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#2023Industry



U.S. DEPARTMENT OF STATE
BUREAU OF OVERSEAS BUILDINGS OPERATIONS

2023 Virtual Industry Day

Overseas Buildings Operations (OBO)
with the Bureau of Administration & Diplomatic Security

January 18, 2023

Industry Day - Agenda

01 INTRODUCTION

Opening Remarks & Overview of OBO

02 PROGRAM CHALLENGES & DRIVERS

Design & Construction

Cost Management

Diplomatic Security & Security Management

03 FY23 & FY24 CAPITAL PROGRAM

04 ACQUISITION MANAGEMENT OVERVIEW & CONTRACTING

05 Q&A SESSION



Introductions

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Bureau of Administration





01

Introduction

Opening Remarks & Overview of OBO

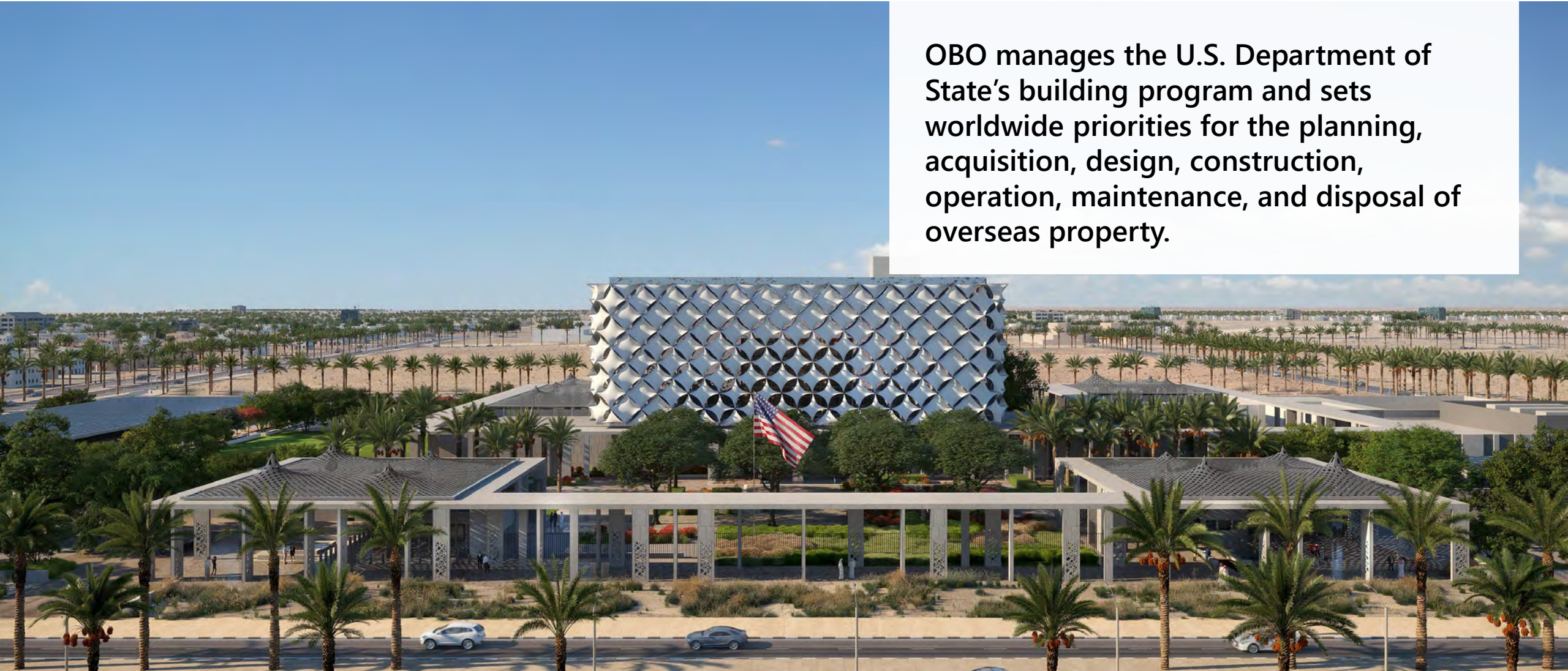
Overseas Buildings Operations



U.S. Diplomatic facilities represent American values and the best in American architecture, design, engineering, technology, sustainability, art, culture, and construction execution.

Overseas Buildings Operations

OBO manages the U.S. Department of State's building program and sets worldwide priorities for the planning, acquisition, design, construction, operation, maintenance, and disposal of overseas property.



Mission and Vision



Mission

To provide safe, secure, functional, and resilient facilities that represent the U.S. Government to the host nation and support the Department's achievement of U.S. foreign policy objectives abroad.

Vision

These facilities represent American values and the best in American architecture, design, engineering, technology, sustainability, art, culture, and construction execution.

Portfolio

287   **Locations**

25,098   **Domestic & Overseas Assets**

9,387 Government-owned

15,711 Leased

16,562   **Residences**

915   **Office Buildings**

\$75.2B   **Portfolio Replacement Value**

84M SF   **Gross Square Feet of Space**

18,300   **Culturally Significant Objects & Artworks**



Typologies

Embassies

Consulates

Office and Support Annexes

Housing (Representational & Staff)

Warehouses and Shops

Cultural Heritage Properties



Unique Program

Program

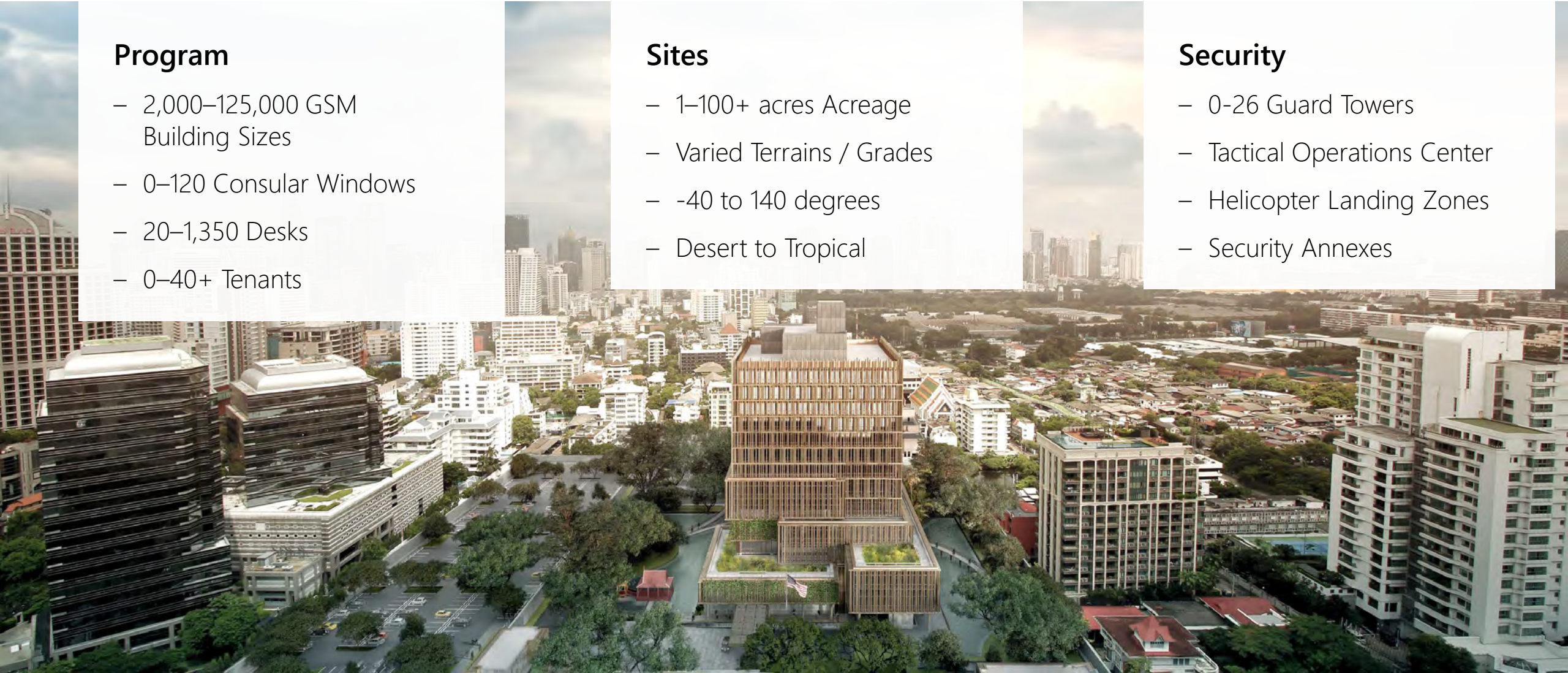
- 2,000–125,000 GSM Building Sizes
- 0–120 Consular Windows
- 20–1,350 Desks
- 0–40+ Tenants

Sites

- 1–100+ acres Acreage
- Varied Terrains / Grades
- -40 to 140 degrees
- Desert to Tropical

Security

- 0–26 Guard Towers
- Tactical Operations Center
- Helicopter Landing Zones
- Security Annexes



Historic Background

Secure Embassy Construction and Counterterrorism Act *SECCA*

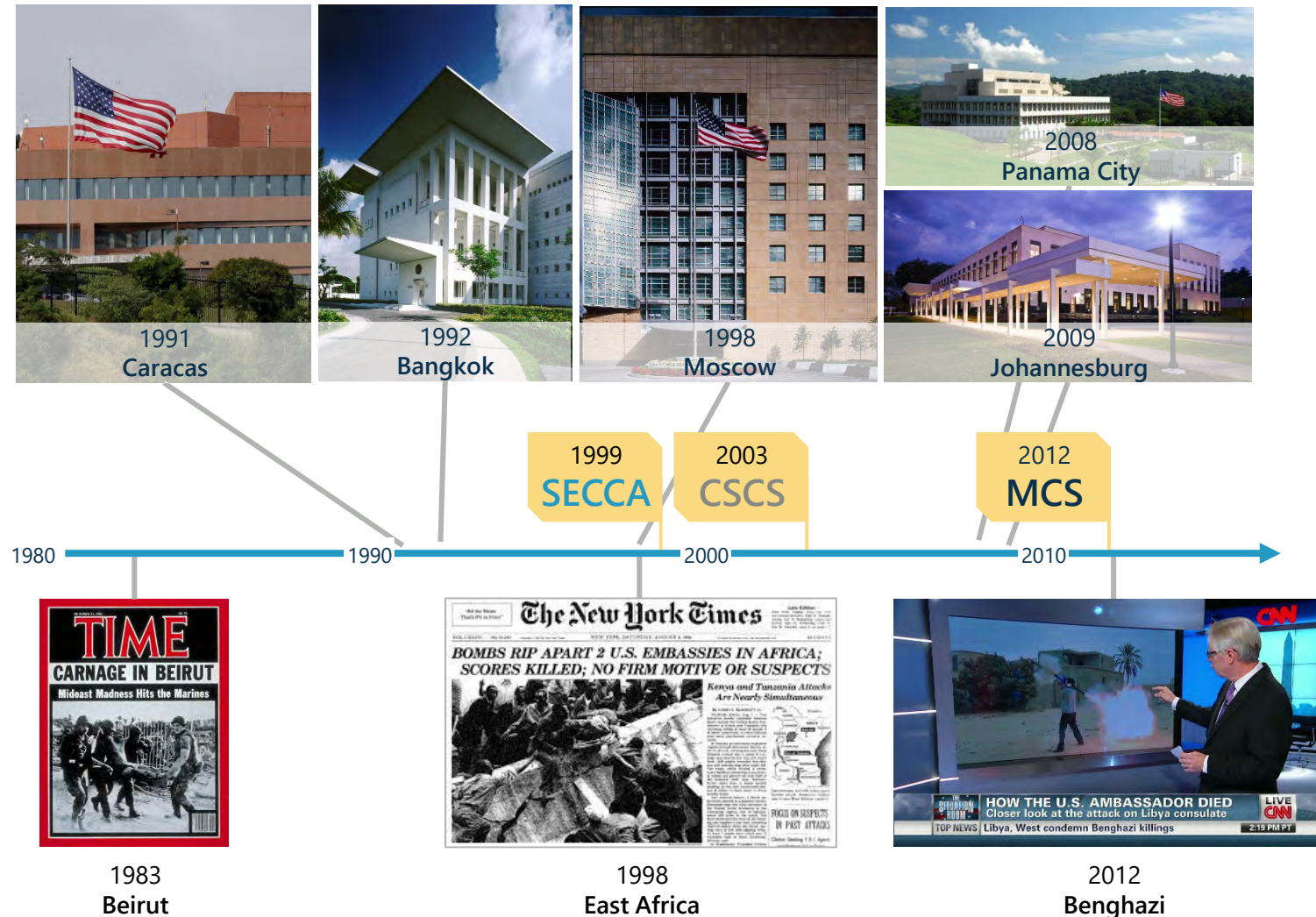
Public Law 106-113: Authorizes appropriations to State for construction and security of U.S. diplomatic facilities and for other purposes.

Capital Security Cost Sharing Program *CSCS*

Under SECCA, CSCS authorizes State to divide costs among all agencies with overseas personnel under chief of mission authority. Additional funding to accelerate the construction of new secure, safe, functional, and resilient facilities.

Maintenance Cost Sharing Program *MCS*

Funds the maintenance and repair of overseas facilities.



OBO Fiscal Year Budgets

\$3.4 billion

FY 2023

\$3.5 billion

FY 2022

\$3.6 billion

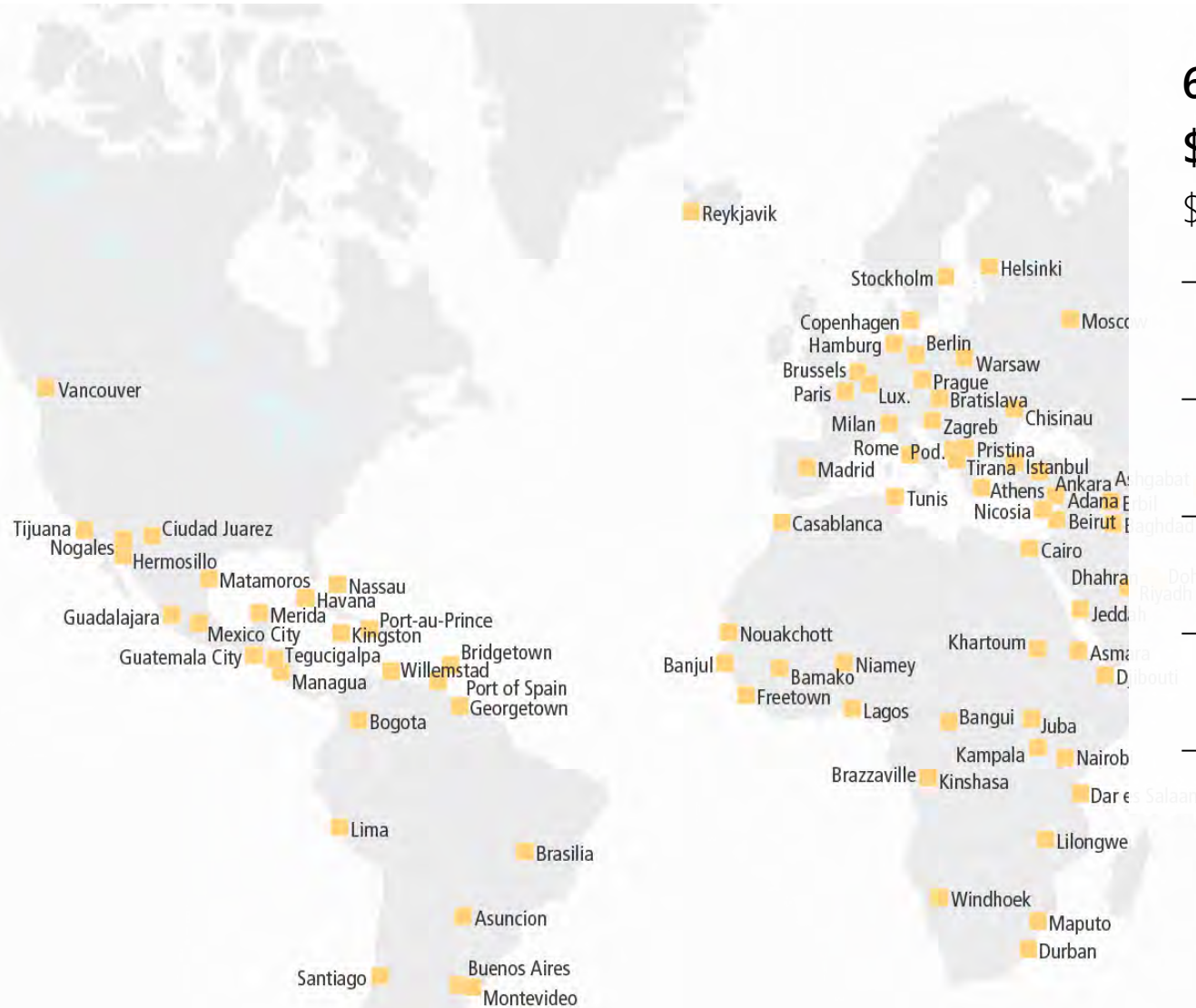
FY 2021



287 OBO Diplomatic Locations



Global Diplomatic Construction Program



601 Project Activities

\$34 Billion Value

\$100M monthly active construction

- Capital Security Construction
50+ / \$20B Workload
- Major Renovation
40+ / \$850M Workload
- Compound Security Upgrade
24+ / \$400M Workload
- Minor Construction & Improvements
320+ / \$110M Workload
- Real Property Leasing 15,700+ Leases

OBO LEED Projects

U.S. Green Building Council LEED® Rating System

- 62 LEED Certifications since 1999
- 30+ projects are registered
- First LEED Certified projects in at least 17 countries





Program Challenges & Drivers

DESIGN, CONSTRUCTION, COST, & SECURITY



2.1

Design

Program Challenges & Drivers

Current Project Delivery Methods

Context, complexity, construction environment, and urgency are evaluated in deciding a delivery method

- Design-Build with Bridging Documents
- Design-Bid-Build
- Design-Build
- Construction Manager as Constructor (CMc)



Global Drivers



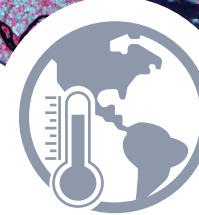
POPULATION



URBANIZATION



RESOURCES

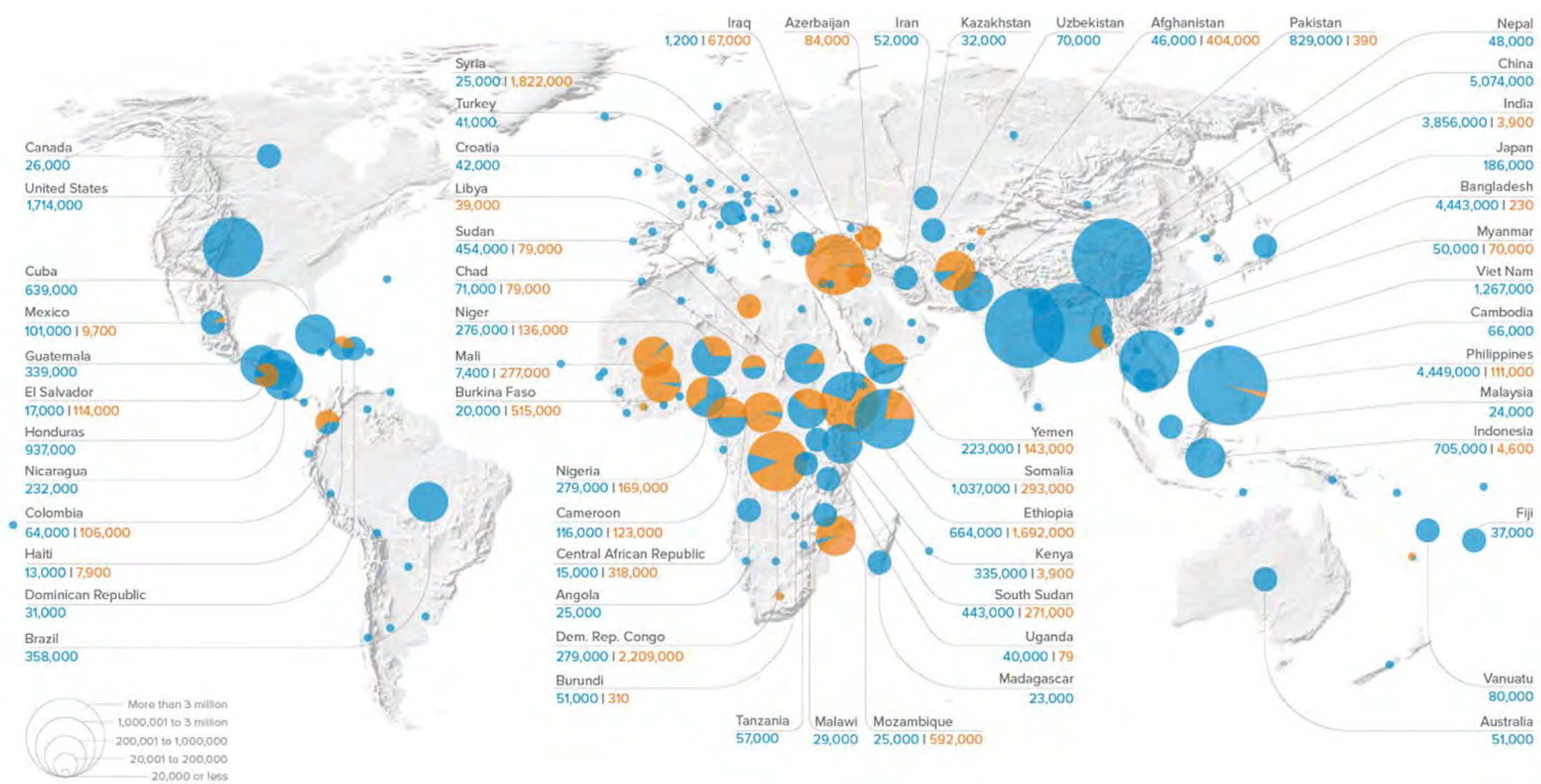


CLIMATE



TECHNOLOGY

2020 Displacements



40.5m Total Displacements
9.8m | 30.7m

30.3% of World Total
East Asia & Pacific
0.186m | 12.063m

27.4% of World Total
East Asia & Pacific
6.788m | 4.299m

11.8% of World Total
The Americas
0.238m | 4.528m

5.9% of World Total
Middle East & North Africa
2.076m | 0.341m

0.8% of World Total
Europe & Central Asia
0.085m | 0.234m

Tackling Climate Crises at Home and Abroad (E.O. 14008) & COP26

Executive Order 14008

Part I

The climate crises at the center of U.S. foreign policy & national security

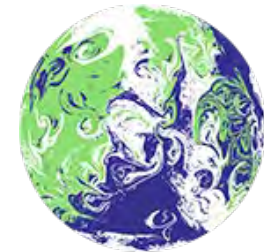
Part II

A government-wide approach to the climate crises

- Use of the federal government's buying power and real property & asset management
- Empowering workers through rebuilding our infrastructure for a sustainable economy
- Empowering workers by advancing conservation, agriculture, & reforestation
- Empowering workers by revitalizing energy communities
- Securing environmental justice & spurring economic opportunity

U.N. Climate Change Conference

- Secure global net zero by mid-century and keep 1.5 degrees within reach
- Adapt to protect communities and natural habitats
- Mobilize finance
- Work together to deliver



**UN CLIMATE
CHANGE
CONFERENCE
UK 2021**

IN PARTNERSHIP WITH ITALY



Tackling Climate Crises at Home and Abroad (E.O. 14008 & 14057)



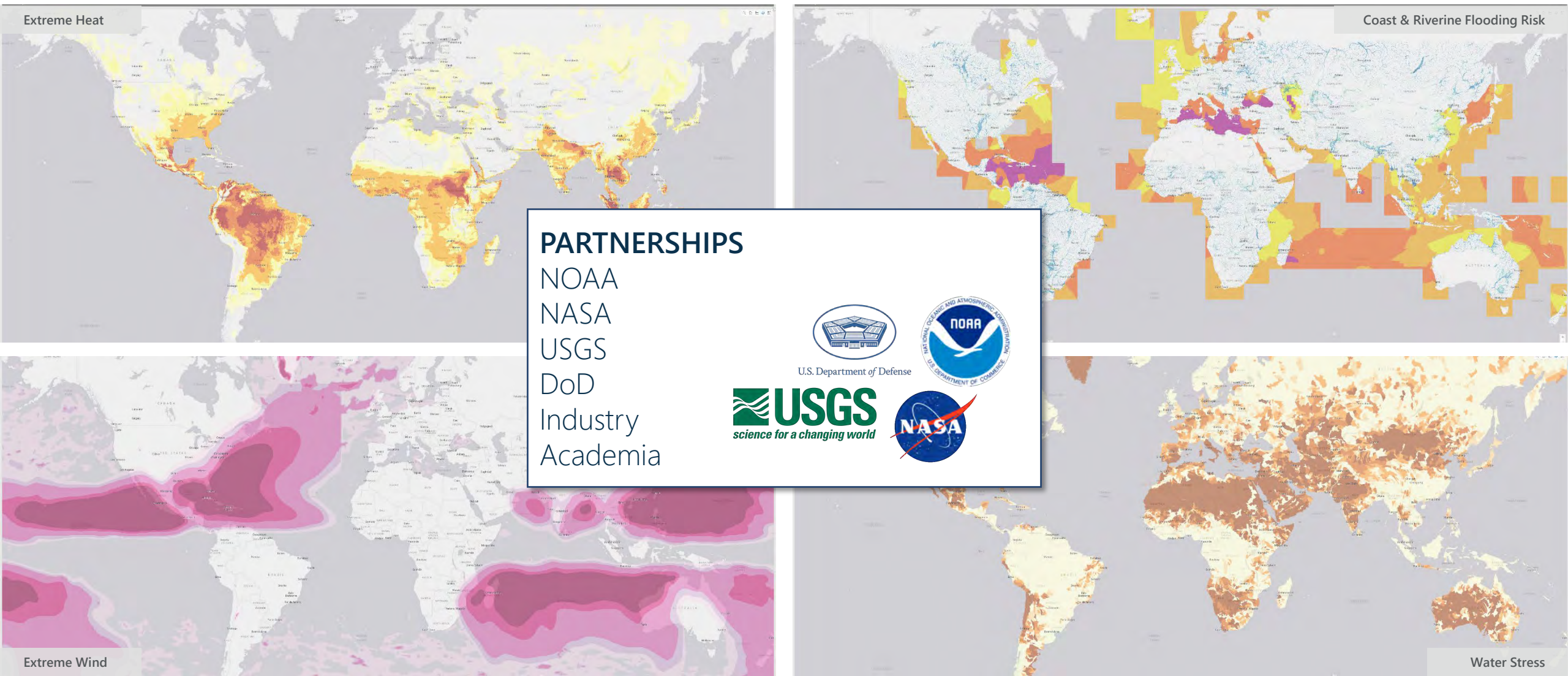
OBO'S FOCUS

- Include priorities in budget submissions
- Achieve 100 percent carbon-pollution-free electricity by 2035
- Achieve 100 percent zero-emission vehicles by 2035
- Net-zero facilities by 2045
- Climate resilient programs & operations
- Net-zero procurement & supply chains

OBO'S PRIORITIES

- Protect the safety & health of personnel
- Adapt department facilities, operations, & mission-critical services to be more resilient to the climate change impacts
- Lead by example through showcasing climate adaptation & resilient solutions

Climate Security & Resilience (CS&R)





Construction

Program Challenges & Drivers

Funding Challenges and Competing Priorities

COVID

Construction Inflation

- \$704 million lost purchasing power since 2014
- Reduced impact with dramatic price increases
  - Diesel Fuel: 237 percent
  - Steel: 113 percent
  - Lumber and Plywood: 100 percent
  - Copper and Brass: 70 percent

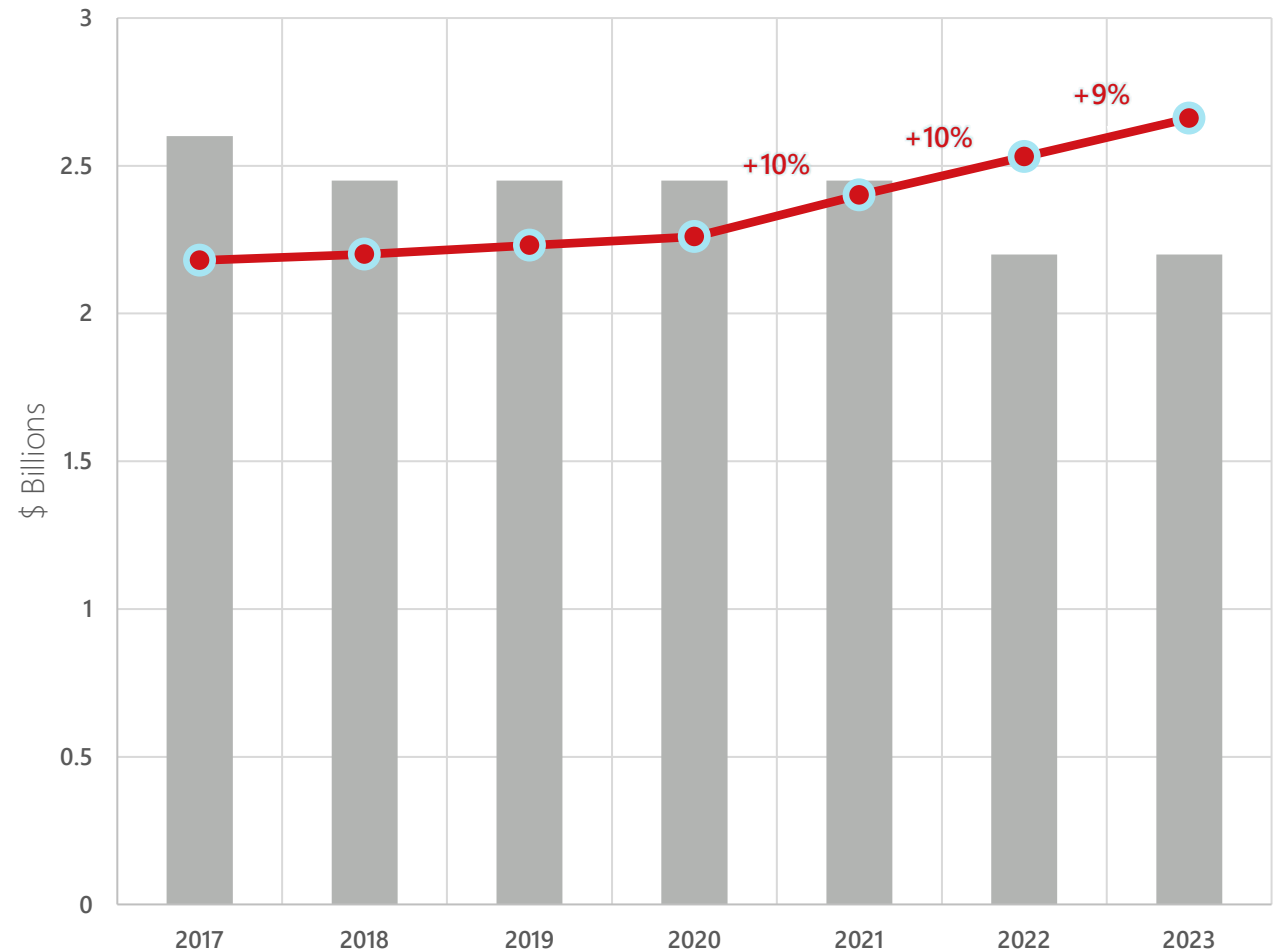
Supply Chain Disruption

Additional costs and schedule impacts

- Elevator parts, floor tiles, appliances, construction plastics, computer chips

Worldwide Labor Shortages

OBO Budget vs ENR's Construction Cost Index



Construction Management Initiatives

Partnering
Lean Construction
Risk Management



FOR EVERY **\$1** INVESTED IN THE PARTNERING PROCESS, PROJECTS SEE **\$114** IN SAVINGS.

OBO Contractors

Contractor Challenges

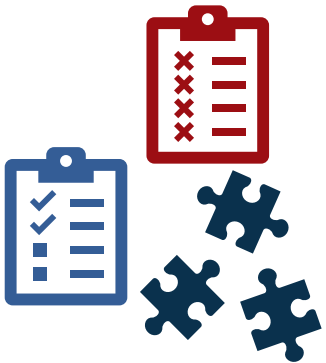
Logistics

Getting labor and materials to sites

Finding qualified, cleared workers

Foreign government interactions

Permits, customs, taxes



Successful OBO Contractors...

Strongly understand the Department's construction security requirements

Look ahead with procurement and logistics management

Focus on—and fully implement—project schedules

Provide high quality, cleared-American supervision and labor

Take commissioning seriously

OBO Contractors Struggle When They...

Have a joint venture that doesn't work

Split procurement

Don't read security specifications carefully

Don't take job-site safety and health seriously

Focus on claims versus on production



Cost Risks, Inflation & EPA

Program Challenges & Drivers

Market Conditions: Inflation

Accounting for current market conditions

Use of an Economic Price Adjustment (EPA) clause (FAR 16.203.1)

- Inflationary EPA Cycle for Design-Build
  - Six months after limited notice to proceed (LNTF) for Design
  - Then 12 months, 18 months, and 24 months for a maximum of four adjustments
- For longer duration projects
  - Use 24 months then 48 months beyond the inflationary period



EPA Calculation

Indices

- ENR Building Cost Index for both U.S. and local markets or an accepted index as proposed by the contractor
- Accommodates risk of adjusting for local markets with no reputable indices
- Indices are applied to material, shipping, and installed equipment.
- EPA is not applied to labor, mark-ups, or profit.



EPA-Eligible Projects

Projects with at least a 24-month performance period may be eligible for inflationary EPA

EPA might be used beyond the inflationary period for projects with performance periods of more than five years



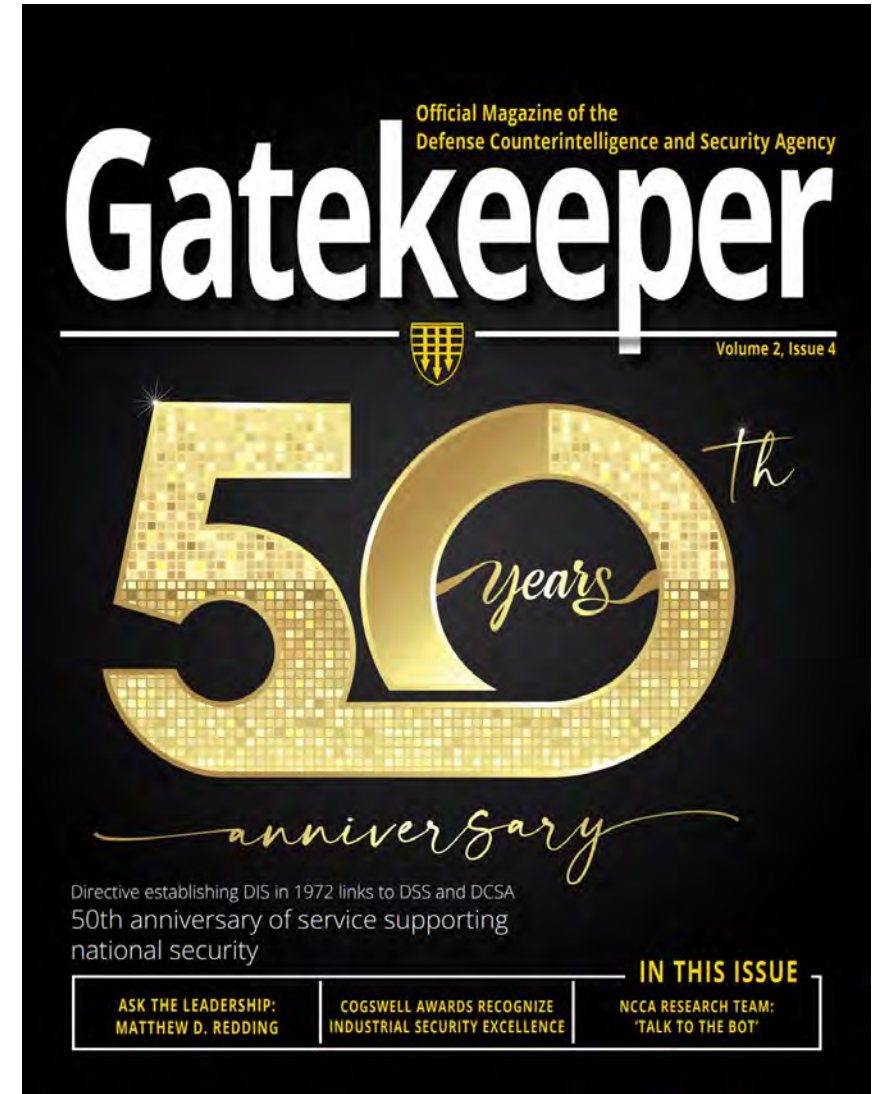


Security Clearances

Program Challenges & Drivers

Facility Security Clearance (FCL)

- The basis for a firm's classified contracts eligibility & required for work on a classified contract at the Secret or Top Secret Levels
- Issued by the Defense Counterintelligence and Security Agency (DCSA)
  - See www.dcsa.mil
- Required to obtain personnel clearances
- A firm's Facility Security Officer (FSO) ensures adherence to contract security requirements and the National Industrial Security Program Operating Manual (NISPOM)
- Industrial Security Division (DS/IS/IND) sponsors uncleared firms for facility clearances
  - Only with a bona fide procurement need
  - IND is the only DOS office authorized to sponsor uncleared firms



DS/IS/IND Personnel Security Clearance (PCL)

- Contract Security Classification Specification (DD Form 254)
  - Required in any procurement with cleared personnel performing any services
  - Describes facility/personnel clearances for performance
  - Generated by the Department's Industrial Security Division for inclusion in RFPs, contracts and subcontracts
- DCSA's Consolidated Adjudication Services (DOD CAS)
- Visitor Authorization Requests (VARs)

DS_IND_OBOTeam@state.gov

For security-related questions, including facility and personnel security clearance requirements for performance on OBO contracts

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Construction Security

Program Challenges & Drivers

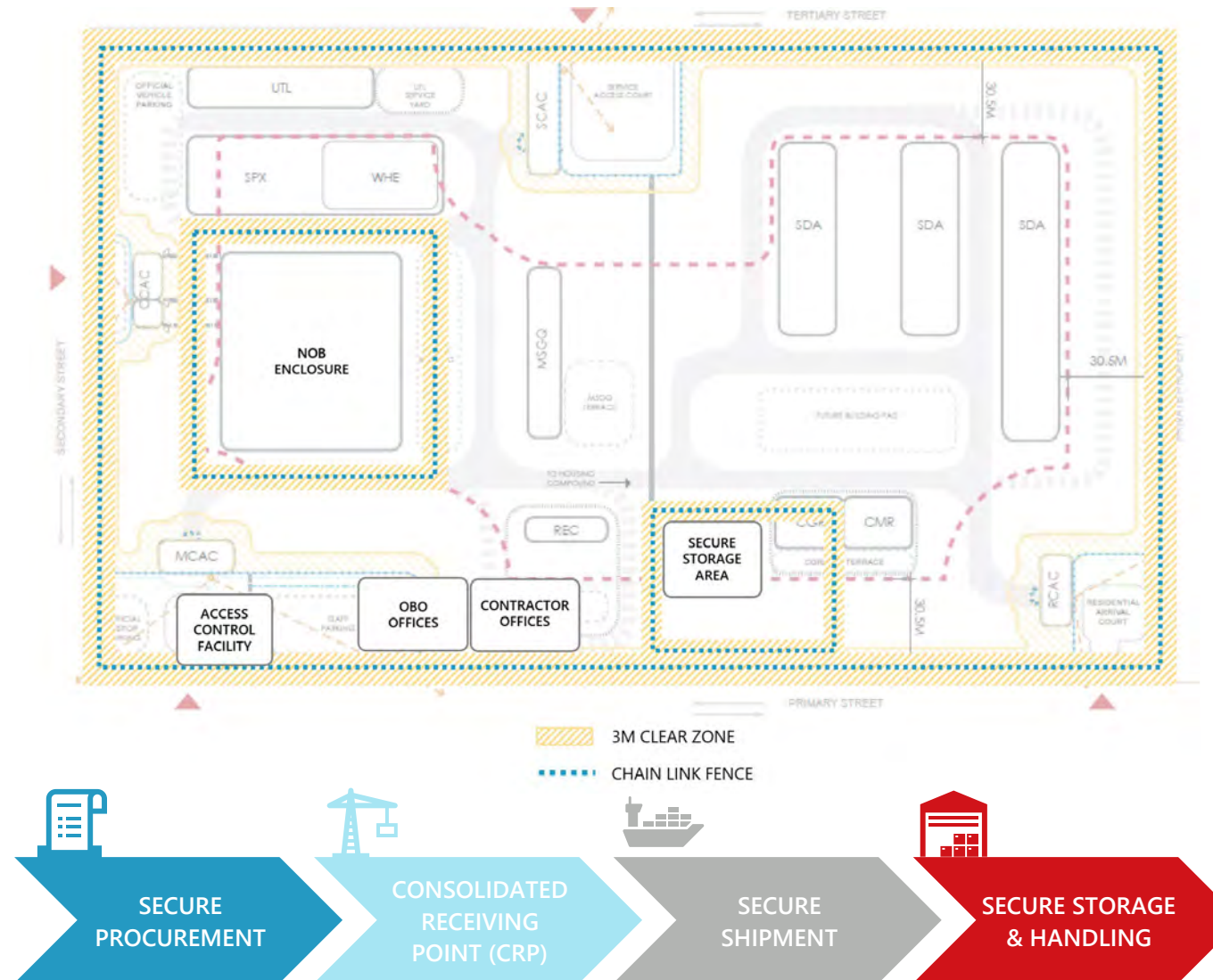
Construction Security Basics

LAYERS OF SECURITY

- Physical Security
- Technical Security
- Operational Security

UNIQUE SECURITY REQUIREMENTS

- Cleared labor
- Material security
  - Secure procurement
  - Secure shipping
  - Secure storage





FY 2023 & FY 2024 CAPITAL PROGRAM



3.1

Capital Security Cost Sharing Program Planned Awards

FY 2023 & FY 2024 CAPITAL PROGRAM

Capital Security Construction Program FY23 - FY24



FY 2023

- Adana, Turkey: New Consulate
- Curacao, The Netherlands: New Consulate
- Hanoi, Vietnam: New Embassy
- Medan, Indonesia: New Consulate
- Paris, France: Marine Security Guard Residence

FY 2024

- Bangui, Central African Republic: New Embassy & Housing
- Colombo, Sri Lanka: Chancery Densification
- Port of Spain, Trinidad & Tobago: New Embassy
- Praia, Cabo Verde: New Embassy

FY 2023 **New U.S. Consulate General Curacao**



- New office building and campus upgrades on an existing site
- 9,500 gross square meters
- Anticipated Design/Build Bridging RFP: February 2023
- Design Architect: Kieran Timberlake

FY 2023 New U.S. Consulate General Medan



- 6-acre site
- 3,500 gross square meters
- Anticipated Design/Build Bridging RFP: May 2023
- Design Architect: Richard|Kennedy Architects

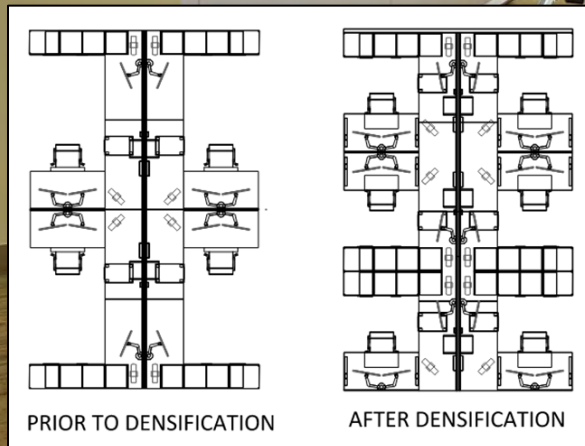
FY 2024 New U.S. Embassy Bangui



- 14-acre site
- 33,500 gross square meters
- Anticipated Design/Build Bridging RFP: November 2023
- Design Architect: Marlon Blackwell Architects

FY 2024 U. S. Embassy Colombo Chancery Densification

- Densification of existing chancery office building
- Anticipated Design/Build Bridging RFP: March 2024
- Design Architect: Ennead Architects



FY 2024 **New U.S. Embassy** Port of Spain

- 11-acre site
- Anticipated Design/Build Bridging RFP: January 2024
- Design Architect: Mark Cavagnero Associates
- Opportunity for collocation with Allied Partners



FY 2024 **New U.S. Embassy Praia**

- 11-acre site
- 14,302 gross square meters
- Anticipated Design/Build Bridging RFP: January 2024
- Design Architect: Studio Ma





3.2

Maintenance Cost Sharing Program Planned Awards

FY 2023 & FY 2024 Capital Program

Maintenance Cost Sharing Program FY 2023–FY 2024



FY 2023

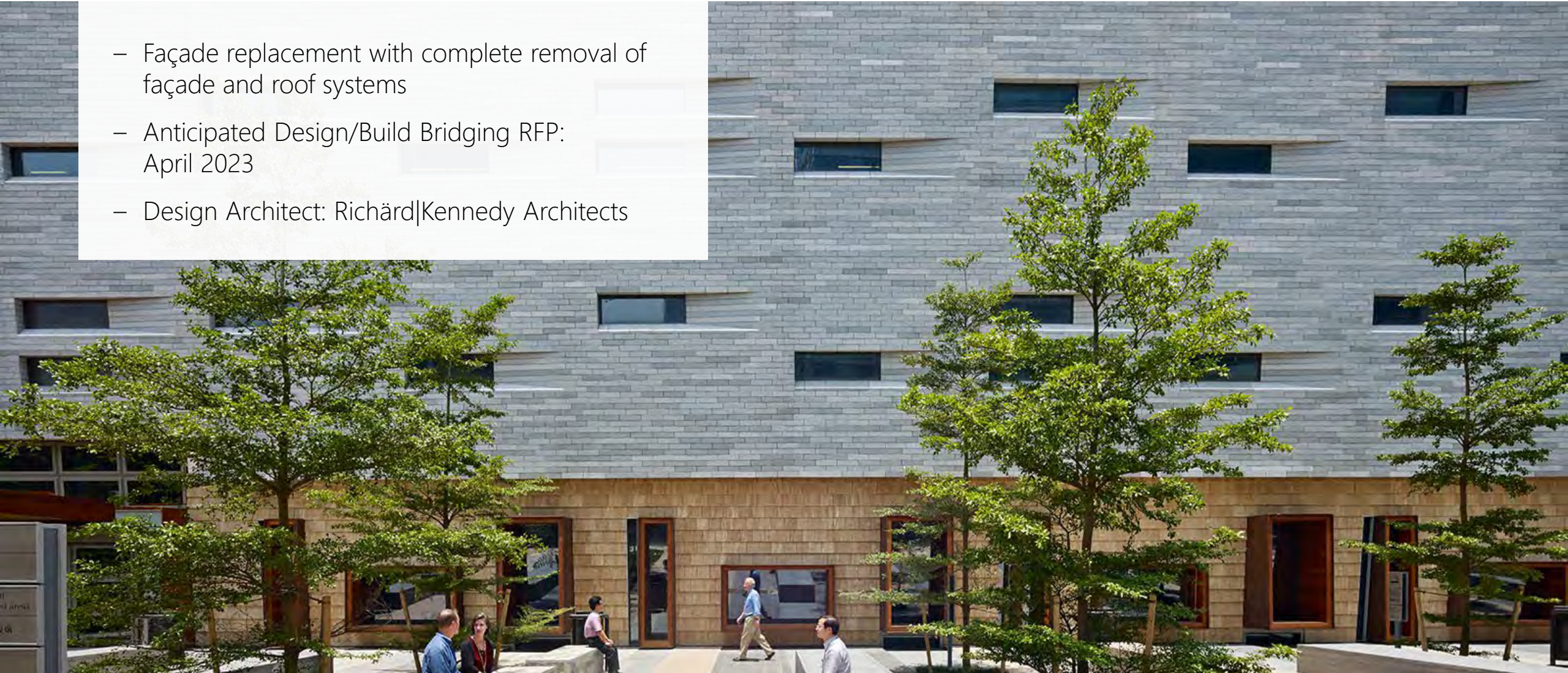
- Bern, Switzerland: Select Improvement
- Guangzhou, China: Façade and Roof Replacement
- Jerusalem: New Annex
- Tel Aviv, Israel: Embassy Branch Office Lease Fit-Out
- Vienna, Austria: Chancery Improvement
- Durban: Lease Fit Out
- On-going Energy Program Initiatives

FY 2024

- Honiara, Solomon Islands: Embassy Liaison Office Lease Fit-Out
- Kampala: Renovation and Expansion
- Malé, Maldives: New Embassy Lease Fit-Out
- Marseille, France: Consulate Lease Fit-Out
- Thessaloniki, Greece: Rehabilitation
- On-going Energy Program Initiatives

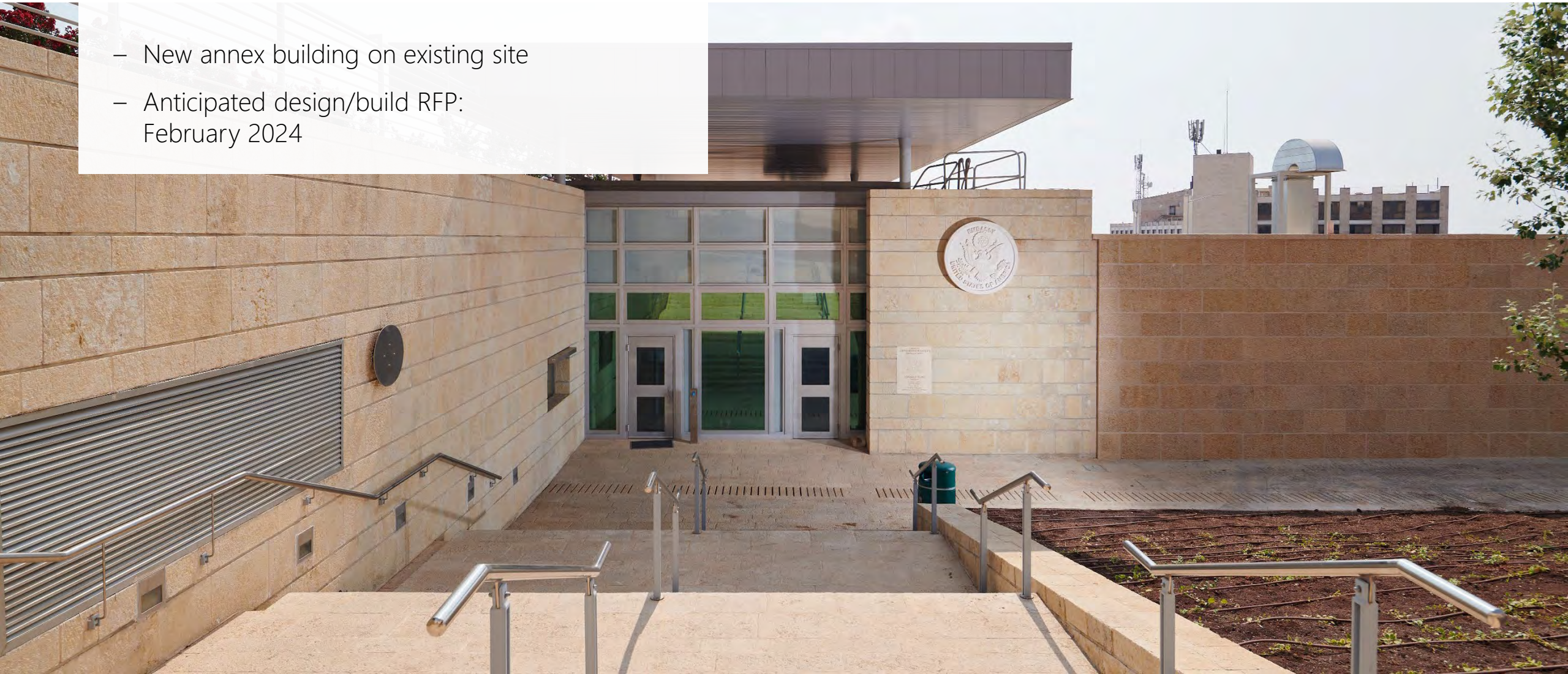
FY 2023 U.S. Consulate General Guangzhou Façade Replacement

- Façade replacement with complete removal of façade and roof systems
- Anticipated Design/Build Bridging RFP: April 2023
- Design Architect: Richärd|Kennedy Architects



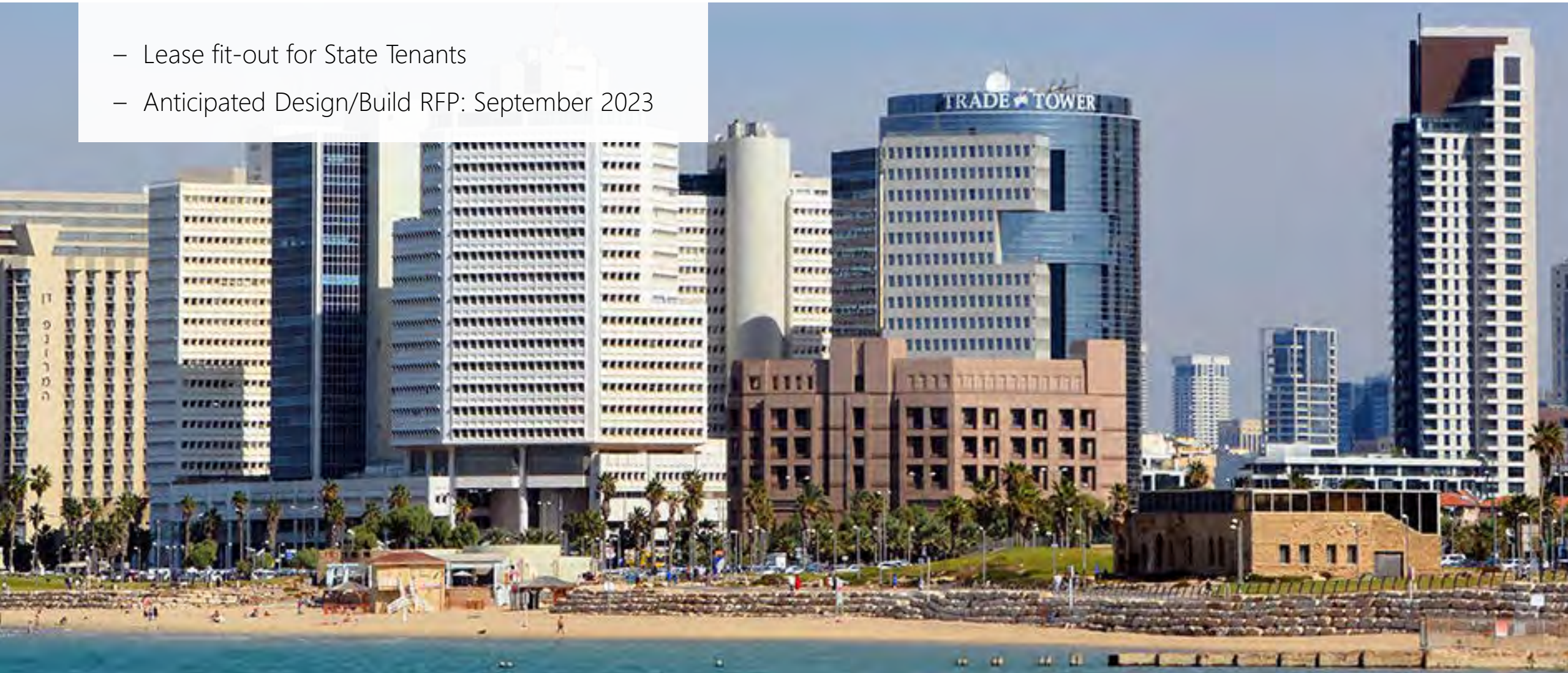
FY 2023 U.S. Embassy Jerusalem Arnona Annex II

- New annex building on existing site
- Anticipated design/build RFP:
February 2024



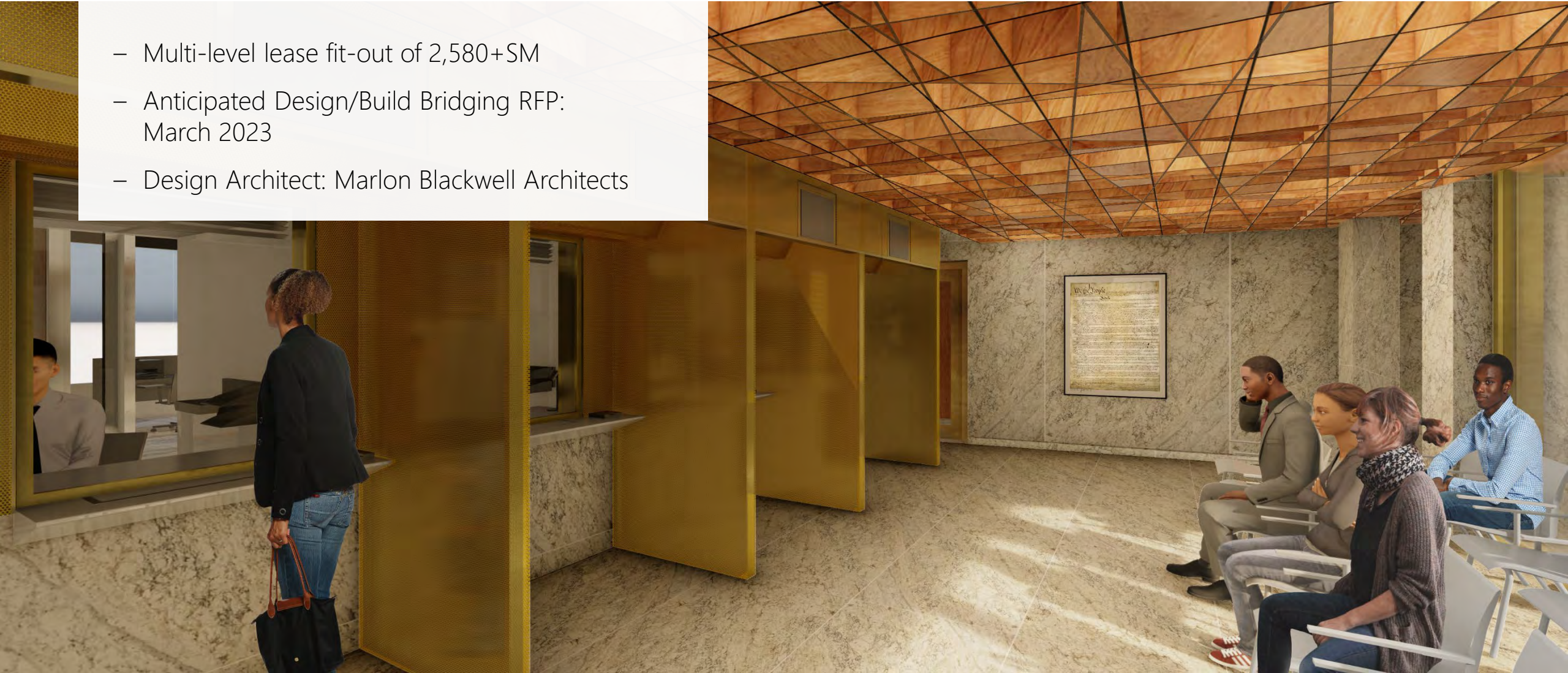
FY 2023 Embassy Branch Office Tel Aviv Lease Fit-Out

- Lease fit-out for State Tenants
- Anticipated Design/Build RFP: September 2023



FY 2024 U.S. Consulate General Durban Lease Fit-Out

- Multi-level lease fit-out of 2,580+SM
- Anticipated Design/Build Bridging RFP: March 2023
- Design Architect: Marlon Blackwell Architects



FY 2024 U.S. Embassy Honiara Lease Fit-Out

– Lease fit-out of 650SM



FY 2024 U.S. Embassy Kampala Renovation & Expansion

- Updates to existing office space with expansion
- Anticipated Design/Build Bridging RFP: November 2023
- Design Architect: Krueck Sexton Partners



FY 2024 U.S. Consulate General Thessaloniki Major Rehabilitation

- Security, fire-life safety, and interior upgrades
- Anticipated Design/Build Bridging RFP: FY 2024
- Design Architect: Annum Architects



FY 2023 U.S Embassy Male Lease Fit-Out

- Lease fit-out for new post in the Maldives
- 1,200 Usable Square Meters



FY 2024 U.S. Consulate General Marseille Lease Fit-Out

- Lease fit-out with significant physical & environmental updates in modern, multi-story office building.
- Anticipated Design/Build Bridging RFP: June 2024
- Design Architect: Studio Ma





04

Acquisitions Management & the Contracting Process

Office of the Procurement Executive / Facilities Design & Construction Division

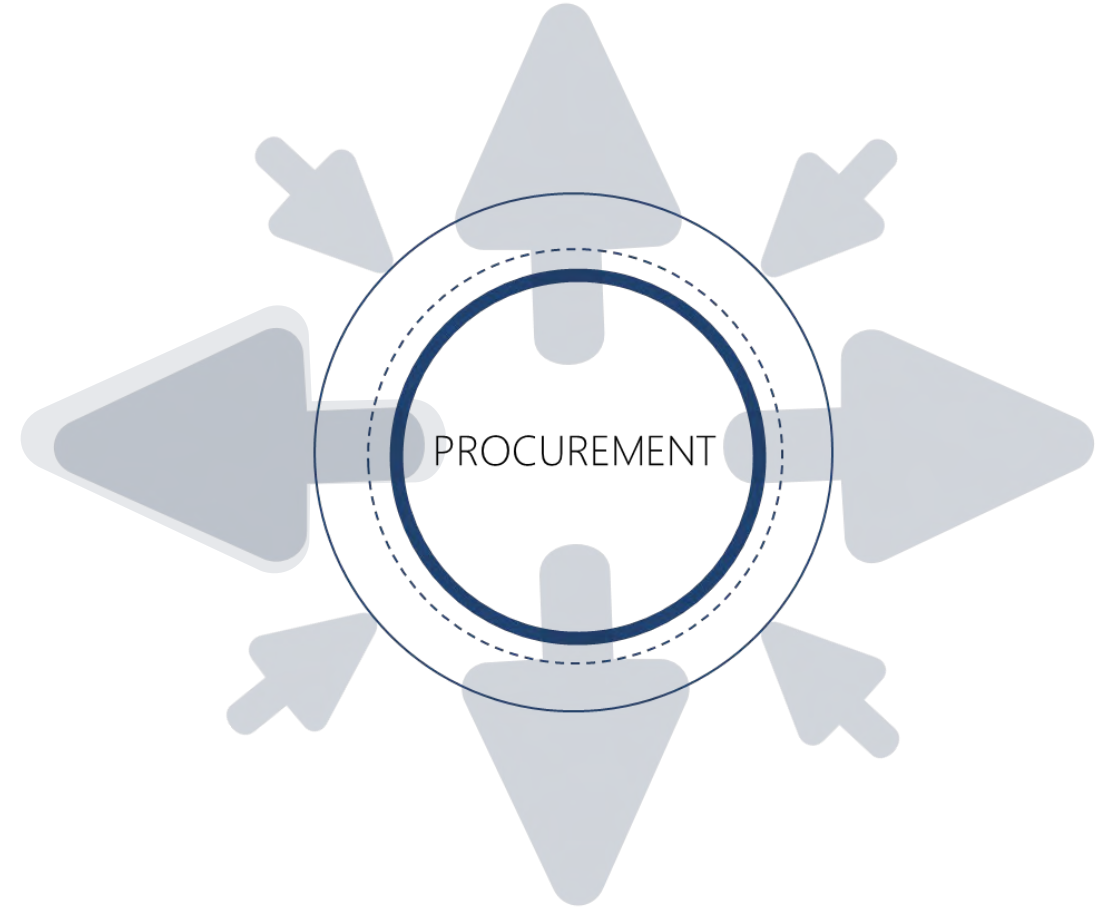
Office of the Procurement Executive

EXECUTIVE MISSION

To provide management direction and leadership over Department-wide acquisition and federal assistance policies and the full range of acquisitions and federal assistance management services.

EXECUTIVE VISION

OPE delivers flexible solutions through a responsive and knowledgeable workforce that elevates the Acquisition Experience.



Project Acquisition

Office of Acquisitions Management

(A/OPE/AQM)

- Manages, plans, and directs Department's acquisition programs
- Conducts contract operations in support of activities

Facility, Design, and Construction Division

(A/OPE/AQM/FDCD)

- Establishes acquisition agreements for logistics requirements abroad and OBO requirements with the private and public sectors



Current Project Delivery Methods

Context, complexity, construction environment, and urgency are evaluated in deciding a delivery method

- Design-Build with Bridging Documents
- Design-Bid-Build
- Design-Build
- Construction Manager as Constructor (CMc)



Construction Contractor Selection & Awards

Contractor Selection

On-going goal of expanding contractor pool

- Recruitment, prequalification, and award
- Contractors committed to best practices with verifiable records of consistent success

Contract Award

- Best Value
  - Past performance
  - Project Management
  - Team Capabilities
- Lowest Price Technically Acceptable



IDIQ Opportunities

A/E Design Services 2023
A/E Environmental Engineering
Support Services 2025
A/E Support Services 2025
Special Projects Coordination
A/E Services 2023
Asbestos Abatement 2024
BAS Repairs & Installs 2025
Building Automation Systems
(BAS) Technical Support 2024
China Crystal & Glassware 2023
Cleared American Guards (GAGs) &
Construction Surveillance Technicians
(CST) 2026
Commissioning Services Late 2023
Construction Management Support
2023
Construction Scheduling/Claims
Consultants Late 2023

Containerized Housing Units (CHU)
Late 2024
Cost Estimating Services 2027
D/B Environmental Remediation
2023
Domestic A/E Design Services 2023
Seismic 2024
Environmental Engineering 2023
Facilities Management Support
Services (FMSS) 2024
Fire Alarm Maintenance 2025
Fire Extinguishers & Replacement
Agent 2025
Fire Protection/ Engineering 2025
IMAP 2025
Operations & Maintenance 2023
Pest Management 2025
Power Systems Work 2023

Professional Elevator Services 2023
Professional IT Staffing 2024
Professional Training Services 2025
Real Estate Services 2023
Residential Generators 2023
Roofing A/E Services Late 2023
Roofing D/B Services Late 2023
Shielding 2026
System Furniture 2024
Technical Security Systems Install
2023
Telecommunications 2026
TPC Engineering Services 2026
Value Engineering Late 2025
Worldwide Forced Entry-Bullet
Resistant 2024
Worldwide General Construction
Late 2024

Rapid Engineering and Construction Program

Rapid Engineering and Construction (REC) Pilot Program Highlights

- 8(a) set-aside ceiling
- Construction and mission support services during critical situations.
- Flexibility to award set-aside contract actions through different procurement vehicles:
  - Stand-alone contracts (C Type)
  - Basic Ordering Agreements (BOA)
  - Multiple Award Construction Contract (MACC)
  - Indefinite Delivery/ Indefinite Quantity (ID/IQ)



Rapid Engineering and Construction Program

FY 2023

- Gaborone, Botswana: Fire Systems Replacement and HVAC Upgrade (REC)



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WORKING WITH US



Capabilities Conversation
Information
www.state.gov/working-with-obo/

Register a Company
<https://bit.ly/OBOCapConv>

