

GREAT LAKES AND OHIO RIVER DIVISION

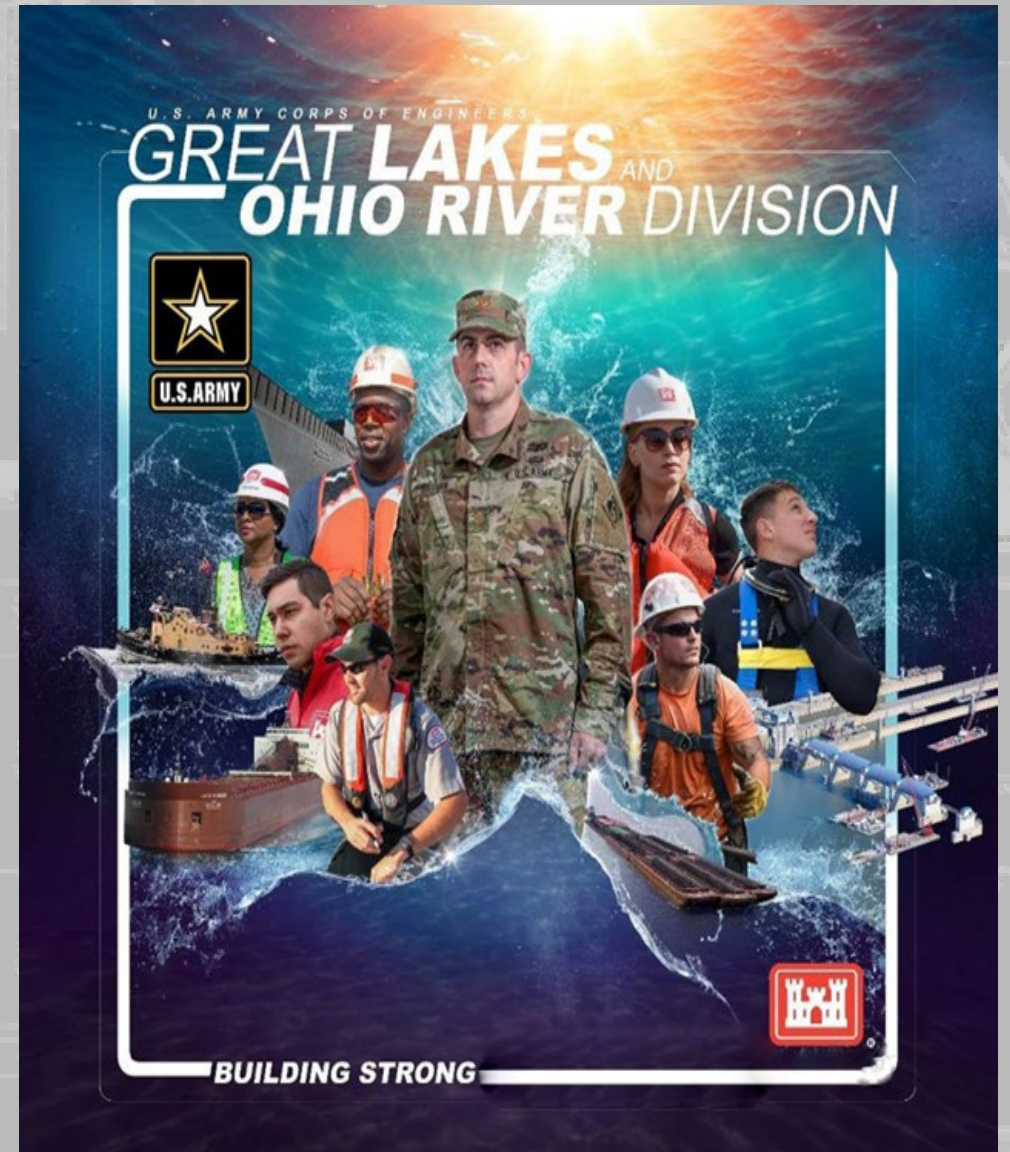
Inland Waterways Users Board Meeting No. 95

Great Lakes and Ohio River Division Acquisition Methods for Construction

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Purpose

- Discuss the two primary acquisition types used by the Great Lakes and Ohio River Division when procuring construction contracts.
- Discuss the advantages and disadvantages of each procurement method



Invitation for Bid (IFB)

- Commonly called Sealed Bidding
- Method of awarding contracts based on only price and price-related factors via competitive, sealed bids
- Contract awarded to the lowest bidder determined to be responsive and responsible
- Contracts resulting from sealed bidding shall be firm-fixed-price contracts or fixed-price with economic price adjustment.
- Discussions with bidders not permitted in most cases.
- Utilized with routine, standard, non-complex projects with well-defined specifications and scopes of work



IFB (Continued)



Advantages

- Acquisition lead-time is less than negotiated procurements
- Objective process
- Ability to change course to a negotiated procurement in certain circumstances
- Assumed to get the best possible price on the market that meets the prescriptive requirements.

Disadvantages

- Formal process with little margin for error on either part of Government or Contractor
- No way to reward contractors for innovative ideas/approaches
- No way to prioritize features of the project important to the Government
- The Government cannot enter into discussions (in most cases).
- Certificate of Competency (CoC) may be needed from Small Business Administration (SBA)



Best Value Trade-Off (BVTO)

- When it is in the best interest of the Government to consider award to other than the lowest priced offeror or other than the highest technically rated offeror.
- Permits tradeoffs among cost or price and non-cost factors and allows the Government to accept other than the lowest priced proposal.
- Allows for non-cost factors to be significantly more important than, approximately equal to, or significantly less important than cost or price.



BVTO (Continued)



Advantages

- Allows for maximum tailoring of the evaluation to the project
- Allows the Government to reward contractors for innovative methods/approaches and exceptional past performance
- Can negotiate to ensure the Government is getting the best possible price
- Subjective – Gives evaluators and Source Selection Authority ability to use the best judgment

Disadvantages

- Acquisition lead-time is longer than other procurement methods
- More likely to receive protests than with other procurement methods
- Subjective – Requires extensive documentation to support decisions and defend protests



IFB vs RFP

<u>Task</u>	<u>IFB</u>	<u>RFP</u>
Presolicitation Notice	15 Days	15 Days
Advertisement Period	30 Days	30 Days
Time from Receipt to Awardee Decision	5 Days	15 Days
		+15 Days if Discussions
Review award docs under \$100M	5 Days	15 Days
Review award docs over \$100M	+0 Days	+ 30 Days
Total Timeline	55 Days	75-120 Days

NOTE: Days listed are minimum required by regulation or policy. Most schedules are longer to allow additional time for bid/proposal preparation, preparation of amendments, response to inquiries, etc. Those timelines are established based on the specifics required on the project.



Acquisitions

<u>Project</u>	<u>Dollar Value</u>	<u>Acquisition Method</u>
Awarded	-	-
Charleroi River Chamber Completion	\$59M	IFB
Charleroi River Chamber Completion 2	\$57M	IFB
Charleroi Stilling Basin	\$22M	IFB
Chickamauga Lock Chamber	\$245M	IFB
Chickamauga Lock Excavation	\$35M	IFB
Kentucky Downstream Lock Excavation	\$58M	IFB
Kentucky Lock Downstream Cofferdam	\$67M	IFB
Lower Mon Pool 3 Dredging	\$41M	IFB
Soo Underwater Channel Deepening	\$53M	IFB
Soo Upstream Approach Walls	\$111M	BVTO
Planned		
Chickamauga Lock Approach Walls and Decommissioning	\$100M-250M	BVTO
Kentucky Lock Monoliths	\$250M-\$500M	BVTO
Soo New Lock Chamber	\$250M-\$500M	BVTO
Upper Ohio Navigation Project - Multiple Contracts	\$1B split up	IFB and BVTO