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ENGINEERING AND CONSTRUCTION BULLETIN

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Subject: Limitations on the Use of One-Step Selection Procedures for Design-Build

Applicability: Directive

1. Reference:

- a. ER 1180-1-9, Design-Build Contracting.
- b. Title 10 United States Code (U.S.C.) Section 2305a, Design Build Selection Procedures.
- c. Title 10 U.S.C. Section 2862, Turn-key Selection Procedures.
- d. ER 1140-1-211, Work for Others: Non-Department of Defense Reimbursable Services.
- e. FAR Subpart 36.3, Two-Phase Design-Build Selection Procedures.

2. Over the past several years, some Districts have issued design-build contracts using the one-step selection procedures authorized under 10 USC 2862. Industry has repeatedly raised objections to this practice at local and national forums, due to the high cost of proposal preparation and the limited likelihood of success when competing with dozens of offerors. Additionally, this process has been used for requirements not authorized by statute.

3. The use of a one-step selection procedure is only authorized for military construction contracts. One-step selection procedures requires offerors to submit both price and technical proposals simultaneously and results in proposal evaluation in a single step. It is expensive for industry to submit technical proposals requiring any level of design effort and does not allow the source selection authority to down select the most qualified offerors. The two-phase selection procedure authorized under 10 U.S.C. 2305a allows offerors to submit (relatively inexpensively) information related to specialized experience, technical competence, capability to perform, past performance, teaming arrangements or other information requested in step one. Based on this information, the source selection authority selects a limited number of the most qualified offerors to advance in the competition and are subsequently invited to submit price and technical proposals for evaluation during the second phase. Offerors advancing to phase two

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have much more favorable odds of winning the competition and are therefore incentivized to submit superior technical and price proposals. Fewer industry partners are exercised to prepare (relatively expensive) technical and price proposals.

4. The two-phase selection procedure is the only design-build contracting method authorized for Civil Works and Support for Other projects. In addition, the two-phase selection procedure is the highly preferred method of this Command for acquiring design-build services for military construction (MILCON) projects. Implementation guidance on its use can be found at FAR Subpart 36.3.

5. The one-step selection procedures may only be used when all of the following conditions are met:

a. The planned contract is for an authorized military construction project. Typically this is a MILCON funded project, minor MILCON funded project, or OMA minor new construction project less than \$750K.

b. The offerors are not required to submit design products as part of their technical proposal.

c. Approval to use a one-step selection procedure shall be obtained from the Headquarters USACE Chief of Construction.

6. The restrictions on the use of the one-step turn-key process contained in 10 USC 2862 require close coordination with the District Office of Counsel during the acquisition planning process.

7. The point of contact for this Engineering and Construction Bulletin is Paul Parsonneault, CECW-CE, 202-761-7423.

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JAMES C. DALTON, P.E., SES
Chief, Engineering and Construction
Directorate of Civil Works

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LLOYD CALDWELL, P.E., SES
Chief, Programs Integration Division
Directorate of Military Programs