

Federal Construction

Fall 2011

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Ready, set, bid ...

I first strapped on a tool belt in 1973 after serving three years in the U.S. Army during the Vietnam War. At 24, with a beautiful wife and child, there was much to learn about business and construction. My initial efforts were not well received.



At the time, my biggest obstacle to business success was the entrenched construction community. Those established contractors used every cutthroat maneuver you could imagine. From slashing prices, to lying about my product mix; it seemed everything was fair game in the attempt to steal customers and make life difficult. It wasn't right, but as they say, "All is fair in love, war and business."

It didn't take long to realize that, in the local competitive commercial construction world, old age and treachery were enough to overcome my youth and skill.

At the same time, the military procurement officials at Fort Hood, Texas, were actively seeking contractors to bid on their construction requirements. Under Federal rules, the construction

"I think I have an idea how to greatly improve your business process. Do you think anyone would be interested?"

Cupping my ears like Mickey Mouse, I smiled and said, "How about me?" In the conference room, she outlined how all the information in our database could be automated. Honestly, it took me a while to comprehend a better way of handling the huge amount of plans and specifications than an Excel spreadsheet could. But her idea was amazing. And the resources were immediately provided, which means we developed a system that could make life easier – and estimating more efficient – than ever before.

A quarter-million dollars later, we had an incredibly powerful system that tracked both past project bid results and future opportunities. We named it the BidTrakker system – the heart of our business. Client company contractors using BidTrakker already have completed more than 400 federal construction contracts – more \$400 million worth.

BidTrakker provides near instant access to hundreds of construction opportunities every year and provides the user a strategic competitive advantage in both time and business intelligence.

So how does it all work? That's where we come in. GC Experts can help by making you a part of our exclusive BidTrakker Membership Program. Simply join us online at GCExperts.com to see how you can get started.

In addition, we also are proud to have you on board with our *Federal Construction Magazine* and the Federal Construction Summit. Our goal is to get you primed and ready to roll in the federal construction game.

Look forward to working with you. ■

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playing field was level. All I had to be was qualified and have the lowest bid to get the contract.

With a lower overhead and the speed of youth on my side, the contracts were profitable. Admittedly, early success drove an obsession for more and larger contracts.

By 1998, I had completed more than 700 contracts billings for more than \$900 million. At the time, I had a team of 45 employees – five dedicated to tracking most of the federal construction opportunities scattered across the United States – rooms filled with bins of plans and specifications, and as many as 50 projects a day streaming across our estimating tables.

And then something interesting happened. One of our interns, a University of Texas computer science major who had been assisting us with tracking the hundreds of construction opportunities, caught me in the hallway and said,

Doug is the creator of the Advanced Federal Construction Training Workshop. Results that his graduates have achieved are posted at www.GCExperts.com/testimonials. His contact email: doug@gcexperts.com.



SO YOU WANT TO BE A GOVERNMENT CONTRACTOR?



LET'S FACE IT:

Opportunities abound when it comes to federal construction projects. You just have to know how to bid on them.

By Doug Reitmeyer



This is the first in a series of educational articles examining what it takes to get started, stay competitive and be successful in the government construction arena.

We're not telling you anything you don't know. The construction industry has been hit hard by the economic downturn. Contractors and builders want to know the way out. They need hope.

Enter Uncle Sam. Along with a bevy of government-related construction projects to bid on, President Obama's American Job Act could pave the way for a new round of improvements to local, state, regional and federal infrastructures.

But within this opportunity lies the challenge. Few contractors have the experience and know-how to qualify and bid on these opportunities. As a result, many of the much needed contract funds never hit the street.

Truth is, construction firms caught in this declining economy need these opportunities. And private work can be hyper competitive, especially since several times more companies than normal will bid on what little work is available. But federal construction contracting is a different animal. Many of these opportunities remain well funded and active.

The contractors registered and qualified to bid on federal construction projects continue to be rewarded with an



unprecedented level of activity and opportunity. With a limited number of qualified companies – and all sizes and types of projects available – many of these government contracts had little or no competition when it came to bid time. Many had to be recycled due to a lack of acceptable offers (See “Why you are missing out”).

To put this situation in perspective, consider these numbers:

- The Bureau of Labor Statistics estimated that there were approximately 884,300 construction establishments in the United States in 2008.
- In order to do work for the federal government, contractors must be registered in CCR, the Central Contractor Registry (CCR). There are only 20,049 construction companies registered in CCR.

That means that out of 884,300 contracting entities, only 20,049, or about 2.25 percent, are qualified to bid on federal construction contracts. There is essentially 97.75 percent less construction competition bidding on government contracts.

The domestic construction world

To get a perspective on the overall market, let’s take a look at the domestic world of construction funding.

The private sector:

Over the past few years, private and commercial construction spending has consistently declined. From a high in 2006 of over \$912 billion, by 2009, it was about \$620 billion; a drop of about 32 percent in just three years.

The government sector:

Federal spending has increased every year for the past 10 years and by almost \$15 billion every year for the past six



years. The Federal government spent \$317 billion on construction last year and will spend even more this year.

ARRA construction funds:

The government is spending billions of dollars on BRAC (the Base Realignment & Closure Program), the Hurricane & Storm Damage Risk Reduction System, and countless other military and civil works construction programs being implemented nationally to further stimulate the economy.

Do you see the incredible opportunity here?



With a limited number of qualified companies – and all sizes and types of projects available – many of these government contracts had little or no competition when it came to bid time.

To help out, we've created a website that serves as a roadmap for this journey (www.GCExperts.com). Here, contractors, subcontractors and builders have free access to video and written training materials with step-by-step instructions of exactly what they need to do to get started. It's everything you need to become a federal construction contractor, including:

- The best methods of organizing a business structure for maximum protection and financial benefit
- How to get registered and qualified to bid on federal construction contracts
- Where contractors can find many of the government contract opportunities that are coming out every day
- What the steps are to actually complete a typical federal construction contract using two recently completed government projects as examples.





Few contractors have the experience and know-how to qualify and bid on these opportunities. As a result, many of the much needed contract funds never hit the street.

WHY YOU ARE MISSING OUT

Surveys show there are three primary reasons construction companies are missing the boat on bidding for federal construction contracts. The following may be some of the concerns that have kept you from pursuing this element of high construction activity.

The Red Tape – Admittedly, when doing work for Uncle Sam, there's more regulatory paper work to deal with. But with some reading, a little training and knowing where to find the answers to your questions, this problem is easily solved. Like getting a contractor's license, it's really nothing more than following instructions and doing the required tasks.

Getting Paid – Old stories of problems getting paid persist like old wives' tales. What many have failed to realize is that years ago our government recognized the problem and fixed it with the passage of the Prompt Payment Act (PPA). Progress payments are made monthly based on a percentage completed and the government is legally obligated to pay its bills in a timely manner. What's timely? Under the PPA, any partial billing must be paid in 14 days or less, and final billings are paid in 30 days. With the adoption of the WAWF and other electronic platforms, progress payments often are made within 10 days. And in the few cases where the government does take longer than they're allowed, they have to pay interest on the money owed.

No Federal Experience – While the government does frequently ask for references and experience on previous Federal projects, in most cases, your experience from the private sector is considered equal. Also of note: In 49 of the 50 states, your local business license is accepted for nearly every federal contract. In the world of economic stimulus funded contracts, the Federal government's procurement officials really want to work with contractors to achieve its spending goals.

In 49 of the 50 States, your local business license is accepted for nearly every federal contract.

Utilizing the knowledge gained from completing more than 1,000 federal construction contracts, an advanced training curriculum and a special membership site were created where contractors can get access to all the resources necessary to accelerate their business into this underserved market.

Member resources include proprietary BidTrakker Market Reports (www.BidTrakker.com) that identify and provide near immediate access to the thousands of government construction opportunities the U.S. government funds every year. Using the BidTrakker format, a contractor can identify and track federal construction projects nationwide in less than five minutes a day. This is a huge timesaver for contractors and a must-have tool for the professionals.

Contractors using BidTrakker, its database of federal procurement officials and the systems developed by Reitmeyer & Associates have already completed more than 300 government construction contracts throughout the country.

With Uncle Sam as a client, and access to the flood of federal construction funds pouring out of Washington, the smartest contractors will do more than simply survive the recession; they are certain to flourish. ■

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