Partnering U.S. Embassy projects

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Agenda

• Early Partnering within the DOS Overseas Buildings Operations
• Unique aspects of Embassy projects
• Owner and Contractor
• Kingston, Jamaica
• Astana, Kazakhstan
• Lessons Learned
• References
Early Partnering within OBO

Engagement

• Prior to mid-2000’s DOS found that partnering “…generally contributed to project success.”
  • helped facilitate the government and contractors working together as a cohesive team
  • helped to complete projects on time
Early Partnering within OBO

Disengagement

• By the mid 2000’s the Department of State ended formal Partnering partly because...
  • “...(perception was that) contractors had taken advantage of partnering to gain access to OBO’s upper management, which served to bypass the project directors and undermined their ability to effectively manage projects...”
Unique aspects of OBO projects in 2000’s

- All required cleared US Construction personnel
- Very complex logistical considerations
  - Construction materials are consigned to the embassy to facilitate customs clearance as diplomatic cargo
  - Very limited material substitutions
- Major international subcontracting partners
- Standard Embassy Design
Diplomatic security pressures

• Secure Embassy Construction and Counterterrorism Act of 1999, introduced
  • Setbacks
  • Standard designs
  • Blast protection

• Identified 180 embassies to be replaced

August 7, 1998
Dar es Salaam, Tanzania
Nairobi, Kenya
The Design-Build SED model

- Kampala, Uganda embassy used as the baseline for all New Embassy Complex (NEC) projects
- Theme was “Site adapt” to any location worldwide
What’s wrong with a standard design?

• For the Owner, nothing at all, if ...
  • the climatic and environmental conditions are the same
  • the local culture accepts the design
  • The bridging documents are clear, consistent, and “site adapted” for the contract

• For the Builder, nothing at all, if ...
  • the climatic and environmental conditions are understood and priced appropriately
  • means and methods are priced for the local conditions
  • The bridging documents are vetted and addressed through the RFI process prior to bidding
OBO Bid Process (Early 2000’s)

- Two-step design-build solicitation
  - Step 1 – Qualifications
  - Step 2 – Design, management, cost, and fast-track schedule
    - No stipend
    - Significant B&P investment
    - Lowest Price/Technically acceptable vs. Best Value award
NEC Kingston and Astana

• Awarded to Fluor Corporation in 2003 for $53M and $61M
  • J.A. Jones International subsidiary
• FFP Fast-Track Design-Build with Standard Embassy Design (SED) criteria
• Lowest Price, Technically Acceptable award criteria
• Financial environment in 2003
  • Asian financial crisis of 1997
  • Slowing US economy in 2002 leading to the recession of 2007-2009
“Partnering” Kingston

• “Collaborative Start” provided as a no-cost service to OBO
• Facilitator brought in from parent corporation
• Great willingness to collaborate
  • until there was disagreement
  • very strong personalities within both parties
• Collaboration pressures
  • Subsurface conditions immediately impacted the cost and schedule of the job
  • Hurricane Ivan
“Partnering” Astana

• “Collaborative Start” provided as a no-cost service to OBO
• Facilitator brought in from parent corporation
• Bid was below government estimate
• No willingness to collaborate
  • “The contract is the contract” from both sides
  • Partnering viewed as a distraction from the real job
• Host nation logistical issues
  • “We cant get the containers out of the port”
  • Temporary power permitting issues
Turning points in partnering

• “I will not compromise if I know I’m right”
• “The contract is the contract”
• “This is your problem to solve”
• “I need less people telling me what I owe them and more asking me how they can help”
• In 2018 the Department of State began development of a partnering program at the recommendation of GAO and identified new pilot projects to re-introduce partnering and measure outcomes.
  • Kampala, Uganda
  • Moscow, Russia
Lessons re-learned for any international project

- Facilitator should not be affiliated with any of the contractual parties
- A partnering specification should be included within the contract
- All parties should be incentivized to collaborate
- Key international subcontractors must be involved in partnering or there is no commitment
- Know and respect the local cultural, ethnic, and religious environment
- Don’t confuse an escalation ladder with a personal relationship
References

1. GAO-04-100 of 2004
2. GAO-09-48 of 2009
3. GAO-18-653 of 2018
4. Fluor Annual Report 2004
5. Fluor Annual Report 2006
6. Author’s notes (1999 to 2005)
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.
To provide safe, secure, resilient and functional facilities that represent the U.S. Government to the host nation and support our staff in the achievement of U.S. foreign policy objectives.

These facilities should represent American values and the best in American architecture, design, engineering, technology, sustainability, art, culture, and construction execution.
285 Missions
$100B Portfolio Value
80M Square Feet
25,100 Assets
18,300 Culturally Significant Objects & Artworks

U.S. Embassy Beirut
Morphosis Architects
• Embassies
• Consulates
• Office and Support Annexes
• Housing
  - Representational
  - Staff
  - Marine Security Guard
• Warehouses and Shops
• Cultural Heritage Properties

U.S. Consulate General Hyderabad
Richard + Bauer
Building Size
• 2,000 – 125,000GSM

Consular Windows
• 0 – 120

Desks
• 20 – 1,350

Acreage
• 1 – 100+ acres
• Varied Terrain/ Grade

Environment
• -40 to 140 degrees
• Desert to Tropical

Tenants
• Classification
• 0 – 40+
• Access Requirements

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

Housing
• Chief of Mission
• Deputy Chief of Mission
• Marine Residence
• Staff/ Temporary Duty

U.S. Embassy London
Kieran Timberlake
Completed 150+

FY19 Budget $3.8B

U.S. Embassy New Delhi
Weiss Manfredi
Capital Security Construction
- 60+ Active Projects
- $20 Billion Workload

Major Renovation
- 25+ Active Projects
- $950 Million Workload

Compound Security Upgrade
- 25+ Active Major Projects
- $260 Million Workload

U.S. Embassy Athens
Ann Beha Architects Annex and Renovation
Minor Construction & Improvements
- 500+ Active Projects
- $350 Million Workload

Acquisitions & Disposals
- 40+ Active Site Searches
- $1 Billion Workload

Real Property Leasing
- 16,500+ Leases
- $500 Million Portfolio

U.S. Consulate General Guangzhou
SOM