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Change of Command

Gary Mackey, Code 05

As most of you are aware, RADM Michael W. Shelton was relieved by RADM Michael R. Johnson on 3 September 1998. RADM Shelton will report as Director of Facilities and Engineering Division (N44) on the staff of the Deputy Chief of Naval Operations (Logistics). RADM Shelton has served several tours in the Norfolk area, two of which were here at LANTDIV. We will all miss him, but I am sure that you will join me in wishing him well in his new position. RADM Johnson comes to us from CINCLANTFLT where he is serving as Director of Shore Activities Readiness, a position that he will retain in addition to his new duties. RADM Johnson is certainly not a stranger to our business as he has served as the Commanding Officer of SOUTHWESTDIV from 1995 to 1997 and previously held the position of Resident Officer in Charge of Construction (ROICC) in Adak, Alaska. We welcome RADM Johnson to LANTDIV and look forward to his experienced leadership over the next several years.

Field Office Model (FOM) Update

Gary Mackey, Code 05

One of the major parts of the NAVFAC Restructuring was the implementation of the Field Office Model (FOM) concept that was initiated by the PWC/EFD Deconfliction Committee. The major benefit of the FOM is the consolidation of all NAVFAC contracting offices under one single point of contact for our customers. In essence, this means combining our ROICC offices with the PW/PWD Facilities Support Contracts (FSC) offices. This, also, deconflicts the Type I and II construction work among these offices. Type I construction is typical contract work that requires a design by a Professional Engineer (PE) and/or Registered Architect (RA). The traditional ROICC office administers these types of construction contracts. Type II construction involves those contracts that do not require a formal design and can be accomplished by the use of a job order or another form of a delivery order type contract. The FSC office will still accomplish this type of work. Under the FOM approach, one CEC officer will be responsible to our customers for both offices. Implementation of this important initiative has been complicated by the regionalization efforts that are, also, occurring. Because we were waiting to combine the FOM in

....it appears that regionalization will now not occur in the Tidewater area until April 1999

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with the regionalization initiatives, we have not yet implemented the FOM in the Tidewater area. Presently, it appears that regionalization will now not occur in the Tidewater area until April 1999. Because the FOM is so critical, we have decided to implement this approach in the Tidewater area on 2 November 1998. This means that the CEC officers who are currently ROICC's will then be in charge of the respective FSC offices within their area of responsibility. These officers will still be EFD assets, but they will work for the PWC military site manager. This PWC site manager (i.e., a CEC officer) will eventually be the PWO for each regional site. All warrants will be issued by the EFD.

At LANTDIV, the FOM concept is already in effect at Camp Lejeune, Cherry Point, Guantanamo Bay and Keflavik. By standing up the FOM in the Tidewater area, we will have implemented this process in the majority of our offices. We plan to have the remaining offices on board at the earliest possible date after we have evaluated all of the pros and cons at these locations. There are several misunderstandings of the FOM that I would like to address to dispel any rumors.

First, we do not plan to transfer any PWC employees to the EFD rolls until at least 1 October 1999. This will be accomplished after we have agreed on a metric/formula for determining the staffing requirements for the FSC workload. At present, our plan is to have this metric in place by 1 April 1999. When the transfer occurs, it will only be the 1102 series employees (including FSC contracting employees) and those 800 series employees who accomplish Type II construction. This will be a budget base transfer and will in effect transfer full-time equivalent positions (FTE's) to the LANTDIV roll. As is evident, this transfer is not going to occur for at least one year. The second misconception is that the ROICC will no longer work for the EFD. They will still be an EFD asset, and the ROICC's evaluation/fitness report will continue to be signed by the EFD commander. Having the ROICC work for the PWO is merely the beginning of solidifying our partnership with the PWC's. The last misconception is that the two offices will be combined into one big office and everybody will be administering all types of contracts. At present, the ROICC will keep the two offices separate and will not transfer assets from one office to the other until at least October 1999 when the transfer of PWC

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personnel occurs. The ROICC will be able to shift assets to solve workload problems and to provide our customers with the best possible solution to their needs.

In the very near future, our Tidewater implementation plan will be submitted to RADM Johnson and CAPT Doyle (PWC CO) for their approval. Once that occurs, we plan to brief all PWC and LANTDIV managers in the Tidewater area. After that, we will then brief all ROICC and FSC employees so that everyone will hear our plan and how we anticipate implementing this very important NAVFAC initiative. I am looking forward to participating in these efforts and answering any questions that you might have.

Estimate for Contract Modification Form

Barry Robertson, Code 052

Revision to article, click here

It has come to our attention that there is a conflict in two versions of the NAVFAC Estimate for Contract Modification form which are currently available for use. This conflict deals with the application of the Prime Contractor's home office overhead. The version that was developed and is available on your computer indicates in line 28 that the Prime Contractor is to apply 3% to line 24 for home office overhead. However, the version included in Tab 26 of the ROICC Handbook indicates in line 28 that the Prime Contractor is allowed to apply the 3% home office overhead to line 26. The ROICC Handbook version is correct. The Prime Contractor's home office overhead is applied to all of the work being performed in the change, including the work of the subcontractors.

Navy Policy on Boiler Procurement

Darrell Larsen, Code 0521

We have recently experienced a few situations which would indicate that there is confusion on the requirements for boilers procured for use outside of the United States. Within Italy, there have been some instances where efforts have been made by equipment suppliers, contractors and consulting engineering firms to waive the installation of ASME certified boilers. The rationale being that as long as the boilers meet the Italian boiler standards, i.e., ISPESL and ANCC, ASME need not be met too--this is an erroneous assumption.

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DOD policy requires that all boilers procured be ASME certified. Approval and installation of non-ASME boilers are in violation with the current Air Force instruction (AFI 32-1068) and Navy instruction (ATLANTIC DIVISION NAVFACENGCOMINST 11310.6). We should all be aware that the use of ASME certified boilers is mandatory and nonnegotiable. Non-ASME certified boilers are not an acceptable option for boilers installed on any DOD facility either within or outside the United States.

The contract requirement for ASME certified boilers should never be waived under any circumstances.

Clarification of HVAC TESTING/ADJUSTING/ BALANCING, NFGS-15950D, for Coil Performance Testing

Darrell Larsen, Code 0521

Recently, we have received comments of concern from some of the local TAB Agencies regarding the procedures that we require for performance testing of heating and cooling coils. Paragraph 3.2.6.5 of specification Section 15950 requires coil performance capacity tests to be conducted in accordance with Associated Air Balance Council (AABC), procedure 3.5. Such testing requires that the procedures include the compilation of entering and leaving wet and dry bulb temperatures by taking multiple readings across the coil face to determine average coil face conditions. As this paragraph is presently written, it could be interpreted to mean that multiple readings are to be taken for all such coils. This would mean that the same regimen of data would be compiled for fan coil units as for central station air handling equipment--that was not the intent of this specification. Instead, multiple coil data readings are only to be taken for central station air handlers, both factory manufactured and central built-up units, and rooftop units larger than 7.5 tons. For small unitary equipment, such as through-the-wall heat pumps and air conditioners, fan coil units, and duct mounted reheat coils utilized with VAV terminal units, it is only necessary to compile single point readings of entering and leaving dry bulb (and wet bulb face conditions for cooling) temperatures.

In addition, this same specification paragraph requires submittal of part-load coil performance data from the coil

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manufacturer to allow conversion of test conditions to design conditions for the purpose of determining if the test coil meets design capacity. Again, this requirement only applies to central station air handlers, both factory manufactured and central built-up units, and rooftop units larger than 7.5 tons. For small unitary equipment as identified above, the TAB Agency needs to only report apparent capacity through calculations using the single point data compiled.

Presently, we are in the process of revising the guide specification to make each of these points clear to both the contractors and the field offices. In the interim, the field offices are requested to issue clarification to the contracting community during the Pre-construction Conference.

Safety Corner Articles

Bill Garrett, Code 0526

Demolition Emphasis

A review of FY-97/98 accident data has revealed that 70% of our lost-time accidents occurred during demolition phases on our contracts. Demolition seems to be the one area whether at NORTHDIV, EFA CHES, EFA MED, or LANTOPS where our contractors are not taking the necessary time to ensure proper planning before the phase begins. Demolition in the industry is often thought of as being of short duration--not requiring much preplanning. We can help our contractors by assuring that each contractor utilizes the Activity Hazard Analysis (AHA) system. Remember, the AHA forces the contractors to plan out the work by ensuring the equipment, personnel, and material are on site and ready for the phase. This procedure reduces the contractors need to take shortcuts because the *right stuff* is not available at the site. Construction scheduling has become even more important for delivering timely projects to our customers. For this reason, it is extremely important that the safety controls are well planned.

Here is an example of a recent incident involving demolition: A sheet metal mechanic was tasked with performing demolition of some ductwork in preparation of the new installation. The work involved the removal of a large section of duct weighing approximately 800 pounds and measuring over 20 feet long. The renovation work was required to be in phases. On previous phases, the duct removal was performed utilizing a “duct lift” apparatus, allowing the disconnected duct to be safely lowered to the floor. In this instance, however, the “duct lift” had been

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removed from the site. Rather than waiting for a safe alternative, the employees decided to drop the duct section approximately 18 feet to the floor below. The sheet metal employee was on a ladder approximately ten (10) feet up. When the duct section dropped, it bounced hitting the ladder causing him to fall to the floor. Contract and regulatory rules require demolished materials to be controlled when lowered.
The continued success of our Command accident prevention efforts depends on discussing our safety management expectations well ahead of time, during the pre-construction meeting, and throughout the contract. We must emphasize to our contractors the need to focus on safety during demolition as indicated by the data.

Source Selection Process Includes Contractor Safety Performance

The Source Selection contract award method has really taken off. The process appears to be paying some real dividends in providing quality products and services to our customers in a safe manner. The process helps our ROICC offices by providing contractors with the highest rating, utilizing various factors without relying solely on price. The system has been utilized in private industry for some time. One evaluation factor is the contractor's past safety performance. This factor attempts to include as much historical data as possible to fairly reflect each contractor's safety program as a whole. There are three elements in the safety-rating factor. During the process, evaluators have recently been asking for clarification of definitions and how the data provided by the contractor should be rated. It is important to remember that data provided which meets the national average is considered only fair. The process is designed to obtain higher than average performers. The information is readily available from insurance carrier work sheets, and most contractors performing work for private industry are accustomed to providing this information to prospective customers. The following list of safety factor elements is provided to help evaluators in defining and determining a rating factor for each element:

a. Occupational Safety and Health Act (OSHA) incidence rate for last five years: The incidence rate represents the number of injuries and/or illnesses out of every 100 full-time workers. It is intended to estimate the percentage of employees suffering from an injury or illness and is calculated as:

(N/EH) X 200,000: where N = number of injuries and/or

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illnesses

EH = total hours worked by all employees during the calendar year

200,000 = base for 100 full-time equivalent workers (working 40 hours per week, 50 weeks per year).

Here are some comparisons: national construction industry average 1992-1997 = 13.07

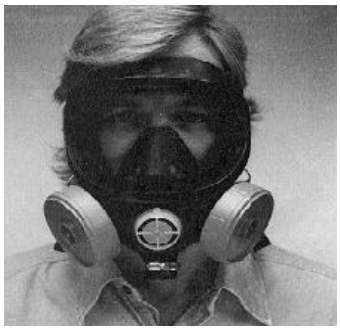
Construction Industry Institute members average 1992-1997 = 4.8

Suggested criteria for element 1 of safety factor: 0 – 3 (Excellent); 3 – 6 (Good); 6 + (Fair)

b. Federal and State OSHA citations for the last five years: Citations are issued to contractors by OSHA Compliance Officers when violations are observed during on-site safety inspections. The number of citations is an indicator of how the contractor's safety program is working. Although there is no national average for this element, our goal is "zero." Consideration should be given to the size of the contractor's company, the number of employees, and how long in business. The contractor with the fewest number of citations compared to the other companies, presumably of equal size, should receive the highest rating. Evaluators wishing to validate the information provided may do so through the OSHA website at:

http://www.osha.gov/cgi-bin/est/est1

c. Experience Modification Rate (EMR) for the current year plus the last five years. Clearly indicate insurance carrier for this term by name, title, company and phone number: The EMR is assigned to contractors by the insurance carrier. Insurance companies use this value to determine the rate of insurance premiums to be paid. The insurance company assigns the contractor's EMR from on-site evaluations and other historical safety performance data. For LANTDIV contracts, the standard has been met when the bidder provides the information requested and indicates an EMR between 0.80 and 1.0 over the last five years. A rate less than 0.80 is rated higher, and a rate above 1.0 is rated lower.



"People forget how fast you did a job--but they remember how well you did it."
--Howard W. Newton

Gary

G. W. MACKEY, P.E.
Director
Construction Division

Revision to Spadework article of September 1998

Estimate for Contract Modification Form (Revision)

In the Spadework that was issued last week, there was an article included to clear up a conflict, which was pointed out by a ROICC representative from EFA CHES, on application of Prime Contractor Home Office Overhead on subcontractor work indicated on the Estimate for Contract Modification Form, NAVFAC 4330/43 (8/88). Specifically, the computer version indicated in line 28 that 3% Prime Contractor Home Office Overhead should be applied to line 24, Prime Contractor's Work. The version in the ROICC Handbook (same date on the form) indicated in line 28 that the 3% Home Office Overhead should be applied to line 26, Subtotal of Prime & Subcontractor Work. In essence, the later version gave the Prime Contractor 3% more on any particular change that involved subcontractor effort. The initial determination was that the ROICC Handbook version was correct, and consequently, this information was included in our most recent Spadework. Since then, there has been some disagreement with this approach, and as a result, this determination has been changed. To make this perfectly clear, line 28 should apply 3% Prime Contractor Overhead to line 24 for Prime Contractor work only. The philosophy here is that the 5% overhead the Prime receives on line 27 on subcontractor work is all-inclusive of Field and Home Office Overhead associated with subcontractor work. The form in the ROICC Handbook will be reissued with the next revision.