



**USAID**  
FROM THE AMERICAN PEOPLE

# Infrastructure Contract Management: Key Issues and Best Practices

**Kevin Sampson – OAA/EGAT  
Fred Guymont – EGAT/I & E  
USAID Infrastructure Workshop  
Washington, DC  
December , 2009**

# What is contracting?

## **con·tract**

- **a. An agreement between two or more parties, especially one that is written and enforceable by law.**
- **b. The writing or document containing such an agreement.**

## **con·tract·ing**

- **1. To enter into by contract; establish or settle by formal agreement**

# What is the FAR ?

**1.101 - Purpose The Federal Acquisition Regulations System is established for the codification and publication of uniform policies and procedures for acquisition by all executive agencies.**

**1.102(a) The vision for the FAR is to deliver on a timely basis **the best value product or service to the customer**, while maintaining the public trust and fulfilling public policy objectives**

# The FAR Bill of Rights

1.101(d) – The role of each member of the Acquisition Team is to exercise **personal initiative and sound business judgement** in providing the best value product or service to meet the customer’s needs. In exercising initiative, Government members of the Acquisition team may assume if a specific strategy, policy, practice or policy **is in the best interest of the government and is not addressed in the FAR**, nor prohibited by law, executive order, or other regulation, the the strategy, practice, policy, or procedure is a Permissible exercise of authority.

## The FAR, Construction, and A/E Services

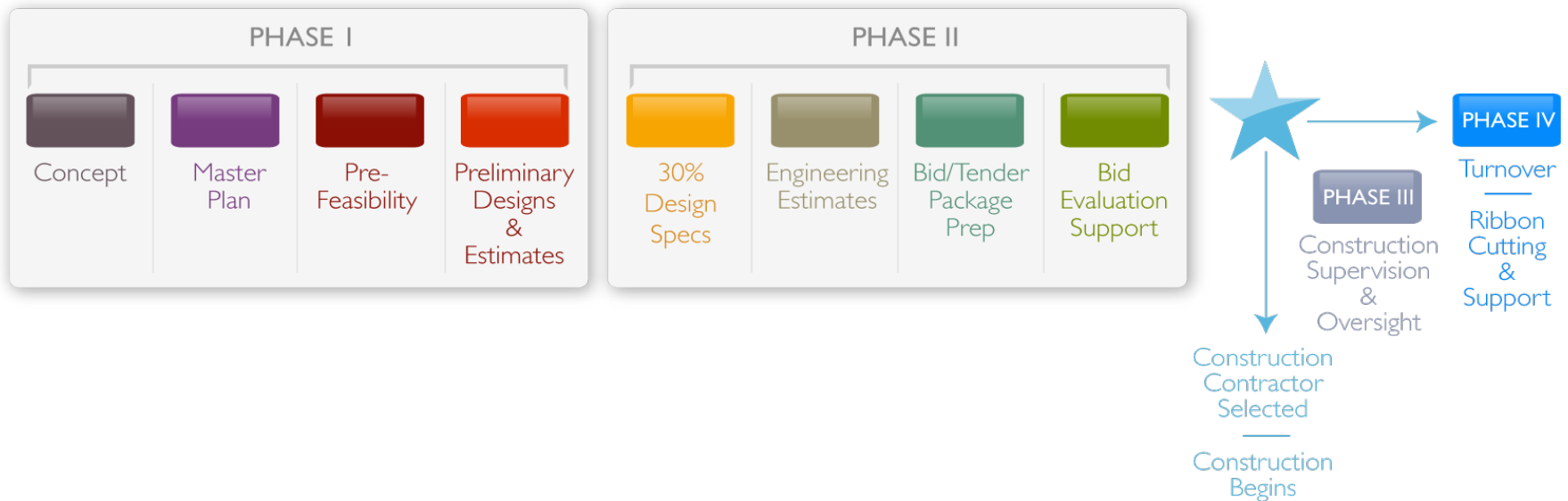
- **FAR Part 36 specifically addresses both Construction Contracting and Architect Engineering Services**
- **Due to the Brooks Act, passed in 1972, selection of an A/E firm is based on qualifications, subject to agreement on price unlike other contracts where price must be considered first in selecting a contractor**
- **Four basic types of contracts you can enter**
  - **Design- strictly A/E**
  - **Design/Build – one firm does it all**
  - **Design/Bid/Build – design first then bid design**
  - **Two-Phase Design -build selection – limited offerors are selected to bid on the second phase**

# **New IQC for A/E Services**

**Architects and Engineers can help missions deliver infrastructure Solutions**

- **THESE COULD INCLUDE:**
  - **Performing feasibility study of any infrastructure that the mission might consider**
  - **Designing buildings, roads and water systems to international standards**
  - **Overseeing the construction**
  - **Providing services along the Engineering Continuum**
  - **Rapid response to infrastructure related disasters**

# New IQC for A/E Services



# New IQC for A/E Services

**IQC developed to address all projects:**

- **Sanitation and Wastewater Systems**
- **Water Distribution systems, including wells,**
- **Irrigation systems and Canals**
- **Roads, Bridges, Rail and other transportation support**
- **Telecommunication Systems**
- **Energy and Renewable Energy solutions (wind farms; hydro-power; and power generation, transmission, and Distribution systems)**
- **Vertical Structures (Schools, Clinics, Office buildings, Community Centers, and Youth Centers)**



# New IQC for A/E Services

**5 World Class Engineering Firms as IQC holders**

- **CDM International**
- **Metcalf and Eddy**
- **MWH Americas**
- **Parsons Global Services**
- **Tetra-Tech**

# Construction under Assistance

**Construction quality should be the same as construction under a contract**

**Guidance under development and coming soon from OAA**

- **Professional/locally licensed engineer(s) must be involved in planning and oversight for programs involving any type of construction regardless of the type of implementing instrument**
- **The award must incorporate a detailed scope of work (Terms of Reference) for the design and construction supervision activities**
- **All projects must have a quality assurance and safety plan**

# Role of Engineering

**An engineering representative is needed on all but for the smallest construction activities**

- **This is true whether the contract is a design/build, design, bid/build, or construction management**
- **Engineer is necessary to complete designs, manage the construction contractor procurement, and supervise construction**

# Role of Engineering

**Small projects without engineering can cause large problems later:**

- **Latrine**
- **Retaining Wall**
- **Concrete Slab**
- **Small school house**
- **Electrical upgrade**

# Pros and Cons -Types of Contracts

- **Design/ Build**
- **Host Country Contracts**
- **Fixed Amount Reimbursements**
- **Cost Plus Fixed Fee**

# Innovative Approaches

- **Hurricane Mitch in Honduras – Host Country Contracting**
  - 1000 KM of roads constructed
  - US CO worked closely with Host Country
- **Egypt –Sewer Construction**
  - \$100 million programs
  - Engineering contractor worked with host country to manage project
  - Egyptian contractors developed capability for future projects
- **Kosovo**
  - Parsons/Delaware managed design and construction
  - Parsons acted as construction manager and sub-contracted to local firms
- **Peru – WB Rural Roads**
  - Rehabilitated local roads with local labor
  - Trained local labor to take over road maintenance

## **Takeaway Thoughts- Contracting**

- **FAR is here to help and guide USG to the best value**
- **Construction contracting is straightforward**
- **OAA and EGAT/I&E are increasing resources to meet your needs**
- **No difference in the quality – assistance vs acquisition**