and continuous exchange of information and ideas throughout this process
- Obtain industry feedback
- Open dialogue about project risk



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# Project Risk



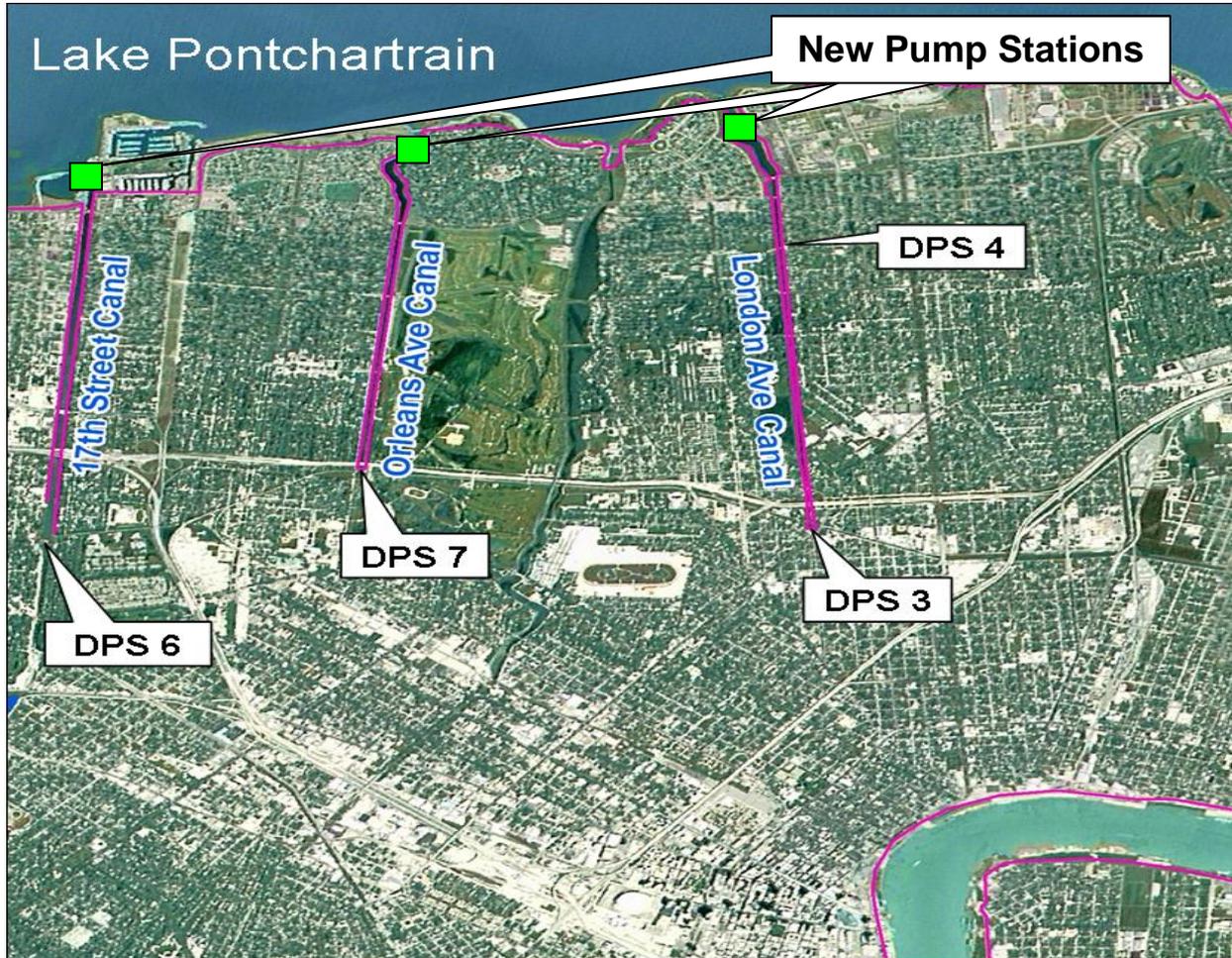
Richmond Kendrick  
Hurricane Protection Office  
Chief Program Execution  
USACE – New Orleans



# Equitable Allocation of Risk



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- Scope Limits
- Industry Standards
- Performance Based
- Further Discussions

**Goal – Maximize competition**



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# Project Overview



Daniel Bradley  
Chief Permanent  
Pumps Branch  
USACE – New Orleans



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# Discussion Topics



- Authorizations
- Project Purpose
- Proposed Action
- Proposed Project Area
- Proposed Site Locations



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# Authorizations



PL 109 – 234, PL 110 – 28 and PL 110 - 252. Modify the 17th Street, Orleans Avenue, and London Avenue drainage canals and install pumps and closure structures at or near the lakefront.



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# Project Purpose



The purpose of the proposed action is to protect the City of New Orleans and Jefferson Parish from storm surge-induced flooding through the 17th Street, Orleans Avenue and London Avenue Canals, while not impeding the ability of the area's internal drainage system to function.



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# Proposed Action



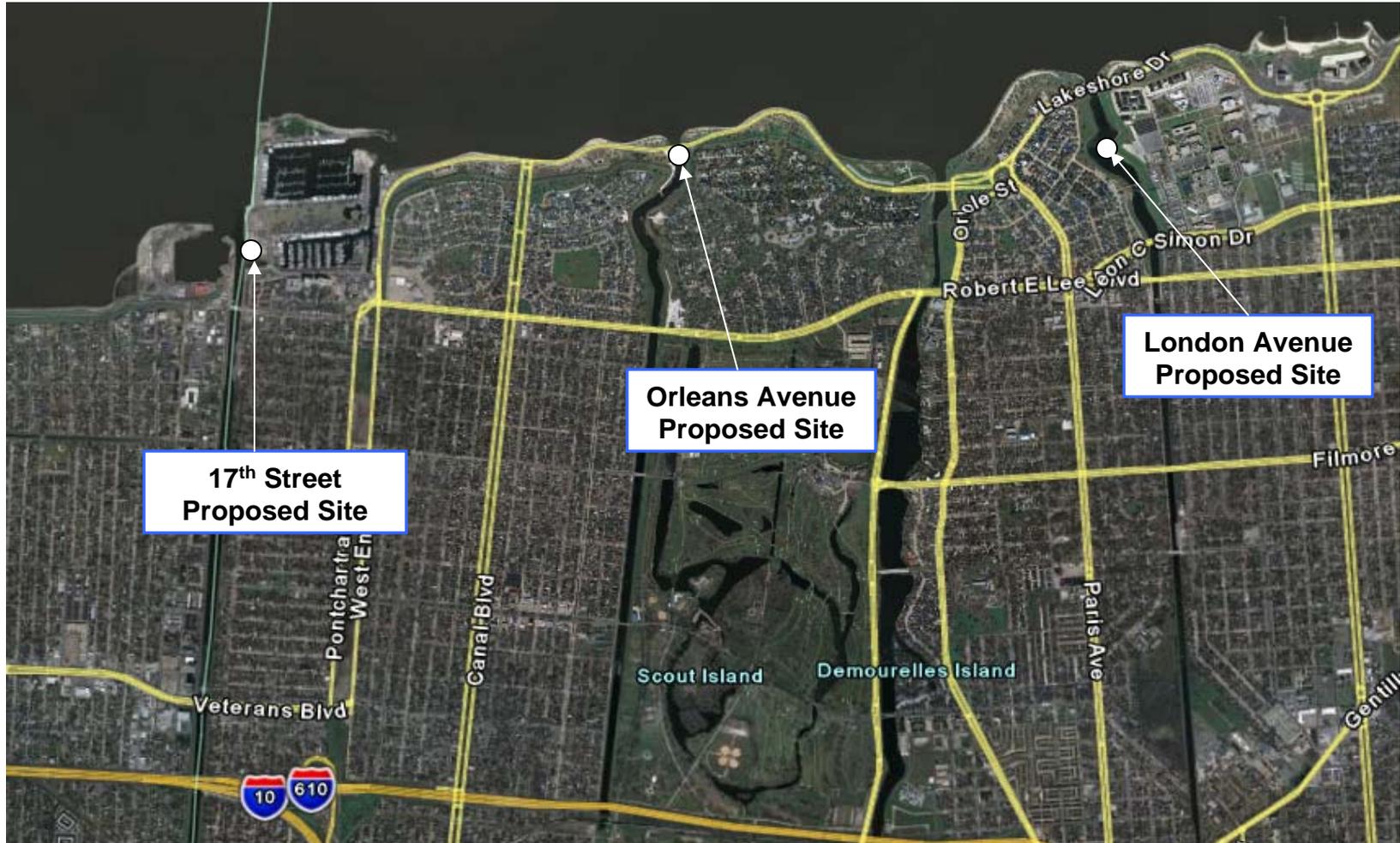
- Three new permanent pump stations with gates
- Normal conditions, canals would discharge through open gates directly into lake without operating the new permanent pump stations
- Operating in series with the existing S&WB stations during tropical events
- Match the planned capacity of the S&WB stations

(17th Street 12,500 cfs, Orleans Avenue 2,700 cfs, London Avenue 9,000 cfs)



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# Proposed Project Area





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# Proposed Site Location

## 17th Street Canal

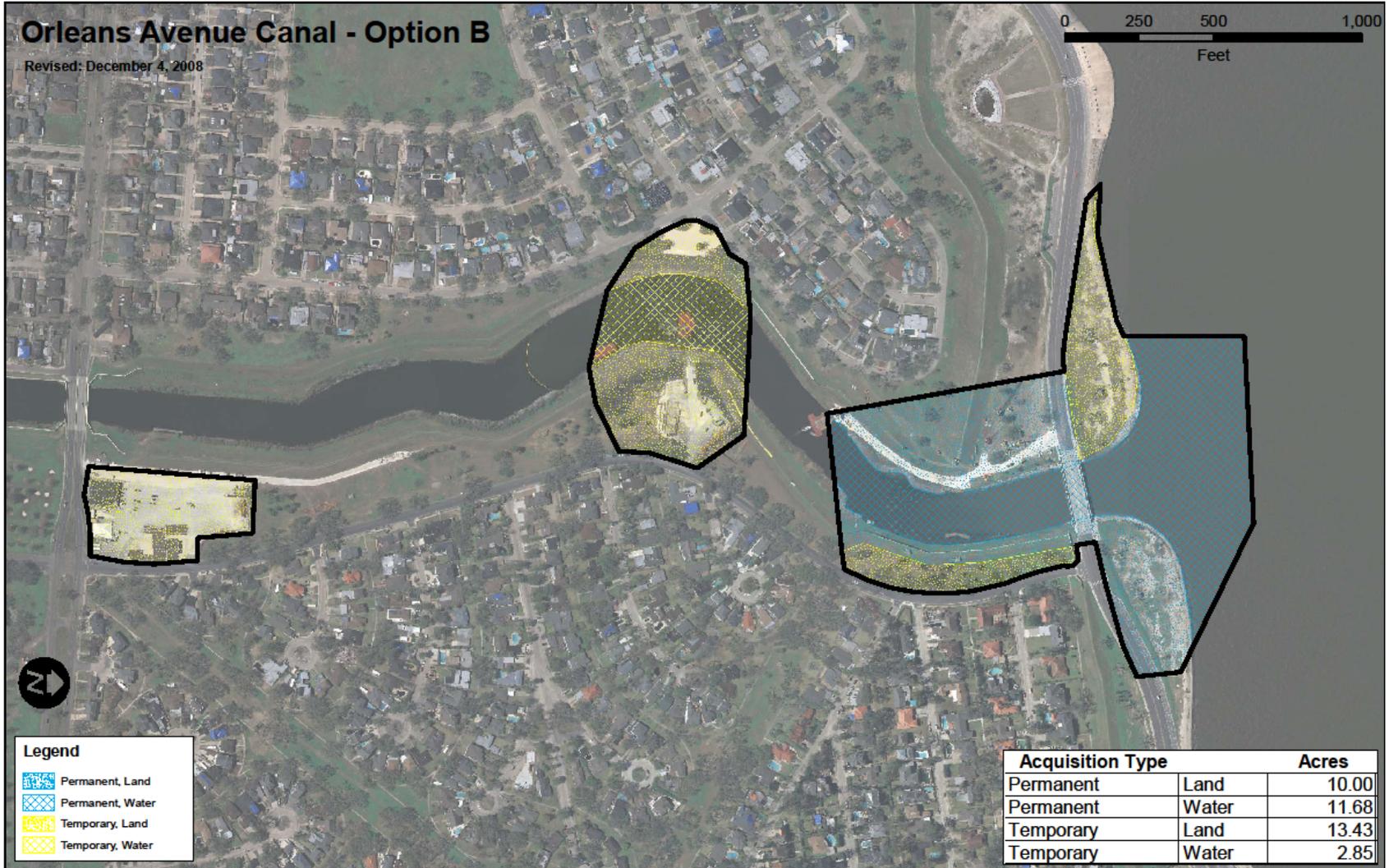




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# Proposed Site Location

## Orleans Avenue Canal

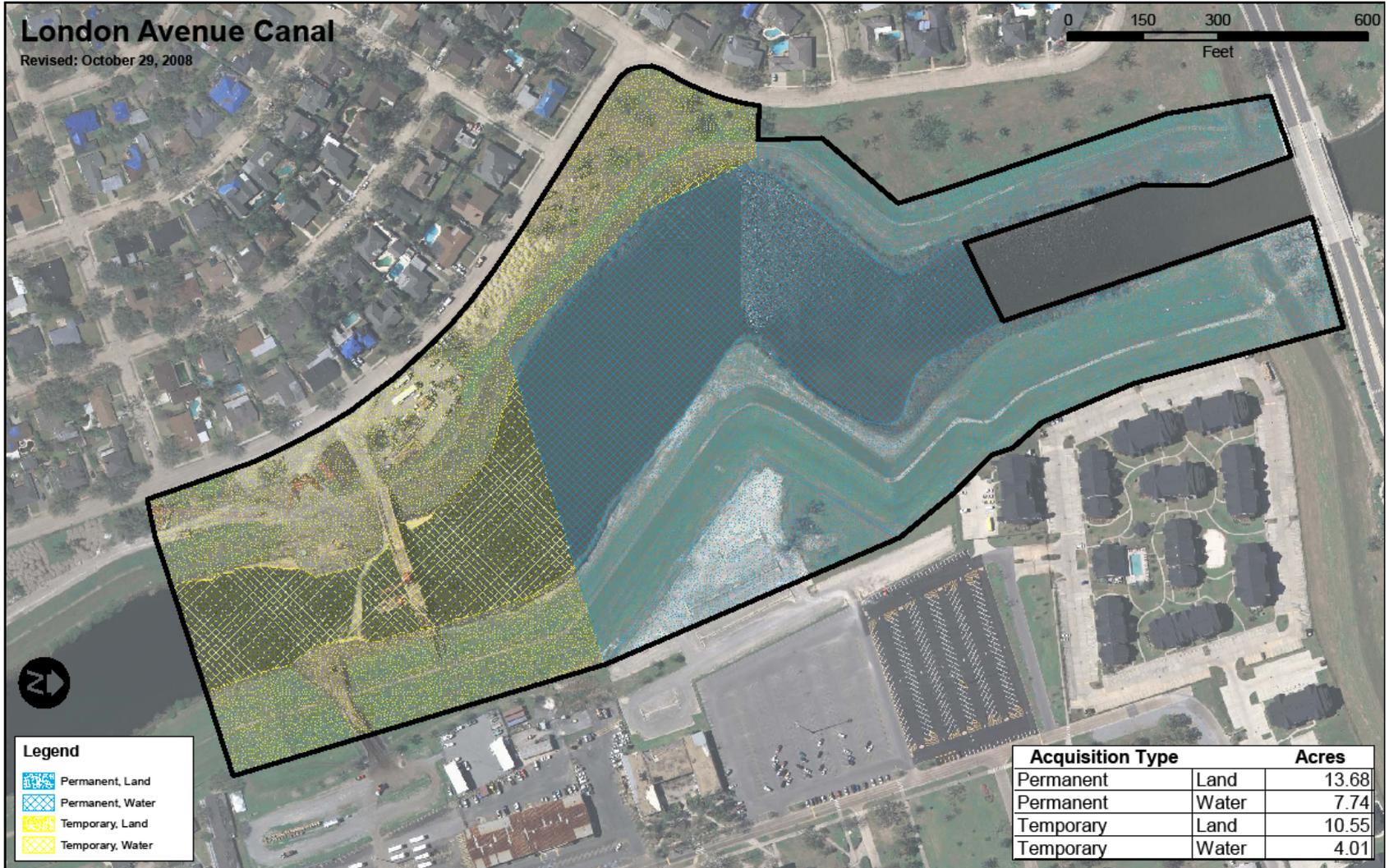




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# Proposed Site Location

## London Avenue Canal





# Challenges



- Pump station height and the height of the pump station barrier
- Design features that are aesthetically pleasing and blend with the site location environment
- Minimize traffic, dust, street damages, noise, vibration and the overall impact to the community
- Minimize need for gate closure during non-tropical events



# Challenges (Continued)



- Minimize operations and maintenance costs
- Ensure redundancy for reliable operation during tropical events
- Ensure communications between the S&WB pump stations, monitoring of flows, water levels, weather data, and the SCADA system
- Maintain full drainage operation throughout construction
- Optimize design to provide for potential future deepened drainage system



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# Acquisition Planning



Ricardo Torres  
Contracting Officer  
HPO Contracting Branch  
USACE – New Orleans



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# Procurement Overview



This will be a Design-Build Contract to provide a permanent protection system for the three outfall canals.

It is the intent of the Government to award one contract from this solicitation.



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# Design-Build Process



- The Government combined the design and construction of a project into a single contract.
- Non-linear format; construction can start while design is on-going
- Benefits are:
  - Fosters teamwork as design and construction team work together
  - Promotes innovation
  - Offers fast track capability



# Acquisition Items of Note



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- Solicitation Number: W912P8-09-R-0013
- Project Magnitude: Over \$500M
- Bond Amount: 100 % of proposed price



# Acquisition Items of Note (Continued)



- Two-Phase Design-Build Selection Procedures IAW FAR 36.301
  - Phase 1: Short-list 3 to 5 highly qualified offerors based on design-build teams' past performance and qualifications
  - Phase 2: Best value selection based on technical/management solution, cost/price, and past performance
- Best Value Continuum Selection Method using the Tradeoff Process IAW FAR 15.101-1



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# Phase I



- Full and open competition
- Focused on ability of teams to execute project – not project solution
- Evaluation criteria under consideration
  - Past performance
  - Key personnel, organizational structure
  - Socioeconomic [subcontracting] past performance
- Very brief proposals -- No cost proposals
- Results in short-list of 3 to 5 teams to proceed to Phase II



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# Phase II



- Only short-listed firms may compete
- Competitors will participate in finalizing the RFP
- Evaluation factors under consideration
  - Technical solution
  - Management approach
  - Past performance
  - Cost
  - Socioeconomic subcontracting plan
- Non-cost factors will be more important than cost



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# Phase II (continued)



- **The solicitation will communicate:**
  - Requirements
  - Objectives
  - Evaluation factors and sub-factors
  - Information offerors must submit
  - Methodology for evaluating the proposals
- **Award decision based on best value continuum**



# Tentative Acquisition Milestones



- Industry Day 22 January 2009
- One on Ones 3-5 February 2009
- Synopsis 2nd Quarter 2009
- RFP Phase I 2nd Quarter 2009
- Short List 3rd Quarter 2009
- RFP Phase II 3rd Quarter 2009
- Evaluate 1st Quarter 2010
- Contract Award 1st Quarter 2010



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# Contract Types



Diana Hoag  
Acquisition Advisor



# Possible Contract Types



- Project risks do not warrant use of cost reimbursement contract type
- Fixed Price completion contracts under consideration
  - Firm fixed-price FAR 16.202
  - Fixed-price incentive (firm target) FAR 16.403-1
- Award Fee

Note: Contract type will be determined after feedback from Industry.



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# Fixed-Price Incentive (Firm Target)



- Very similar to Guaranteed Max Price with sharing
- Values established at contract award:
  - Target cost
  - Target profit
  - Sharing arrangement over and under target cost
  - Ceiling price
- Design-builder reimbursed for all allowable costs up to ceiling price
  - Open-book arrangement
  - CAS compliance required



# Fixed Price Incentive (Firm Target continued)



- At conclusion of contract, actual cost incurred is determined
  - Actual cost compared to target cost
  - Over- or underrun determined, sharing applied
  - Target profit adjusted accordingly
- In no event does Government's financial obligation exceed contract ceiling price
- Design-builder must complete project regardless of eventual cost



# Possible Contract Type

## (continued)



- Award Fee
  - Pool of funds established to incentivize superior technical
  - Periodic evaluations made by Government throughout performance
  - Fee earned disbursed regularly throughout performance
  - Goal: Reward behaviors consistent with Government's interests



# Possible Contract Types (continued)



- Goal of multiple incentive arrangement is to more closely align design-builder's goals with the Government's
- Award fee meant to be powerful source of potential profit
- Government intends to establish "generous" pool
- Cost is always important, but not at the expense of technical/management excellence



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# Industry Feedback



We need your feedback so that we can finalize our strategy

- One-on-Ones
- Comment cards from today
- Follow-on comments
  - Submit to [robert.e.watts@usace.army.mil](mailto:robert.e.watts@usace.army.mil)



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# Intermission



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# Questions & Answers



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# Shaping Today Securing Tomorrow

**Our Vision**

We will shape today by constructing facilities that provide integrity to the system and secure tomorrow by building and restoring the confidence of the people. Our reputation will be our yardstick— measured not in inches but in the strength of our relationships, the level of confidence we inspire and our ability to execute.

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Making a Difference for America