<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Construction</td>
<td>$ 1,607,738,000</td>
</tr>
<tr>
<td>DHS Consolidation at St. Elizabeth’s</td>
<td>$ 341,000,000</td>
</tr>
<tr>
<td>Alexandria Bay, New York, Land Port of Entry</td>
<td>$ 105,600,000</td>
</tr>
<tr>
<td>Columbus, New Mexico, Land Port of Entry</td>
<td>$ 85,645,000</td>
</tr>
<tr>
<td>Federal Judiciary Courthouse Project Priorities</td>
<td>$ 947,760,000</td>
</tr>
<tr>
<td>Federal Buildings</td>
<td>$ 52,733,000</td>
</tr>
<tr>
<td>FBI Headquarters Consolidation</td>
<td>$ 75,000,000</td>
</tr>
<tr>
<td>R&amp;A</td>
<td>$ 610,331,000</td>
</tr>
<tr>
<td>Major Repairs and Alterations</td>
<td>$ 310,331,000</td>
</tr>
<tr>
<td>Basic Repairs and Alterations</td>
<td>$ 300,000,000</td>
</tr>
<tr>
<td>Special Emphasis</td>
<td>$ 125,000,000</td>
</tr>
<tr>
<td>Fire and Life Safety</td>
<td>$ 20,000,000</td>
</tr>
<tr>
<td>Judiciary Capital Security</td>
<td>$ 20,000,000</td>
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<tr>
<td>Energy and Water Retrofit and Conservation Measures</td>
<td>$ 10,000,000</td>
</tr>
<tr>
<td>Consolidation Activities</td>
<td>$ 75,000,000</td>
</tr>
</tbody>
</table>
## National Capital Region
### Minor Repair & Alteration Projects in FY16

<table>
<thead>
<tr>
<th>Value</th>
<th>Number of Projects</th>
<th>Cumulative Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0 – 250K</td>
<td>8</td>
<td>$ 2.0M</td>
</tr>
<tr>
<td>$250K - $500K</td>
<td>28</td>
<td>$10.1M</td>
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<tr>
<td>$500K - $1M</td>
<td>26</td>
<td>$17.8M</td>
</tr>
<tr>
<td>$1M +</td>
<td>17</td>
<td>$$25.5M$$</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td><strong>$55.4M</strong></td>
</tr>
</tbody>
</table>
The Courts Portfolio, Market Conditions & The Opportunity for Reform

Public Buildings Service
Office of Acquisition Management

General Services Administration
Bottom Line Up Front

• A Unique Opportunity to Raise Our Game
  – Courts: PBS Largest Single Customer
  – Unprecedented Funding Level ($950M)
• Confluence of Interests Amongst Key Stakeholders
  • Congress
  • Federal Courts
  • Administrative Office of The Courts
  • PBS – Improving Time to Market
• PBS Challenge: Sound Business Strategy For A Seller’s Market
“The High Volume of Work Underway Continues to Put Upward Pressure on Skilled Labor. As a result, we are seeing vendors being more selective in their pursuits, which has driven selective trade cost increases.”

Attilio Rivetti
Chief Economist
Turner Construction Report
Strategy For A Seller’s Market

• Market Factor: Seller’s Market
  – Contrast ARRA Market Conditions
  – Commercial Work is Plentiful (and Lucrative)
  – Purchasing Power Declines with Time
• Market Factor: National Shortage of Skilled Labor
  – Biggest Single Risk to Portfolio Success
  – Particularly Acute in the Southeast United States
  – Labor is the Single Largest Cost of Construction
• PBS Challenge: Making Our Projects *Attractive to Industry*
Making PBS Work Attractive to Industry

- Goal: Robust Competition Amongst Top Firms
- Attracting the Best Firms:
  - Industry Input (Union & Open Shop)
  - Risk Based PBS Staffing
  - Forward Leaning Project Delivery Methodology
    - Mix of Design-Build and CM at Risk
  - Equitable Distribution of Cost Risk
    - Guaranteed Maximum Price (GMP) Pricing
    - CM at Risk: Deferred Pricing & Value Engrining
  - Minimizing Bid & Proposal Costs
    - Bid and Proposal Costs are A Function of Time
Attractive to Industry, Cont’d

• Streamlining the Process -
  – Downselect to Three in Phase I
  – Qualifications Based (No Pricing)
• Phase II Submission
  – Written Proposal Limited to 25 pages
    » Reduced Bid & Proposal Costs
    » Faster & Easier to Evaluate
    » “Essay Contest” is Rarely a Discriminator
  – Evaluation Factors – Fewer is Better
    » (Mostly) Standardized for Courts Portfolio
Attractive to Industry, Cont’d

- Evaluation Factors
  - Design Concept (Design-Build & Bridging only)
  - Key Personnel (Small Number of Critical People)
  - Schedule – Offerors Propose the Schedule
    - Not Less than xx days or more than yy days
    - Sensitive Measure of Labor Availability
    - Balances Overhead vs Acceleration Costs
    - Evaluation preference for faster completion
    - Evaluate schedule risk concurrently—Avoid a liar’s contest
- Oral Proposal
- Price – Best Value
Attractive to Industry, Cont’d

• Oral Proposal (Small Group)
  • Key Personnel plus 1-2 Executives
  • Shortly Before Award (30-45 Days)
  • Opportunity to Ask Questions
  • Assess Intangibles
  • Favored by Industry – More Likely to Participate
  • Fast and Easy to Evaluate
A Few Words About Regulatory Considerations

• The Flexibility Is There, We Just Need to Use It
  • Strategy is Fully Compliant with FAR, Specifically;
    • Qualification Based Downselect
    • Proposal Page Limits
    • Bidding the Schedule
    • Focus on Key Personnel
    • Oral Proposals