

U.S. DEPARTMENT OF STATE • OVERSEAS BUILDINGS OPERATIONS



INDUSTRY ADVISORY PANEL

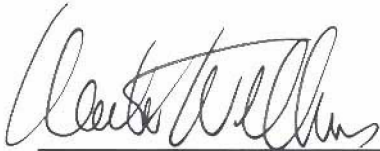


FEBRUARY 13, 2007



I, Charles E. Williams, certify that this is the true and correct version of the Minutes of the February 13, 2007 Meeting of the Industry Advisory Panel.

Signed:

A handwritten signature in black ink, appearing to read "Charles E. Williams", written in a cursive style.

Charles E. Williams
Director/Chief Operating Officer
Overseas Buildings Operations

February 13, 2007

UNITED STATES DEPARTMENT OF STATE
INDUSTRY ADVISORY PANEL

OVERSEAS BUILDINGS OPERATIONS

Washington, D.C.

Tuesday, February 13, 2007

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1 PARTICIPANTS:

2 Panel Members

3 JOHN W. BAROTTI

4 EDWARD J. DENTON

5 MATTHEW T. WALLACE

6 OBO Participants

7 GENERAL CHARLES E. WILLIAMS

8 ROBERT CASTRO

9 JAY HICKS

10 STEPHEN STOMBER

11 JOHN FENNER

12 JOSEPH W. TOUSSAINT

13 GINA E. PINZINO

14 BILL MINER

15 Invitees

16 PAUL ROWE

17 RAMSAY STALLMAN

18 STEPHEN KIRK

19 GREG THOMOPULOS

20 SUMAN SORG

21 ERIC STRACK

22

1 PARTICIPANTS (CONT'D):

2 RICH BENTON

3 BRIAN SCHMUECKER

4 JOHN ROBINSON

5 WALTER CATE

6 JONATHAN BLYTH

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1 so please take advantage of that. And also, there
2 will be posted the minutes.

3 All of this is recorded. Our court
4 reporter is in that room, who works very hard to
5 make sure that he captures everyones' statements,
6 so please remember to speak clearly into the
7 microphones. Without further adieu, General
8 Williams.

9 GENERAL WILLIAMS: Good morning, all.
10 Okay. Gina, thank you for the admin comment.
11 First, I would like to first welcome our panel,
12 the regular members, and obviously those that are
13 -- we have a few that are substituting; I'll have
14 more to say about that as we move along.

15 For those of you who are visitors and
16 here for the first time, we will recognize you at
17 the end of the presentation at the end of today.
18 This is a public forum. The panel is a chartered
19 organization that work with us on all of our
20 activities.

21 And I might say that over the five and a
22 half years, we entered into the sixth year now, it

1 has been one of the most illuminating points about
2 everything that we are doing.

3 Congressman Wolf and I were having a
4 discussion yesterday about some issues, and we
5 talked about the panel and the importance of it to
6 everything that we are doing. So we are delighted
7 to have you with us, we're delighted to have all
8 of the visitors, and we will now begin.

9 Consider that as a welcome. I think
10 most of you know I'm entering into my sixth year
11 as the Director of the Overseas Building
12 Operations, and it has been a lot covered during
13 that six year period. We have had a lot of
14 opportunities to do things for our people in the
15 State Department.

16 We are missing one member today, Doctor
17 Ellis, as Gina mentioned, he will not be with us.
18 He has sent some information for us which we will
19 get integrated into the minutes and obviously into
20 the discussions. I do want to recognize the fact
21 that we have one new member. I've known this
22 person for several years, long before we started

1 with the panel. And the firm has been very well
2 involved with not only our work, but other work,
3 as well. But the new AIA member is Suman Sorg, is
4 with us today for the first time. So, Suman, we
5 welcome you.

6 MS. SORG: Thank you.

7 GENERAL WILLIAMS: Okay. Lee Evey,
8 another member who will actually be leaving as --
9 officially departs the board -- the panel after
10 today, he could not be here today because of
11 another commitment, but he has sent not another
12 Denton, but he sent a Benton to sub for him; and I
13 know that this will be a great experience, as
14 well.

15 Also, John Pawulak, our representative
16 from Association of Energy and Engineers, was
17 pulled away early, as well, so he has sent Eric
18 Strack to sit for him, and Eric is sitting right
19 in the front of me.

20 So the panel will go on just a little
21 bit about the protocol today. We are going to be
22 sensitive to the possible deterioration of the

1 weather, so we're going to be light in the
2 afternoon, we probably will take just an hour and
3 a half or so rather than the normal two and a half
4 hours to give us another hour or two to be ahead
5 of the weather, if it should happen to
6 deteriorate. But we will cover everything; we'll
7 cover the agenda, because the homework has been
8 assigned, and I know you are eager to get into it,
9 so we're not going to shorten anything, we're just
10 going to make our presentations a little bit more
11 snappy.

12 Now, with that, I'm going to do what
13 I've done for the last five and a half years,
14 because it's a part of my public stewardship,
15 because there's nothing that happens in the
16 Overseas Building Operations that the public need
17 to know that it will not know.

18 So with that, we are going to give you a
19 state of where we are with the business and allow
20 you an opportunity to ask some questions. So this
21 first slide then will just recap of where we have
22 been and give us the traction and the direction to

1 move forward, that mandate has not changed. We
2 are deeply involved in providing the platform for
3 the diplomacy.

4 This gives you some quick facts. And I
5 was just meeting with the Senate side of our
6 subcommittee last Friday, and the majority of what
7 I'm giving you was presented to them, as well. So
8 you're getting the same kind of information
9 because we have only one speech and so you're
10 getting it. 2001, we were completing one facility
11 per year, and last year we delivered 14. And you
12 see the rest of how we have been rated by others.

13 We are a results based operation and we
14 keep reminding everyone that everything that
15 supports this function in the State Department is
16 in a package, it comes from the Hill packaged as a
17 budget, it is a separate budget, and of course,
18 any disturbance of that, you ricochet the top. So
19 we constantly make this point that we are about
20 performance, accountability, discipline, and
21 credibility, and I know all of those are private
22 sector pillows, (?) and that was done by design.

1 Now, this is a picture of the results. What have
2 you done in six years? We have delivered 42 new
3 embassies and consolute activities. There they
4 are, they're out there for anyone to check and
5 see. So that's what the tax payers got from this
6 government entity over the last five and a half
7 years.

8 And this is a closer picture of the
9 results. It shows how many people, how many U.S.
10 government persons have been taken out of harms
11 way and put in permanent and secure facilities,
12 11,395, and hopefully by the end of this year, we
13 would have taken close to 16,000 out of harms way.

14 Now, link these two together, anyone can
15 stand up and give the speech. What has happened
16 in the Overseas Building Operation over the last
17 six years, in spite of anything else you hear, you
18 say, well, the results for all the tax payers
19 dollars has been 42 compounds, complexes, and they
20 have taken way, because you would be part of that,
21 almost 12,000 Americans who otherwise would be in
22 harms way, that's the result, okay.

1 Now, what's on our plate today in
2 addition to the 42 that we have completed? We
3 have 39 under construction and management. That
4 values at about 3. -- well, slightly over \$3
5 billion of work. There's other work, as well,
6 other than the new 42 that I mentioned. We have
7 rehabs ongoing, we have lots of touches around
8 security upgrades and the like, et cetera, et
9 cetera, so this is the plate.

10 But someone was talking to me on the
11 phone yesterday and I mentioned that it was over
12 17,000 properties around the world that we were
13 responsible for, and this, obviously, was
14 something that they didn't understand, and he
15 thought, well, maybe you just build buildings.
16 But every single facility that our State
17 Department has artship (?) around the world is in
18 our portfolio.

19 The new facilities that were awarded in
20 2006, you can see the locations there, so that you
21 can be knowledgeable about that. Once again, this
22 is tooth and lending, we want everyone to know

1 what we have done and where we have done it.

2 The next is the plate for 2007. This
3 shows, once again, what and when, I'm sorry, what
4 and where, and we will be speaking to that
5 throughout the year because that's what we are
6 challenged with this year.

7 Since we last met, we have opened three
8 additional complexes, Bridgetown, Kingston, and
9 Belmopan, Belmopan is in Belize. The city of
10 Belmopan is about 50 miles upland. So this was
11 all in the southern part of the world, and this
12 got us to 42.

13 We have published the long range
14 Overseas Building Plan. For all of the new panel
15 members and for those who are visiting, we have a
16 strategic plan that guides the program. Those of
17 you in BOD are similar to the POM (?) it captures
18 six years of work that's pretty well identified,
19 and it's taken from a larger pool, but we
20 crystalize around about six years, the budget year
21 and then five additional years. So that plan is
22 coming out in its sixth edition, right Alex, sixth

1 edition, and it is published.

2 We also publish a stewardship report,
3 which we will share with the panel members. Now,
4 we are one of the few or maybe the only government
5 entity that provides to the stakeholders a
6 stewardship report, your board room annual report.
7 We ask for X amount of money and resources, and
8 this is what we did with it, very delineated, so
9 there's no question about that part.

10 Now, that's the accountability and
11 that's the private sector spend that's on what we
12 do. And this presentation is to demonstrate the
13 performance. So now you've seen the performance
14 piece, you've seen the accountability portion, and
15 obviously to get all of that done, we had to
16 discipline the program, and we are disciplining it
17 by using the guide which is the strategic plan,
18 and we work very hard not to deviate, and we get
19 cables every day, can't you do this, can't I move
20 in early, can't I do this, can't I do all of those
21 things, and you have to constantly say no, no, no,
22 because you have to do it right. We made a

1 strategic transformation. In about a year and a
2 half ago, the older panel members or the ones who
3 have been serving the longest understand about
4 that. We knew the situation was shifting in the
5 world and we had to think in a little different
6 way and look at and examine the way we were doing
7 our business.

8 So we kind of walked away from the six
9 sigma format and went into lean management in
10 order to crystalize and look a little bit closer
11 at process to see if we couldn't get there a
12 little slicker than we had in the past, so that is
13 working well for us.

14 With that, we introduced something
15 called the 20 management items to sort of help our
16 private sector. Quite frankly, this was for our
17 private partners, because we heard them about some
18 issues and the like, so we worked very hard on the
19 allocation of risk, realizing the government had
20 to pick up more risk, and we put forth some 13
21 risk allocation items, and the majority of those
22 were on the government's back to do, and I'll have

1 more to talk about that in just a few minutes.

2 And, of course, the rest of the list you
3 can see. Many of you who have been with us for a
4 while, you've seen these, they've been published
5 all over the private world, et cetera. This shows
6 the last ten, but it's something there for
7 everyone. And it was put in place, it was put in
8 place to help demonstrate that we were a partner,
9 because you see things like dealing appropriately
10 with change orders, not changing the design,
11 increase emphasis on smartness, energy,
12 conservation, et cetera, et cetera, looking at the
13 designability side of things, so statability side
14 of things.

15 Okay. Now, these are new things. My
16 own staff have not seen these, but I want industry
17 to know that I hear you, okay.

18 And every time anyone petitions me about
19 a concern, I hear you, and I do want to speak to
20 those.

21 Full implementation of the risk
22 allocations that we very carefully laid out almost

1 a year ago, I personally led the discussion about
2 that. I have been very, very concerned that the
3 risk allocation issues that we talked about are,
4 in fact, taken in the field.

5 Now, industry, I want you to look me in
6 the eye, because I'm looking you in the eye. If
7 they are not taken, you haven't told me that
8 they're not taken, I laid them out, so you've got
9 to talk to me, okay.

10 Now, also at the same session we
11 suggested that we would have frequent meetings and
12 different forums, and without getting into all of
13 the details and the like, we would expect those to
14 be taking place, as well. Any time that I'm
15 invited, I'll come and give some opening comments.

16 I'm very concerned about the
17 contractor/owner relationship, not because of
18 these 13 items, but ever since I've been here for
19 six years. It is important that we have a very
20 good working relationship. We each have a role to
21 play, and one is an ownership role, the other one
22 is a contractor, but we have to be professional

1 and get it done. So I kind of watch that out of
2 -- watch it well. And most of you know I travel a
3 lot, I know what's going on in the field, I don't
4 need to get a cable for anyone to tell me, because
5 I go out, I see it, and I walk all over the
6 buildings, and so I'm there.

7 That has always, value added tax issue
8 has, I'm talking to the private sector now, those
9 of you who are around and understand what I'm
10 talking about. Congress funds that. There's no
11 mystery or bogets (?) that when we ask for it.
12 And if you have to pay that, a variary (?) tax,
13 there is no issue about whether or not we should
14 pay you, okay, on debate.

15 You heard it here. We ask for it in the
16 budget and we get it when we ask for it. And if
17 you incur that, we can't pay anymore than what
18 Congress provides, and I've never had that
19 situation, you're to be paid, okay, so that's not
20 even an issue.

21 AREA's (?) AREA's is a request for an
22 adjustment, and you know, that's a process,

1 there's nothing new about that, and there's
2 nothing onerous about that. You have a right to
3 ask for whatever you want to ask for. We owe it
4 to you to give you a timely up or down (?) okay,
5 so I'm assuming that that is in place, because
6 that was a part of the Williams 20, and that was a
7 part of what the risk allocation was attached to.
8 We -- I promised you two meetings ago that we were
9 going to rework the RFP, slim it down, lean it
10 down, and get rid of the ambiguities, okay. We
11 have a new RFP version in the cooker. It will be
12 coming out hopefully in FY '07, so you should see
13 something different.

14 Now, if all of the stuff that was in the
15 way is not taken and there's not clarity around
16 it, I want you to let me know, because it was the
17 intent to get it right, to slim it down, get out
18 of the confusion. We reworked Division 1 for the
19 purpose of getting Division 1 in an order that
20 made sense and not with confused kind of things.
21 It can't be just a big pot where you just throw
22 things in, okay, because I've done enough general

1 conditions in my life, so I understand how all of
2 that works. But we owe it to each of you to make
3 certain that that's done.

4 Now, there's a little bit of warning
5 here where I need you to help me with an issue.
6 There has been an indication that, because you
7 know the world is up and down these days, where
8 there have been some less than genuine
9 manufactured items, to the extent that you could
10 probably call them counterfeit.

11 So I'm asking you to be exceedingly
12 careful when you acquire equipment and material,
13 that it is, in fact, genuine. Enough said on
14 that. If you need further detail, come by our
15 place and we can talk, but I just want to have you
16 help me with that. The issue is about origin and
17 et cetera, et cetera, et cetera. Then also, I
18 want to make certain that there is not any issue
19 with communication. Now, I've graded a pretty
20 hard paper here, because that's just the nature of
21 me. I want to make certain that there is no
22 pocket of poor communication. You don't have to

1 always agree, but you've got to talk. And most of
2 you know, wherever you find me, you can talk. And
3 so we want to make certain that that's in place.

4 Now, nobody asked for this, okay, nobody
5 asked for this. I felt I needed to just talk
6 about it, because a part of this whole thing is to
7 be a responsible partner, and you can't -- there's
8 nothing that's off the table, we talk about it
9 all, and this is a public meeting. I want
10 everyone here who's sitting around to know the
11 kind of government entity we are, okay, it's open.

12 And I know you -- everybody will sit
13 around the wall and be nice and courteous to
14 General Williams, but I know that some of these
15 are out there. So I want to let you know how we
16 are dealing with them, very openly, okay.

17 Now, let's move ahead and let me show
18 you what we have done. A little bit of discussion
19 about our standard design. You need to understand
20 what we were attempting to accomplish. We wanted
21 to make certain that when we built something
22 overseas for our people, that it was pretty much a

1 self-contained apparatus. So the standard design
2 is not just about one building, unfortunately, it
3 sort of got rolled out that way, and you know, all
4 the coalescent (?) was around, you know, where the
5 mechanical room was. But the real deal here was
6 to make certain that we had a mini campus, and a
7 few people here in the education side of the
8 house, so we have a chance for building, as many
9 of you know, and most of the complexes at annex,
10 that can either be for our USAID or another one,
11 we have certain shops and warehouses, these are
12 service kind of buildings, we have a marine
13 security guard dormitory or quarters, that's the
14 military version of it, but it's no different than
15 a small dorm that's self-contained with it's own
16 little rec package and pool table and bar, okay.

17 Staff, visitors parking. Now, those of
18 you who work with us, there's always a little
19 dance about that, because there's never enough
20 parking. But Congress only funds parking for
21 official persons in official positions, not
22 everyone who visit the post or every local

1 national or work there. So you have to help me
2 with that. When you -- if you're having a
3 discussion about our program, or if you or some
4 pal (?) working on it.

5 And a rec center, a rec center is a very
6 small, depending on the climate and the region of
7 the world where we are, it could be something that
8 is worked around a pool, or it can be something
9 that's enclosed and it looks more like a
10 gymnasium, where you can work out and do those
11 kind of things, particularly in the colder places,
12 but we do have a rec center. And then, of course,
13 the rest you see there, which is associated with
14 security in our landscape package. That's what a
15 standard site master plan looks like on which we
16 will put our standard structures, okay. All
17 right. Now, we have completed Doha, it has been
18 completed about four years and in place. Now,
19 these slides will have multiple photographs on
20 them. You can see Dar El-Salam in East Africa,
21 Tunis in the northern tip of Africa, and also
22 Bogota, which is in Columbia.

1 This next slide shows other completions.
2 In the Emirates, you see Abu Dabi, and you see the
3 Balkans there with Zagreb, Istanbul, Turkey, I
4 think you know where that is, Lima, Peru, and Sao
5 Palo, Brazil.

6 This next one shows an interim facility
7 that we completed in Baghdad, this is where our
8 people are now, and I'll have more to say about
9 the new place, and then, of course, Kabul and
10 Sofia. This next one shows the finished produce
11 in Kabal, it is now a campus, 14.3 acres, it has
12 housing, and everything is complete in Kabul.

13 You see Abuja, you see a rework of the
14 old '97 general hospital in Frankfurt, Capetown,
15 Abuja and the like. This shows a set of new
16 facilities way out there, Yerevan in Armenia,
17 Yaounde' in West Africa, Tbilisi next door to
18 Russia, Tashkent, Uzbekistan, one of the Stans,
19 Luwanda, Angola, and Nompan (?) in Laos. This
20 showcase is Tirana in Albania, just simply showing
21 sort of how these products end up, and if none of
22 you have seen their products, some of you have

1 worked on them, they're beautiful. I built a lot
2 in my time, a lot in New York City, a lot for the
3 Corps, built dams, built things overseas, these
4 are good looking facilities. This shows some of
5 the amenities, this happened to be in Kabul. You
6 can see the cafeteria, you can see the workout
7 area, the bar, the swimming pool, et cetera.

8 This is Conakry, Guinea. I'll give you
9 a little idea of the building and the
10 architectural treatment particularly on the
11 exterior. Dushanbe is in the other Stan, a very
12 difficult place, but it's a beautiful facility.
13 And then Astana in the other Stan, Kazakhstan, is
14 now complete. But look at the beautiful seal
15 that's in the ceiling of the entryway into the
16 Embassy.

17 Bamako in Mali is done, as well, and
18 again, focusing on how well the building has been
19 accented to blend in with the local surroundings.
20 Freetown in Sierra Leone, this happens to be the
21 most progressive building in that country. It's
22 sitting on the highest ground. We're trying to

1 find water, but it's sitting on the highest
2 ground, and it's a beautiful facility.

3 Belmopon I spoke about, this is inward
4 in a small country, Belize, about 50 miles, this
5 was opened just before Christmas. Bridgetown in
6 Barbados is now complete. This was a
7 public/private kind of arrangement, when an owner
8 of the property served also as the builder, a
9 little tricky there, but we tried it. We'll try
10 anything to see if it works, so if you've got an
11 idea, come forward. Kingston, Jamaica, just
12 completed Kingston. This is Lome, Togo, again, in
13 the western side of Africa, a little bit internal.
14 This is Nompan that we spoke of in Laos. This is
15 Kampala, Uganda, this shows the annex that's
16 complete. We had completed the operational
17 building a few years ago.

18 This is Conakry, Guinea again, just
19 giving you a view of a typical work area. I think
20 this is the management area here.

21 You can see some local nationals
22 working, and for some of these people, this is the

1 first time that they've had their own individual
2 desk.

3 So once again, that wraps all of that
4 up. And you see the \$3.5 billion that's under
5 construction that I spoke about earlier. Now,
6 this is what that 3.5 is composed of; this is Acry
7 in Ghana, really, really out front on that job.
8 The contractor hit the ground in good shape and
9 they've been pressing ahead very well.

10 Kathmandu in Nepal, these are all going
11 to be open this year. You can see they're in the
12 90 percent completion. Athens in Greece, and what
13 we're doing there is, up in the upper left hand
14 corner is the existing building that's been around
15 50 plus years, we are making Athens a campus like
16 we sort of talked about.

17 This building here is the big annex, we
18 put in parking, bringing our marines on, et
19 cetera.

20 Panama City, a total new compound. If
21 you've ever been to Panama, situated on the side
22 of a hill, it's beautiful. This is Managua in

1 Nicaragua, again, over 85 percent complete, its'
2 -- this will have the separate annex, the USAID
3 annex. This is an Algiers, the northern tip of
4 Africa, a little bit south of Tunis coming on
5 nicely. Rangoon and Burma, in one of the toughest
6 countries around the world to work in, second to
7 Baghdad and Kartoom, but this project right now
8 has a good opportunity to complete ahead of
9 schedule.

10 Berlin, very, very tough situation
11 there, because we really had to sandwich this
12 structure into a piece of historical property to
13 make it work. Port-au-Prince, in spite of all the
14 insurrection, we're moving out on this now. We've
15 had a lot of stops and starts because of what's
16 been going on in Haiti, but we try to stay ahead,
17 and we appreciate the contractor hanging with us.

18 Quito in Ecuador is moving out nicely.
19 Skopje in Macedonia, very slow start, seem to be
20 getting some traction now, at least you see the
21 pumper there is doing something, that's always
22 encouraging to me, I just would like to see about

1 three more. Yeah, you've got it, John, right,
2 okay.

3 And Moonbi in India, again, there were a
4 few water issues there initially and this got off
5 to a less than a robust start, but with nothing
6 around to get in the way unless you got hit by a
7 bird flying, it's in pretty good shape, so I don't
8 know what the problem is, okay, just the practical
9 way I look at things, okay, good. All right. So
10 this is Beja, (?) a tight area, a tough project, a
11 delicate project, all of above, but it's going
12 well. Now, Baghdad, for obvious reasons, images
13 and the like, we'd just like to tell you about
14 this.

15 We're employing a lean construction
16 arrangement here where everything is slimmed down
17 very tight, a lot of innovations there, I was
18 there about three weeks ago, a great management
19 team that we serge (?) from the private sector, a
20 terrific design. I will tell you that the
21 construction quality, nothing that we're doing
22 will be triumph (?) by that, it is absolutely

1 superb.

2 There's a major challenge every day
3 because of where it is. We're close to 80 percent
4 complete, and that is miraculous. We're managing
5 to the budget, and this was a few of the things I
6 was talking to the folks on the Hill about, very,
7 very difficult.

8 We have about six and a half months left
9 out of a 24 month clock, and we are going to make
10 it in the 24 month clock.

11 We're working -- just come off of three
12 shifts. We're in two shifts now working around
13 the clock, because the beauty about building all
14 of these things and the -- the real issue is to
15 get the hardened facility up if you are in a
16 difficult area, and then you get your people
17 behind the walls. And what we've been able to do
18 here is, because we built it a little different,
19 tried to secure the perimeter first, and then
20 built all of the hardened structures, and then
21 went inside with a very robust finishing
22 apparition, and that allowed the double shifts,

1 the triple shifts, and it looks like we're going
2 to be okay. Like I say, every day is a day in
3 Baghdad and we never know, and -- but we're moving
4 ahead.

5 Now, it's a tough road ahead, and I want
6 the panel to know this, and particularly anyone
7 who supports us, or just a bystander or pay taxes.
8 There is nothing that we are going to touch going
9 forward, all the pretty locations are gone. We
10 offer main street and we're way out there.
11 Beirut, you know what has happened in Beirut, but
12 we've got to do it because we have people there.

13 We have to find a way, and I know it
14 will be, well, gee, I can't go and all of that,
15 but we have to find a way to do Beirut. Karachi,
16 we had one of our own lose his life there, so we
17 know it's tough, we have to do that. Addis Ababa
18 in Ethiopia, you all read the papers, you know
19 what's going on in Somalia and around Ethiopia,
20 but we have to go there.

21 Kartoom is Kartoom, you know, we never
22 know what the next day is going to be, and we've

1 had some impediments there, as well. Tripoli yet
2 to come, we're struggling now to buy a piece of
3 property, and once we buy the property, then the
4 next challenge would be to get it built. And
5 then, of course, in Harare, Zimbabwe, which has
6 been fought with political issues and the like,
7 but once again, we've got to get that one done.
8 So you can see kind of what the picture looks like
9 going forward and what we have done. And I wanted
10 you to have that background and that information
11 so that you would know that in spite of getting a
12 lot done through hard work and having a management
13 machine that keeps things pretty tight, we have
14 been able to accomplish a lot for our government.

15 But there is challenge, this hasn't been
16 a cake walk, and I don't want anyone to even begin
17 to think that it's been a cake walk, there are
18 issues every day.

19 Now, are there any questions on any of
20 that? But I think it's important for traction for
21 this panel that you know what has happened and you
22 see where we are, and that is an update, and that

1 is the current update that our secretary upstairs
2 gets every month and that I give to the Congress,
3 and it's one speech, and you just got it. Okay,
4 all right. Any questions?

5 Now it's roll up sleeve time. And what
6 we're going to do, we're going to begin with the
7 first topic, and it's a big topic. And let me
8 just kind of introduce this. John, in particular,
9 has been helpful on this because his company is
10 involved with it, and the rest of you might be
11 doing the same thing.

12 But we have tried throughout this whole
13 process to not be rigid in where we are, or saying
14 that we're just going to do things one way. So
15 we're trying our very best to stay with you, and
16 when I say with you, I'm talking about industry on
17 the leading edge. We know that there are
18 advantages to lean management. Process, policing
19 process is very, very useful for any organization,
20 so we think that that resonates well. We think
21 some of the practices involving accountability and
22 the like just makes good board room sense.

1 Also, this whole notion of building
2 information modeling is upon us, that's the next
3 step we need to be. So we have, not thinking
4 about it, we have passed the thought process. We
5 are going to BIM OBO, and that has been the
6 montrosense (?) the beginning of the fiscal year.
7 So we have efforts in-house to get this started.
8 We first have to find the best software to do
9 this. And I want everybody to understand what is
10 in front is software. And we may have to look at
11 various versions of that to get where we want to
12 get.

13 We will be sensitive to where you are,
14 but we think with our tie-in to the design and
15 construction world, we kind of know what is
16 selling and what is not. This will be
17 comprehensive, we are not going to just tack onto
18 something that is not going to get us a full ride,
19 so we're going to take our time and do it right.

20 And we think teeing this thing up is,
21 first of all, and I see John and others giving me
22 confirmation, is to get your software right first.

1 It has to have an interoperability capability and
2 it has to get you there, so that's what we're
3 going to do first. So we have launched this way,
4 and I want everybody to hear it because, you know,
5 we want everybody to be on the same sheet, my
6 people and industry, and it's driven primarily
7 from the standpoint of how I see leadership.

8 There's two pieces here that must come
9 together; we have to agree that BIM has utility in
10 both the building, the design and building of
11 something, and the ultimate maintenance of it, we
12 have to recognize that. So it's not something
13 that applies just to one corner of the business,
14 and we're launching it with that view in mind.

15 So we'll start from one common point,
16 and that is, we are inviting people in, I will
17 just tell you this, to look at the software. You
18 know, we're not going to go behind a tree and just
19 select one and whatever, we're going to make
20 certain that there are demos and all of that so we
21 know what we got. And you who are out there feel
22 that you've had a fair opportunity to try to help

1 us get it right. So that's the way we're
2 approaching this.

3 So we have a combination here of some
4 people who are interested in O&M, and design,
5 construction, et cetera, and also information
6 management, or IT, because that has to be
7 involved, because if you cannot support the
8 software, there's no point in talking about it,
9 okay. And this will not be a mine and them and
10 whatever, it will be an OBO system, so that we're
11 not going to have a little BIM for design, a
12 little BIM for construction, and a little BIM over
13 here, we'll have a big system that will cause
14 interaction between everything that we're doing,
15 okay. That's the view about it from the top, and
16 you heard it from me, so it should make it easier
17 for us to get on with this.

18 So we have some champions, we have a
19 squad of champions from OBO. That doesn't mean
20 that we're weak, it just means that they have more
21 to talk about, okay. And they're not going to
22 beat up John and Suman, so we'll just get started.

1 I don't know who's going to lead this one off. I
2 see George, Brian, Alex, John Fenner, John
3 Robinson, so who wants to talk first? But leave
4 some room for our private sector partners.

5 MR. SCHMUECKER: Absolutely.

6 GENERAL WILLIAMS: Okay, I got the hook.

7 MR. SCHMUECKER: Fair enough. Good
8 morning, everyone. My name is Brian Schmuecker,
9 I'm the Branch Chief for Design Coordination, NDE.
10 (?) We have about a half a dozen slides this
11 morning that we'd like to present to help frame
12 this discussion that General Williams has keyed
13 up, and that is, the relationship between building
14 information modeling and facility management.

15 In fact, we're not quite sure there's a
16 relationship there just yet, and we hope to get
17 some feedback from you about that very topic.
18 We'd like to get them to be more mutually
19 attracted, in fact, maybe a personal ad that says
20 something along the lines of, "Attractive young
21 technology seeks mature stable industry for a long
22 term relationship, must be flexible, open minded,

1 good with a mouse, and non-IFC compliant types
2 need not to apply." And basically, we're seeing a
3 lot of potential, but we also see that there's a
4 lot we would like to glean from the industry on
5 how to move forward specifically with the
6 relationship to facility management. Next slide,
7 please.

8 As General Williams mentioned, we have a
9 lot of champions within OBO representing the
10 design coordination, as I mentioned, but also
11 operations and maintenance, mechanical
12 engineering, George Glavis is here from mechanical
13 engineering. We have Greg Crasanda representing
14 facilities, and we also have John Robinson
15 representing construction and commissioning. It
16 shows that John Fenner is our representative for
17 the operations and maintenance component.

18 Mr. Barotti and Ms. Sorg were two
19 obvious choices, but I think everybody from the
20 panel, and we hope to elicit responses from
21 everybody in the panel because we do see this as a
22 bit of a tectonic shift coming to all of us. Next

1 slide, please.

2 A few weeks ago I was at a research
3 meeting with stakeholders doing research on
4 leveraging technology to improve construction
5 productivity. During one of the break sessions, I
6 kind of just spilled, I said what's BIM mean to
7 you, and I think you can see from these responses,
8 there's a lot of optimism about what it can do,
9 what its potential is. Ironically, the one
10 response which talked about a headache said, how
11 are we going to get there, there are no national
12 standards yet, there are some early adopters, we'd
13 like to find out what they have to say, we know
14 this is going to change all of our processes, it's
15 going to be a much more collaborative, blended
16 process, but we're just not sure how that is going
17 to come to fruition. Next slide, please.

18 In 2004, the National Institute of
19 Standard and Technology conducted a study.
20 Basically the premise was, we now know we have
21 these technologies, information management
22 technologies out there that can do a lot for us.

1 We've not adopted them very quickly. And what's
2 the cost to us as a capital facilities industry
3 for not quickly adopting this technology, this
4 ability to have intraoperative ability?

5 And what they found is, out of a \$374
6 billion value to the capital facilities industry,
7 about 15.8 billion can be attributed to this lack
8 of intraoperative ability. What drives the point
9 home and why we want to frame the discussion today
10 is that if you parse that number, about 2.7
11 billion in value is basically on the shoulders of
12 the planners and designers, about four billion is
13 on the construction sector, and about \$9 billion
14 of the 15.8 can be attributed to the owners and
15 operators. So obviously we have a very keen
16 interest in finding a way to leverage this
17 technology as we move forward. We also know from
18 the previous discussions we've had with this panel
19 that the potential of building information
20 modeling is that it can handle data from the
21 beginning through the commissioning of a facility,
22 but also working the other way across the

1 disciplines, from planning and design,
2 engineering, into construction, cost management,
3 as well as the facility management pieces,
4 maintenance, operations, and repairs, as well as
5 rehabilitations.

6 So we all have a vest interested in
7 trying to find a way to work with this singular
8 model.

9 We also know that the efficiencies there
10 are -- the potential for the efficiencies are
11 tremendous. The idea of single data entry,
12 multi-user format over the life span of a building
13 is just too enticing to ignore, and I think that
14 applies to everybody involved with the industry.

15 This is what we've heard; we'd like you
16 to either validate that or challenge that in the
17 course of the discussion this morning. Next
18 slide.

19 It is ramping up, we see a lot of people
20 involved. The public sector, including ourselves,
21 are looking to push forward to be early adopters.
22 You see the private sector also moving forward.

1 Some of these antis (?) are telling us that they
2 need to adopt BIM to remain competitive. They
3 understand their need to be part of that
4 relationship, and that in order for them to
5 survive, they've got to adapt, as well. And also,
6 I think the real good news is the collaborative
7 efforts, where people are cutting across
8 traditional boundaries to try to come up with a
9 national BIM standard as an example. With regards
10 to tipping points, we see the design sector
11 probably leaning forward the most so far. And our
12 litmus test for that is, we're finding out that
13 BIM conversant practitioners are starting to be
14 able to command a premium for their services
15 because the other stakeholders see value added at
16 the bottom line.

17 Next slide. We know that 3D is a
18 natural. The object or parametric modeling of
19 building information modeling, 3D is the natural
20 piece, but we're also seeing a lot of discussion
21 about how the general contractors will be able to
22 leverage that with regards to phasing, sequencing,

1 and scheduling that work.

2 The cost management folks are seeing
3 that they will be able to see immediate impacts to
4 changes to the BIM model and how that will inform
5 the bottom line for everybody involved. There's a
6 lot of potential here.

7 We also see manufacturers becoming more
8 interested, because they realize they're going to
9 have to be able to plug into this. A term that I
10 just learned of about a month ago is product
11 information modeling, it makes sense, you know,
12 the manufacturers want to be able to participate,
13 if they don't, they are more likely going to be
14 left on the sideline. We'd like to find out if
15 the industry is seeing that, as well, and seeing
16 that kind of ground swallow (?) grassroots
17 approach to getting involved with the new
18 technology. We also see, in this particular
19 aspect, that blending the roles is going to be
20 very interesting of how decisions are now made,
21 design decisions, construction decision, O&M
22 decisions are made with all this information being

1 transparent and readily available.

2 One of the things we learned and we hope
3 to validate today is, a lot of the inefficiencies
4 on the O&M side have to do with data verification,
5 of having to go back and recheck, okay, is this
6 the right pump, the pump that replaced the
7 previous pump, was it the right one or was it
8 replaced because it needed more horsepower, it was
9 the only one available.

10 You're going back to finding out that we
11 retrace our steps a lot specifically as owners and
12 operators, and we do it over the life span of a
13 building. And we hope that this leads us to a new
14 mentality, and that is the as maintained mentality
15 instead of the as built mentality. Next slide.

16 In this graph, it kind of sums up,
17 everybody is a stakeholder in this, and it tells
18 us a couple of things, that anybody we think can
19 get involved in starting this process, and we'd
20 like to hear your thoughts, and do you believe
21 there are only a couple of these stakeholders who
22 really have a principal role to stand up the

1 building information model and process either
2 across a project or across a program, or can
3 anybody start, of these stakeholders that are
4 listed here, start working with that information,
5 and if so, is this really the case. Next slide.
6 So in summary, you can see what we think are the
7 challenges coming up, are these partners of this
8 building information modeling and facility
9 management, are these partners compatible, is this
10 marriage going to work, it's going to be hard
11 work, how can we make that work; from your
12 perspective, are there early adopters out there
13 who have something to offer specifically with
14 regards to the facility management piece.

15 What information should we be collecting
16 now, if? In the RFP for '07, as an example, we
17 start to make this requirement for building
18 information modeling, that's such a multi-variant
19 equation, we've got to give some guidance; what
20 should we be asking for as our design build
21 contractors start out on '07 so that we have that
22 information available in FY '10, when we go to

1 take over the facility and start to operate it for
2 the next 50 years or so.

3 And lastly, are there specific aspects
4 of OBO's program or OBO's construct that are
5 either impediments or something that's an
6 opportunity to leverage? We're interested in your
7 thoughts on that.

8 Before I turn it over to the panel, I do
9 suggest that George and the other champions may
10 have some additional thoughts, that they want to
11 provide additional input before we turn it over to
12 Suman and John.

13 MR. FENNER: Thanks, Brian. I think
14 it's a marvelous introduction. I think that Brian
15 covered the territory quite well. I'd like to
16 just add a little bit of my own personal
17 observation. I think it's important to point out
18 that the power of this in the three dimensional
19 world for the quality assurance is obvious. The
20 other dimensions, multi-variations of time, and
21 scheduling dollars and all the other parameters
22 that can be thrown in here lend us to be a

1 powerful tool.

2 However, it's, like any IT activity,
3 it's marketing driven, and we have to make sure
4 that we identify the true needs before we adopt a
5 system, and quite frankly, it's difficult today to
6 see more than one system matured in this building
7 industry, and that's unfortunate, because the good
8 news, as I see it, with the firm that seems to be
9 predominant in the audit (?) building systems, for
10 instance, that they have a rivet program which is
11 strengthened very much in the architectural and
12 structural world, but it's kind of weak in the
13 mechanical, electrical, and plumbing world,
14 mechanical, so so, electrical, not as good, and
15 plumbing, quite lacking.

16 And we would have to identify these
17 things as a need before we adopt this method,
18 because the irony is that today, at the 35 percent
19 design, for instance, we have very good structural
20 information, we have very good architectural
21 information, but the mechanical and electrical and
22 the plumbing is severely lacking. And I would see

1 that that is a logical weakness which we have to
2 address, certainly with the industry, pointed it
3 out to the IT community that this is a real need.
4 However, it's easily overcome because, in the
5 mechanical profession, it's a mature industry.
6 We've used it in the aerospace industry for years,
7 taking airplane modeling, Lockheed invented that
8 sort of thing in a cad cam (?) 25 years ago. We
9 have young engineers that I've kind of recruited
10 out of Lockheed that, I mean Rockwell -- the lady
11 did this for -- as a mechanical engineer,
12 full-time, for the spacecraft just a couple of
13 years ago. It's very mature, and she could, if
14 she was here right now, give you all the in's and
15 out's of how mature this sort of thing is.

16 A couple of fellows from MIT were on our
17 staff; prior to coming on board, one was in
18 semi-conductor world, very mature, the stereo (off
19 mike) and another one, very mature. And even in
20 the medical profession, you can see where we
21 transcribed recently from x-rays to the imaging
22 process, three dimensional, which is current

1 today.

2 So I think that that is our challenge to
3 the architect community, perhaps to talk to the
4 NSPE (?) world, triple E (?) world and make all of
5 those deeds known so that we really gather a true
6 product that we can use in the maintenance world,
7 because, quite frankly, we don't move the concrete
8 foundations, but we move that plumbing system all
9 the time, and that's really where we have to
10 concentrate on and good documentation. Thank you.

11 GENERAL WILLIAMS: I appreciate that,
12 John.

13 MR. ROBINSON: Good morning; my name is
14 John Robinson, I'm with the Construction and
15 Commissioning Division on the champion for BIM
16 within Construction and Commissioning. We see BIM
17 as a tool that we want to have in our tool box.
18 Specifically, we're interested in the
19 visualization modeling that can help us as we go
20 into the commissioning phase initially at least.

21 Using the BIM models, we anticipate
22 being able to see the spacial distribution of

1 systems, H fact systems, wiring, fire systems, and
2 so forth. We anticipate that by implementing BIM,
3 we'll be able to gather an additional efficiency
4 in our planning process and implementation as we
5 go into the phases of commissioning.

6 So we're looking to the panel and others
7 that are here today to help us maybe get some
8 ideas to implement that better as we work in
9 commissioning and make some changes in that area.
10 So ultimately, we see BIM as a tool that can help
11 us to enhance the turnover to fact and O&M. If
12 there are any questions later on, I'll be glad to
13 answer any. Brian.

14 GENERAL WILLIAMS: Okay, thanks John.
15 Now, anyone else; are you going to say anything?

16 MR. CRASANDA: I'd like to say a few
17 words.

18 GENERAL WILLIAMS: Okay, good. Greg is
19 on the facility management side.

20 MR. CRASANDA: Good morning.

21 GENERAL WILLIAMS: Good morning.

22 MR. CRASANDA: Very quickly, before I

1 turn it over to the panel, the power that's going
2 to be transferred to O&M is incredible. It's not
3 just the turnover of the building, but it's the
4 life of managing the building. The data that we
5 don't have to ask the questions, what do we have,
6 we already have that information, and we can then
7 ensure that our buildings remain functional for
8 the customers, and that's the power we see from
9 the facility management side, is we get it early,
10 but then we use it forever. So with that point,
11 thank you.

12 GENERAL WILLIAMS: Okay. John, you and
13 Suman Sorg.

14 MS. SORG: Well, I just want to first
15 say thank you, General Williams, I'm very excited
16 and honored to represent the AIA. Like this
17 panel, I have attended many of them, and I think
18 they're very useful, very focused, and very
19 productive, and I'm here to learn, as well, and I
20 hope not to put my foot in my mouth too often.
21 But the subject of BIM is a very exciting subject
22 for architects at this time, because we've always

1 been three dimensional people, we've always, from
2 school, from the time at school tried to envision
3 buildings in our minds in a three dimensional way,
4 so for us, it's really exciting. But as
5 executives of these firms and as far as
6 decision-making is concerned, it's become a very
7 critical point for us large and small firms, as
8 well, and, you know, not only in how much can be
9 invested in this technology, how much can we train
10 our people, what will be the cost, because after
11 all, we're actually the three P's, which is the
12 people, process, and product, that's what we do.

13 And so the process is really important,
14 it effects both the people and the product. And,
15 you know, I've spoken to a number of my colleagues
16 and firms that are serving OBO, not only first
17 tier, but also second tier subcontractors to us in
18 the engineering field, and find there's this
19 universal sense of excitement and commitment to do
20 something like this. But the how is still the big
21 question.

22 And it just like reminds me of those

1 days early on when we were deciding which auto cad
2 system to buy, you know, and we didn't want to be
3 the first in line because we didn't want to buy
4 those programs that in the end turned out not the
5 prevalent program, and so, you know, that's what
6 I'm hearing all over.

7 People are saying, well, will it be (off
8 mike) will it be Bentley, will it be Rabbit, and
9 when I think of (off mike) of course, they all
10 want a system which actually is more closely
11 related to the layering system that we have in
12 auto cad, so that people are already familiar with
13 layering and they can -- and some of them have
14 already been using auto desk, and so I think, you
15 know, there's a consensus building and I think the
16 AIA probably supports us, whichever program you
17 pick, it should be more or less close to what
18 people are already used to doing, which is a
19 layering type of program, that's what I'm hearing.

20 The other thing that we are hearing is
21 that when you do have the BIM program, which is an
22 up front capital investment, not just in the

1 software and the training of the people, but the
2 development of the model itself by the architect,
3 and so there's always a question of, you know, I
4 think there's got to be a lot of interaction
5 between the very end user, which is the
6 maintenance and facilities maintenance and record
7 keeping to be in partnership with what they want
8 to look for in our -- in what we develop.

9 And, you know, this development in our
10 firm and in other firms that I've spoken to is
11 crucial, because, you know, we're not just talking
12 about pretty pictures, we can already see three
13 dimensional through say sketch-up even or quick
14 other 3D programs, but we're talking about detail
15 information that we have ownership with, we have
16 to legally stand behind, and so we want to be able
17 to provide what has a very deep meaning and
18 usefulness to everyone.

19 But all of that costs money, and
20 everybody that I've spoke to is saying, well, will
21 OBO look at, you know, the fee and see how to
22 shift that, you know, that responsibility to the

1 architect. And the most expensive part of
2 implementing this kind of very deep bill that will
3 go all the way down to facilities management is
4 that the, you know, it used to be you did a
5 drawing in the early days, a senior guy drew the
6 wall section, handed over the cad architect who
7 drew it up, he showed it back to the senior
8 architect, and he marked it up and it was
9 corrected.

10 But now, what needs to happen is, more
11 senior people need to be on the computer making
12 sure what -- or looking over peoples' shoulder,
13 what's being put into this model, so that there's
14 a more senior level time involvement early on in
15 the process starting from concept, technical
16 staff, I'm not just talking about designers or
17 people like that. So there is some concern out
18 there about how that will be compensated, I'll
19 just put it out there, because it's out there.

20 Because not only are we involved in your
21 program, as you pointed out, in the design build
22 arena, but also on the renovation and other

1 things, which is a very large program, as you
2 pointed out. So we're excited, we want to do it,
3 everybody thinks it will help in all the things
4 that we mentioned in these, and most importantly,
5 it will help in coordination between the engineers
6 and architects.

7 And I agree with the last speaker that
8 the MEP engineers are really at the shallowest end
9 of this right now, and the reason I think is
10 because, you know, they have less to gain early
11 on, because you know, we'll produce the model,
12 because the model requires the structure to be put
13 in there for you to build it, and then the MEP
14 people come in and put their, you know, duct work,
15 much like construction itself. So everybody is
16 sitting on the fence trying to figure out which
17 program to buy, and they will be the first, and
18 they want to invest a lot of money, which is a lot
19 of money for all kinds of firms, medium size and
20 large firms, so that's what we're waiting for, and
21 we're hoping that it's going to be a program that
22 is more layering based program than anything.

1 Thank you.

2 GENERAL WILLIAMS: Okay. Thank you,
3 Suman. Let's hear from John, and then we will
4 open this up for some chatter.

5 MR. BAROTTI: I agree totally what Suman
6 has said, that there is a -- we are right now at
7 the beginning stages, we're at like the bootest
8 (?) stage of the PEC (?) --

9 GENERAL WILLIAMS: Sure.

10 MR. BAROTTI: -- when it comes to them
11 and what it's going to be able to give us five
12 years down the road, but we are seeing benefits
13 from it. Everyone is looking for the
14 interoperability of the design documents from the
15 front end. Unfortunately, there's only about 25
16 percent of the architectural firms that are
17 performing this right now, and more I think have
18 to come on board and make it their basis of
19 operation. Contractors like ours in the industry
20 are finding that a lot of the burden sometimes
21 gets put on us from owners. We'll take a two
22 dimensional design and have to convert it to three

1 dimensional, create platforms, and then give those
2 platforms to our subcontractors, and use those
3 basic platforms for their shop drawings and merge
4 them like we're currently doing on our projects
5 right now that we're not doing design build on.
6 Let's see, the next slide, please, Mike.

7 You know, BIM is a data base, it
8 contains as much as you want to put into it. It
9 could be just for pretty pictures for
10 presentations for leadership committees or it
11 could be right down to creating shop drawings for
12 mechanical contractors that they could take right
13 into their fabrication shop to build duct work and
14 piping systems.

15 It all depends upon what -- I think
16 someone had mentioned before, I'm sorry, it may
17 have been George, that it all depends to what
18 stage you're going to put in your solicitation
19 that you want this taken. We're finding that
20 we're taking it to the stage to put into the
21 fabrication shop is the best. If you can click it
22 here. One more time, sorry. It's a homework

1 assignment and I asked my 16 year old to help me
2 with it.

3 The design build -- everybody starts
4 with the planning with the design build team, and
5 if they start with the design in a 3D dimension,
6 it's great, then you can just take it from there,
7 give that to all the major subcontractors to work
8 with. Click it one more time, please. The
9 subcontractors today, basically all your
10 mechanical, large mechanical contractors are using
11 3D, they'd use it whether you told them to or not.
12 Your steel contractor, structural steel, they're
13 going to do their design in 3D whether you ask for
14 it or not. It's the other trades that are just
15 getting involved in it. So the information is out
16 there to merge together.

17 Contractors find, like ourselves, we'll
18 find that we may hire a BIM consultant, but we'll
19 also have an in-house person working to help merge
20 all the subcontractor information together to get
21 the best tool for the particular project. This
22 particular project is a product that's just coming

1 out of ground for Johns Hopkins Hospital, which is
2 almost a \$600 million project up in Baltimore.
3 Next, please.

4 You go to the fourth level and you
5 include your schedule with all your resources.
6 One more time, please, Michael.

7 And the next point, all your materials
8 and equipment specifically with the cost and data,
9 so you'd go to the fifth level, and then later
10 during the course of the whole project, you have a
11 little bit of a budgeting tool that you can use,
12 too, it all depends, again, how far you want to
13 take it.

14 And when you're defining these
15 particular pieces of materials, how far do you
16 want to go? Do you just want to show the pretty
17 valve or do you want to be able to click on the
18 valve and it will give you the actual UL number of
19 that valve for your facility manager later on,
20 it'll show what downstream, it'll have a table
21 that will pop up and it will say downstream, this
22 valve services all of these things in upstream,

1 just like a prima vera schedule, predecessor,
2 successor is set up to do it, what's feeding that
3 valve, okay. Next, please. One more time, and
4 again.

5 Okay. You have your 3D model, next,
6 combine it with your schedule, and you have your
7 4D model, which combines the timing, too, it gives
8 the entire project team, including the owner, the
9 contractor, the design team a feel, and all the
10 subcontractors a feel for how the project will get
11 build. Next, please. And click here through this
12 for a few times and see. This would be like
13 August of this year, and you can continue on here,
14 December.

15 As the structure actually gets built,
16 you can see it coming up through the structure
17 with the cranes. Keep on going, it's okay, again
18 and again. The hoists are going up. Keep on
19 going. Cranes come down, hoists are up, keep on
20 going.

21 You can watch the building get -- if we
22 had a true BIM computer, this is a movie you can

1 actually see happening. You can click on through
2 the end of this. This is actually the Nationals
3 baseball stadium here, where we've taken here --
4 we're highlighting collisions here.

5 We've taken the steel, which is being
6 done by one fabricator, and the staircase, which
7 is being done by another, we've put them together,
8 and we're highlighting potential collisions here.
9 Next, please, next, keep on going through, and
10 next. You see here, we're just highlighting. The
11 mechanical contractor has done his 3D, and he's
12 got a separate plumbing contractor, and we see
13 that the pipes are going right through the duct
14 work here. Now, these valves here, if we could
15 take it to the level that you can click on that
16 valve, it will tell you the size of that valve,
17 what it's serving, and what the upstream
18 connection is for for your O&M people later on, if
19 that's what was part of the solicitation. Next,
20 please.

21 Under slab, same thing. Click one more
22 time, please. This is just showing a gang of

1 conduits that are sitting on top of a grade beam,
2 when you're pouring a slab and you can't have that
3 kind of thing. Next thing.

4 Over here you see a pipe going right
5 through the top of a caisson. Next. These are
6 collisions that automatically comes up. And the
7 computer will highlight the collisions for you.
8 You have the duct work here being shown, after,
9 you know, going through the wall. Next, please.

10 RFI's, this is a great visual tool. You
11 know, so many times you get an RFI and say, you
12 know, please refer to, you know, this drawing, we
13 think this slab is wrong with this intersection,
14 now you've got a beautiful -- you've got a nice
15 three dimensional tool here, there's four, five,
16 six questions on this one diagram.

17 Anyone who looks at this will understand
18 what the questions are. Next, please. And this
19 is from a different, this is Mission Ridge (?)
20 Project. The same thing here, an RFI quickly can
21 -- anyone looking at this can quickly understand,
22 it comes with the page numbers to reference. And

1 again, the whole thing is speed, how quickly can
2 we get answers back. This goes quickly off
3 electronically to the design team, quick answers
4 can come right back. Next, please, next.

5 So the main benefit for BIM through
6 construction, again, enhancing the design builder,
7 sub, owner, collaboration, speed, coordination
8 issues are resolved. They're only in the project
9 to reduce the scope, misunderstandings also.
10 Next.

11 Mitigate cost and time impacts, that's a
12 key to everybody. Find more problems before they
13 reach the job site, the visual RFI to resolve
14 contractibility issues. Next, Michael, please.
15 Project record tool for facility manager; again,
16 here we can have the IB links to the devices and
17 controls.

18 This is where the product information
19 modeling comes in, because each one of those
20 devices should have a bar code through the
21 commissioning process. Anything that controls
22 anything, anything that requires maintenance, I

1 would normally have a bar code through
2 commissioning, and it will -- you can link right
3 onto that and it will -- you can -- it will come
4 right up on the 3D screen.

5 Now, also, facility managers have
6 different requirements. At times you may have a
7 State Department official visiting a facility, all
8 of a sudden you have a security requirement. You
9 don't need a 3D diagram, you don't need to know
10 about a particular valve, but you do need a nice
11 two dimensional floor plan for security purposes
12 of where the exits and entries are and where your
13 fire pulls are and where everything is, you've got
14 it, as long as your 3D tool at the end of the
15 project -- it's just like a set of as built
16 drawings, at the end of the project, it can be
17 turned over to the operations and maintenance
18 people and then they can use it as a tool from
19 that point on, that's I think what you're looking
20 for.

21 GENERAL WILLIAMS: That's right.

22 MR. BAROTTI: Okay. The people who sell

1 to us and to the architects aren't selling the
2 operation and maintenance software that gives you
3 those kind of tools that focus in on that, exactly
4 what Suman was talking about, they're selling to
5 us for different reasons. But the end tool, as
6 long as it's kept up to date, you should be able
7 to take that and use it for your purposes. So
8 next, please, next. That's it.

9 GENERAL WILLIAMS: Okay. John, Suman,
10 thank you very much for your views about this.
11 And let me, before I pass some thoughts of mine
12 on, are there any other panel members that have
13 any ideas about this? Yes, Ed.

14 MR. DENTON: I must confess, it's not
15 that I have an idea, it's -- I probably have a
16 series of questions --

17 GENERAL WILLIAMS: Okay.

18 MR. DENTON: -- as an owner, because I
19 don't think anyone is going to question the
20 powerful program this can be for an owner.

21 GENERAL WILLIAMS: Right.

22 MR. DENTON: But to me as an owner,

1 there are a number of questions that I think have
2 to be answered to make this happen.

3 The biggest question is, who's going to
4 be involved in the decision process. And then
5 I've got a series of questions I think help drill
6 down to that answer.

7 First, you're going to be imposing
8 software on architects and contractors and what
9 not, and, you know, what do they think about this,
10 what are they used to, and then from there, I go
11 to the subcontractors. It's really crucial that
12 they be on board with this, because I can't rely
13 on the general contractor or the architect, I want
14 the subs involved, because they're the ones
15 sometimes that propose a substitution or what not,
16 how does that get in the drawings, I'd like them
17 to do it rather than back to the contractor or the
18 architect, the first question.

19 Second, how are you going to drill down
20 to the small renovations and what not? A whole
21 different level of contractors and architects
22 involved. And how are we going to get them on

1 board with this?

2 The third question, how do you maintain
3 and distribute a data base such as this, how are
4 you going to control it and everything, how are
5 you going to maintain it and keep it up to date?
6 The fourth question, how are you going to train
7 staff all over the world in your case, or my case,
8 it's just all from one large campus, but
9 nevertheless, there are a lot of people that need
10 to be trained because they are going to need to
11 access this information on a daily basis, how does
12 that happen?

13 And then the last, which is probably the
14 biggest question is, it's not just the first time
15 acquisition of this program, it's actually now an
16 operational impact over the years on dollars,
17 because you're going to have to keep training and
18 providing access as people come and go and what
19 not, and so you're doing absolutely the right
20 thing. But this is an enormous undertaking and
21 could have consequential impact on the operating
22 budget on an annual basis.

1 I don't have an answer for the
2 questions, by the way, I'm struggling with it just
3 as you are, my program is far less than yours, but
4 it's very real to me, and, in fact, in some cases,
5 I may have buildings that are more complex, that
6 means it's probably even more important I get my
7 act together, I haven't done it yet, and I'm
8 embarrassed to say I'm not nearly as far along as
9 you, but I should do something very quickly.

10 GENERAL WILLIAMS: Well, this is very
11 helpful, and I particularly like that perspective,
12 because we know, at least I know before we even
13 open our mouth to begin to talk about it that this
14 was going to require heavy lifting. It's a sharp
15 left turn, it takes you from one curve level to
16 the next, but we feel that the business that we
17 are in, we have to begin to do more than just
18 thinking about it. So we have decided that BIM is
19 going to be a part of what we see the future to
20 be.

21 Now, having said all of that, the whole
22 objective for doing this, and this is why this

1 panel is so critical, every left to right turn
2 we've made over the last six years, we have always
3 brought the -- so you have to get the leadership
4 focus first.

5 We have brought the leadership focus to
6 this forum and said this is where we're going to
7 -- we're looking to go. And the rationale for
8 going that way, you said it better than I can, we
9 just have to be there, that's where the world is
10 going to be in the future.

11 And plus the fact, it does so many
12 useful things for us; decision making is quicker,
13 I had someone mention, deconflicting types of
14 things, helping with REA's, even borders on the
15 errors and omission world, saving time, money,
16 cost, et cetera, so we know it has tremendous
17 advantages.

18 So what we attempt to do is to lay this
19 out, knowing that it's a tough job, but we can't
20 run away from things because they are a little
21 difficult to get there. We have a big operation,
22 and more to do, and we just want to try to do it

1 more efficiently. Now, let me just speak to sort
2 of the path for roll out, which you get this in
3 perspective, then I think we can begin to see sort
4 of where we are. The first idea is to get the
5 management focus and decide that it's useful to do
6 this. The next one is to introduce it to the
7 stakeholders that will have to support and fund
8 this, and that we have done, all excited about
9 this.

10 Before we roll out any program, we have
11 a similar program on the -- just integrating data
12 around. There will be a clear line in our budget
13 that speaks to this particular issue. This is a
14 big piece. We don't just embed this around and
15 expect it to be on automatic pilot. And we would
16 get support, seek support from the sources that
17 provide us resources to help us with this useful
18 left turn.

19 Then we begin then to develop the need
20 or needs of the corporation, and that's what
21 George said and all the rest, and Suman, she wants
22 layering, George wants more, you touched on it, as

1 well, we have something over here, as well. We
2 have to decide with this whole bag of needs, how
3 much of these can we bite now, and it probably
4 will have to be phased. And we may not can take
5 the whole root initially. But we have to put our
6 foot in the water and look at it.

7 And then once we sort of got the needs
8 sorted out, then the next notion would be to be
9 clear on the system or systems that will give us
10 the interoperability that's going to be necessary,
11 because we're not going to roll something out that
12 -- and, you know, I love my architects and all
13 that, just accommodate architects, that's a
14 non-starter, because I'm a wholesome fellow, okay,
15 and we're not going to forget our mechanical and
16 plumbing and MEP friends, and we're not going to
17 forget the O&M folks. So when we roll it, it's
18 going to be -- the first phase of it will be
19 looking at the whole piece, and then as we drill
20 down, we'll go as low as we need to go and as much
21 as we can bear at that particular time.

22 So from the standpoint of a path, it

1 would be to bring it to you, get the kind of ideas
2 and the interaction that we're getting, and we'll
3 continue to solicit and gather all the information
4 that we can, and particularly from other aspects
5 of the industry that provide service and software
6 and systems for this.

7 And then the next chore for us would be
8 to bring the needs to the table and see how -- and
9 what system or whatever can accommodate the needs.
10 And then we'll have kind of a formal roll out of
11 this, to make certain that everyone understands
12 what we're going to tackle now and what we will
13 look at in the future, et cetera, et cetera.

14 And as all of this is taking place, we
15 will be keeping the stakeholders informed, and we
16 will illuminate BIM as a line in our budget, like
17 we've done other things, to let everyone know that
18 a slice of what we are asking you for is going to
19 support this effort which has so much usefulness,
20 and we just articulated what they are. And that's
21 going to be our approach on it. But I think that
22 we're past the stage of just thinking about it, we

1 are going to go in that direction, we're looking
2 now about the -- we want a big approach, a
3 holistic approach to handle most of our issues,
4 and we have to work through the path that I talked
5 about, which is the how to.

6 And Suman mentioned consideration for
7 the kind of burden shifting that this might be, we
8 are not to that yet, but I hear you. And in the
9 deliberation with our stakeholders as we tee this
10 up, as a separate definitive line, we will be
11 speaking to that, as well, because we want this,
12 whatever portion we roll out, whatever piece of
13 this we take first, we want it to work. Yes,
14 Greg.

15 MR. CRASANDA: In any impact that
16 technology has in our business, it is going to
17 call (?) and whether we expect it or not, in the
18 engineering side, we've been using 3D design in
19 major power plants for years. I can't imagine
20 today that we will design a power plant without
21 the 3D, using 3D design in it. So it's something,
22 just like any technology that's impacted the

1 industry in the past, I think we should anticipate
2 that this is going to happen.

3 I recall when computer (?) design and
4 drafting first came out, and there were
5 indications that, oh, maybe this would cost less
6 to design, now we don't have to use hand
7 computations, it had no impact on the cost of
8 design, neither more nor less. What technology
9 did was, it enabled us to look at a lot more
10 directives than we would have without it. So any
11 savings we realized, we spent it and sort of
12 refining the -- and who's going to drive this?

13 Well, for the building industry, I think
14 if owners start requiring it, then pretty soon
15 designers and architects will start following
16 suit. And will it cost more initially, yes. My
17 experience is that not just the software and the
18 computer hardware and all, but the training is a
19 huge part of it.

20 Well, again, my experience on major
21 industrial projects and (off mike) is that we
22 haven't had to go back to the owners and say,

1 well, because we're doing it in 3D, we need more
2 fee. It's been built into our processes and
3 procedures, that probably we gain some
4 efficiencies.

5 John was talking about all the
6 conflicts, resolving all the conflicts between the
7 major disciplines before the plans go out, and all
8 of those sort of --

9 GENERAL WILLIAMS: Which we should be
10 doing anyway.

11 MR. CRASANDA: Yeah; and so my
12 assessment is that it is going to come to the
13 building industry.

14 MS. SORG: Can I just go into that just
15 a little bit? It's funny that the first time I
16 ever heard of BIM was, a young architect in my
17 office was quitting and going to work for a firm
18 that was going to put (off mike) into their
19 office, and I panicked. So I called this
20 consultant who's running around, I'm sure you all
21 have heard of him, he's in Boston, at Harvard, and
22 I said, can you BIMify (?) me quickly (off mike)

1 and there is this push. I mean technology
2 attracts young people, attracts -- it's not, you
3 know, and you're right, there's some savings there
4 to train the people, not just (off mike) projects,
5 but other things, and can bring the firm up, and
6 then to that value retained. So, you're right, I
7 mean there comes a -- whenever we talk about the
8 cost, we'll be more than happy to think about
9 that.

10 GENERAL WILLIAMS: You know, I'm happy
11 that this came out from industry, because, you
12 know, being government, the minute that you begin
13 to look at something like this, even when we
14 started with lean management, you know, which was
15 just a process thing, the nervousness was around,
16 well, you know, somebody is going to lean me out,
17 you see, and that was -- so that sometimes stops
18 good solid progress in the government side.

19 As you'll look at this across the board,
20 this is where Greg was coming from and what you
21 just said, there may be an opportunity for you as
22 a manager to reduce or eliminate some portion that

1 you have now, whatever you're doing, and I know
2 that causes a lot of slowness about getting into
3 this. But we are here because we feel that we
4 have a very unique office building, we've kind of
5 figured out a lot about it, now is the time to
6 stay up with the opportunities that technology
7 offer us, and whether we all agree or not, BIM is
8 one of those. And you cannot argue that it
9 doesn't help you do some very fundamental things
10 that I've carried around, it helps you with
11 deconflicting, we have a lot to that.

12 It helps you with decision making, you
13 can get there quicker. It helps you, I think,
14 with errors and omission, friends, architects, and
15 I know that it saves time. And fortunately,
16 before coming here, I had some exposure to this,
17 because -- on our very large project nearby here,
18 and I know that it will help.

19 So what we are trying to do here is to
20 make certain that this governmental funded program
21 is right there with industry as we move along.
22 Now, will it cause a few little turns to make and

1 a little bit up front and whatever, yes, but I
2 think at the end of it, all of us, you and I both,
3 will be better, because one of the topics we're
4 going to talk about is attracting and maintaining
5 and retaining younger talent, okay, and that's a
6 big deal whether any of us want to think about it
7 or not.

8 And we have to look around and see what
9 kind of toy they like to play with, okay. And you
10 mentioned your 16 year old telling you how to get
11 there, I know, I have grandkid, as well, tell me
12 things to do, I said, you know, come fix this cell
13 phone for me, and he just, you know, he just jumps
14 right through it. So whether we like it or not, I
15 mean they just are there, quicker. And that, too,
16 I know, is causing some of the slow walking, you
17 know, and it doesn't mean that, you know, we're
18 going to retire anybody tomorrow, but it does mean
19 that we've got to look at talent coming in, and so
20 that's the reason we are spending some time on it.

21 And your comments have been just
22 absolutely right on target, and as always, been

1 very helpful, and we've gotten a lot of different
2 perspectives. We got the layering, the AIA, we've
3 got the notion of being holistic, because, as Greg
4 pointed out, the mechanical side is sort of --
5 they're already in 3D, and then we've just sort of
6 run off and left the O&M folks, because it's going
7 to be something that they will inherit, and we
8 have to consider that, as well. Now, are there
9 any other -- this has been very good.

10 MR. BENTON: General, I'll just make one
11 comment really from a design build, some of our
12 members.

13 GENERAL WILLIAMS: Sure.

14 MR. BENTON: They would probably
15 encourage OBO to move faster, move quicker. There
16 is a major groundswell. (?) If you look at all the
17 conferences that we're putting on, you look at
18 conferences by other agencies out there, other
19 organizations, even private people putting on BIM
20 as a topic that's out there, we'll be out there as
21 being done. We're finding from our members that
22 the top tier firms are embracing BIM, are using

1 it, they see the value, there's no question, you
2 have to move forward. Is there a cost today,
3 truly, there is a cost today, unquestionable, and
4 it's already been addressed. I think Ed talked
5 very quickly and mentioned some very good
6 questions that are still out there that need to be
7 addressed.

8 But there is a cost; but the top tier
9 firms are embracing it, will pay that cost today.
10 And I guess the real challenge I think is, if you
11 really full embrace best value procurement awards,
12 and if you make your award criteria highlight and
13 give rewards to the proposers for implementation,
14 let's just use a bigger term, collaboration
15 techniques and tools, one of them being BIM, you
16 will get BIM, because the good top tier firms are
17 using it, they see the value, and they know that
18 they will be rewarded, as long as it is truly,
19 truthfully not a back door low bid award type
20 process, but a best value process.

21 And so the top tier firms, the
22 enlightened firms, we find within the Design Build

1 Institute of America, are already embracing, are
2 well out there moving it, the groundswell is
3 there, and if anything, yes, there might be a
4 division between those who can take the money and
5 take it, come and take a risk to present it, but
6 they have to do it worth seeing it.

7 Yes, it's coming from individuals, but
8 we're seeing value, as already stated.

9 Interference checking, I mean, and projects we do,
10 we automatically see that right away. And in the
11 design build arena, you need that because you're
12 going to wear the cost. We're not a non-profit
13 company out there, and so therefore, we need to do
14 that. So I encourage the embracement of it, and
15 in terms of whatever you decide is the software to
16 be done, guess what, we'll follow, because you pay
17 the money, and that's what we're going to have to
18 do. We have interest in there, but there is all
19 types, and I think, as stated over here, this has
20 been going on in the nuclear power industry. I
21 did work at graduate school over 20 years ago on
22 these type of things, so this is not new.

1 GENERAL WILLIAMS: I know that.

2 MR. BENTON: And just putting it into
3 more maybe efficient, economical use out there,
4 and so drive it, we embrace it, we encourage it,
5 it is a very important collaboration tool, and
6 important for being able to do design build
7 properly.

8 GENERAL WILLIAMS: Well, Rich, I think
9 -- I really appreciate that endorsement, and to
10 know that the DBIA is right there, and I can
11 appreciate John's comments, being one of the first
12 tier type firms, saying pretty much what you're
13 saying, and Greg, as well. So I feel like, of
14 course, you know, our mind and head and focus was
15 there before we came, because, you know, I've been
16 fair and up front and telegraph (?) this a couple
17 of months ago.

18 We are serious about moving forward,
19 beginning to speak to those that support us about
20 this notion, and the transition is -- your
21 comments offers a bridge to get to the next
22 subject, because I want to take a fresh look at

1 procurement. We have to stand this train up and
2 get it going, and yes, it was tied to sort of one
3 way to do it and this type of thing, but now I
4 want fresh ideas, I want fresh ideas of how we can
5 get there better.

6 So with that, I'm going to ask Jay Hicks
7 and those who are working with him, both private
8 and public, to launch us into that. And I think
9 this will be a great segue to follow up on Rich's
10 point.

11 MR. HICKS: Thank you, sir. The
12 assignment for those that may not have it written
13 down in front of you, and I'll just read it, it's
14 very brief, how can we improve the procurement
15 process is the first part of the question; the
16 second part, what is the real value of the project
17 directors being at the table during negotiations,
18 and that was our assignment.

19 GENERAL WILLIAMS: That was yours, Ed.

20 MR. HICKS: That's right. The team
21 consisted of Ed Denton with the California
22 University Systems, Lee Evey, who isn't with us

1 today, Rich is pinch hitting, from DBIA, myself
2 from OBO, and Walter Cate from our A-LM partners,
3 the contracting arm within the State Department.

4 We spoke on the phone for about 70
5 minutes, a full 70 minutes, we could have gone on
6 quite a bit longer on this topic, it doesn't have
7 all the sizzle and sex appeal of BIM, but it's
8 obviously very, very important, a fundamental
9 thing we need to do right and do better. We took
10 on the smaller issue first, the project director
11 question, and then spent the better part of our
12 time dealing with the larger question of
13 procurement. We don't have any slides, that was
14 an effort to not put the effort into it, it was a
15 very conscience decision to want to leave more
16 time for a very robust industry discussion around
17 this topic, and we want to do that today.

18 So what we talked about is, I'm just
19 going to tee the issue up, first of all, by just
20 outlining some of the salient elements that came
21 out of our discussion, turn it over to Ed and Rich
22 and Walter to amplify or expand upon or add to

1 some of the things we talked about in our meeting,
2 and then open it up to the floor, because we dealt
3 at a certain level with the topic, but there was a
4 whole lot of things left unsaid that we, quite
5 frankly, didn't have time to take on, but
6 provides, I think, the connectivity you're looking
7 for back to BIM and how we move out to do some of
8 these things.

9 So the things we talked about,
10 admittedly not the full breadth of what needs to
11 be discussed, we're here to do that today. On the
12 project director piece, I'll knock that one out,
13 we all agreed and were unanimous around belief
14 that there's a benefit in having the project
15 director at the table, which led to a larger
16 discussion around key personnel clauses in our
17 contracts. We all thought there's a benefit to
18 it, but I think Lee was the most vocal about
19 saying you need to temper those provisions with
20 reality, and do you need a particular individual
21 and maintain that continuity, or are you looking
22 for a particular skill set that's always at the

1 table. The industry isn't always pulling a button
2 switch when they need to substitute somebody out,
3 and my own experience in the private sector bears
4 that out.

5 I'll leave that alone for a minute and
6 move to the bigger topic, which is the larger
7 procurement question. And I'll just give you a
8 laundry list of some of the things we talked about
9 that were proffered by various members of our
10 working group.

11 Education was something that came up in
12 the context of education and experience on the
13 part of our A-LM counterparts. It was something,
14 I'll just attribute this to Lee, it was very near
15 and dear to his heart, that the contracts people
16 have a broad base of education and experience, and
17 he went so far as to take issue with HR processes
18 that allow us, or prevent us, I should say, from
19 hiring the best and brightest with creative
20 thinking that they can bring to the procurement
21 process, and he had some very specific examples of
22 how he, in his career, hasn't always been able to

1 benefit from that.

2 The other concept of a team approach,
3 the techies as one member referred to the OBO side
4 of this, needs to understand and value the benefit
5 that well trained, experienced procurement
6 personnel bring to the task at hand. And at the
7 same time, it's up to the techies or the OBO side
8 of the house to familiarize the contracting side
9 the business deal we're working on here. This
10 isn't something that happens in isolation, we're
11 trying to create a shared business objective.

12 We also talked about customer/supplier
13 relationships and how very, very important that
14 is, how important communication is and shared
15 expectations and vision is. One manifestation of
16 what it shouldn't be is contracts embedded with a
17 whole lot of got you's (?) and that, obviously, is
18 something that we want to get away from and ensure
19 that we don't have in our own contracts.

20 We also talked about, something that Ed
21 brought up, is a survey, a contractor survey, to
22 facilitate that communication, and we thought of a

1 variety of ways to apply something like that,
2 where we guarantee that we get the proper feedback
3 at the proper times from various people looking to
4 do business with us or people that have done
5 business with us, to continually improve our
6 process.

7 The concept was thrown out of making
8 yourself smaller and easier to understand, to be
9 less imposing of a bureaucracy to the people in an
10 attempt to familiarize the world with what we do
11 and not be a barrier to entry.

12 We talked about the preamble, and that's
13 something that came right out of this group, it's
14 something we've writ and vetted within OBO, you're
15 all going to see it in the '07 awards, and we
16 thank you for that. We also talked about bonding
17 and some of the situations we're seeing right now
18 that could be a shared limitation as it relates
19 around creating the effective business
20 relationship and results that we want. And those
21 are sort of the top line things we discussed.
22 There's a whole lot there that isn't there that we

1 didn't have time to get to.

2 But what I would propose at this time is
3 with Ed, Rich, and Walter, you may want to amplify
4 and run with something I said.

5 There may be some things that need to be
6 said that we didn't get to. And with that, and
7 after that, I would suggest that we open it up to
8 the rest of industry to see what else there is out
9 there that needs to be said here. Thank you.

10 MR. DENTON: As you can imagine, this
11 was a long conversation, I think only because
12 there is so much that it can impact procurement,
13 it's just amazing when you think about it. But
14 there started to be themes that came out of this.
15 You know, Lee talked a lot about the importance of
16 training and training of procurement officers and
17 training those who have to administer the contract
18 and I'll kind of leave that for later.

19 I talked about a couple of other things.
20 First off, I always talk about relationships and
21 communications when you talk about the success of
22 a project. You know, the main indicator that

1 folks use to define success is on time, on budget,
2 and I must confess that that's only one dimension.
3 There's another dimension, and that is, if the
4 journey to get there is extremely difficult, some
5 may be able to say and define success as on time,
6 on budget, others may say, you know what, I don't
7 ever want to do this again. And how do you kind
8 of change that dynamic, if you will, and that's
9 something I talked about a little.

10 I think it begins with the project
11 director attending interviews and being a part of
12 the selection process and the relationship
13 building beginning then. I do think that in an
14 interview, you can get a sense if this person is
15 going to be easy to work with or not. It's
16 everything from the question you ask, how they
17 respond, how they conduct themselves, do they know
18 when to shut up, or do they keep talking.

19 All of these things I think will help
20 define a relationship in the future, which, again,
21 I look at as helping define success. So I
22 strongly believe that person should be at the

1 interviews. But there's another piece of that,
2 too, that I want to kind of build on, and Jay
3 mentioned it, and I'm going to talk about the end
4 of the project, and how do you know if you're
5 successful or not.

6 On a couple of your slides, though,
7 there are a couple of things I noticed and I wrote
8 down because I think they're really key. First
9 off, you're launching a lessons learned
10 innovations task force, and I think some of the
11 things that we talk about today might work very
12 well for them. But the second thing you had on
13 your slide on construction issues, you had
14 contractor/owner project director relationships,
15 you had poor communication with your project
16 director and the contractors. You know, those two
17 dynamic issues I think are really worth effort and
18 worth work. So let me talk about some of the
19 things I'm doing that might help a little on that.

20 Jay mentioned, we do a survey once a
21 year, I do it in the month of January, and I
22 survey all the major contractors and

1 subcontractors to do work with me, and I basically
2 survey them on four dimensions. It's my campus
3 standards and specification, what are they like
4 for you to work with, are they able to work, or
5 what kind of changes do we need, the processes I
6 put you through to work here, my personnel, how
7 are they to work with, and what kind of
8 suggestions can you make, and then the risks they
9 perceive working with me, performing work at
10 Berkeley, and the contract I make them sign.

11 And then I do that every year, and I
12 send out a letter to them, I tell them, okay, this
13 is what I heard and these are the things I'm going
14 to work on this year, and then next year I'm going
15 to ask you if you've seen any improvements.

16 Now, I didn't necessarily want to spend
17 a lot of time actually talking about the details
18 of the survey, but probably use this, if anything,
19 to talk about the personnel side, because that's
20 where it's really valuable for me. It's not done
21 in a manner to be punitive with my staff, it's
22 done in a manner to help them understand what we

1 need to do to be more successful. And the kind of
2 staff I talk about are a little multi-dimensional.
3 Indeed, I talk about my project manager, my
4 project director, of course, that's the key for
5 me, the success of the project, particularly key
6 to the architect and the contractor.

7 But there are other players involved for
8 me that are every bit as important. I have
9 inspectors who enforce that the job is built per
10 plans and specifications, and more importantly,
11 because I'm also the chief building official, they
12 assure me that the job is done per code. But how
13 is that done? You know, it can be done in a very
14 difficult manner, almost a punitive manner, or it
15 can be done in a very collaborative manner.

16 And I am shifting my inspectors now from
17 punitive to collaborative, and it's a real
18 education process, and I'm working on that, and
19 I'm measuring if we're making improvement, and I'm
20 seeing that.

21 Some of the other people that might be
22 involved have to do with my maintenance

1 operations. I have buildings we're doing a major
2 renovation, or even a new building, we have to do
3 shut downs of major systems that support the
4 campus, the contractors must deal with these
5 people. Are they easy to deal with or are they
6 difficult to deal with, do they make it a process
7 that is so burdensome that the contractors dread
8 having to deal with them and may try to figure out
9 ways to just do it on their own or work within the
10 process and everything where I'm able to notify
11 everyone who's going to be impacted and it can be
12 successful. So there are lots of dimensions to
13 the survey, and I want to know names, and I want
14 to know specifics.

15 Now, it comes back to me in a
16 confidential report, I just don't distribute it to
17 everybody. I distribute an executive summary to
18 everybody, but the specifics then we use with the
19 leadership in that unit that this person may work
20 for, and what do we need to do to help this person
21 improve, what kind of training do they need, what
22 kind of goals and objectives do you want to set in

1 place for them to be successful.

2 So it becomes very personal in improving
3 performance, and probably ultimately, what I'm
4 measuring is the relationship, very personal, and
5 improving the relationship. So this has become a
6 big tool.

7 Jay mentioned something to me this
8 morning, though, that I'm not doing right now and
9 it might be worth considering that is, do you
10 survey those who don't get the job, do you survey
11 those who no longer want to work for you, what do
12 they tell you, and what do you learn from that,
13 and the answer is, basically I don't, although the
14 people I survey will have finished jobs and may
15 not have any jobs on the horizon, but those that
16 don't get a job weren't successful in the process,
17 so I don't ask, and you know, I'm missing
18 something there, I probably should ask. There's a
19 case where you want to know. We talked about in
20 the phone call about how difficult it is to get
21 folks interested in doing work for you. And I'm
22 using this survey to help me understand what makes

1 me difficult and then working with them to see if
2 we can change me to get more interest on their
3 part, and, in turn, get more interest in the
4 subcontractors and what not, and I'm starting to
5 actually see some success, but it takes time, and
6 it takes a real commitment.

7 I have two people who are involved in my
8 contracts division who are the leads of this, and
9 they do it every year, and one is an attorney who
10 works for me, that's why I do it all under
11 attorney/client privilege, because I'm able to get
12 folks to say something they might not normally
13 say. And I think that kind of comes back to poor
14 communication between project directors and
15 contractors and what not.

16 There are times they may not tell you
17 the problem because they're worried it may be
18 perceived incorrectly or it may come back to them.
19 This is how I deal with that concern. I want them
20 to feel that they can say anything in this
21 process, and I'll be the only one that sees it
22 other than my attorney. And that kind of

1 confidence is helping me a lot.

2 I can tell you that in the last three
3 years, we have had a change in project managers as
4 a result of feedback I've gotten here. It's not
5 that I've gone and dismissed someone
6 inappropriately, but I've started working with
7 them and trying to get them to improve, and I
8 think they realize this isn't what they want to
9 do, and they've left, that's a fine outcome, I
10 wish them well, but for me, they weren't going to
11 support our mission and our goals.

12 So the bottom line is, it's more than
13 just on time, on budget, it's the journey, it's
14 the relationships, and probably, most importantly
15 of all, it is truly the communication that must
16 take place that I think is really going to ensure
17 success. So I'll leave it at that for now.

18 GENERAL WILLIAMS: Okay, Rich.

19 MR. BENTON: I'm really pleased to be
20 here today, General.

21 GENERAL WILLIAMS: Thank you.

22 MR. BENTON: And Lee Evey sends his

1 regrets, his apologies that he was not able to be
2 here today.

3 GENERAL WILLIAMS: Thank you.

4 MR. BENTON: But I'm really pleased to
5 be with -- I've been really interested listening
6 to Ed's conversation, and hopefully we'll get a
7 chance to talk a little bit more with him. I
8 think he's really had some fine points that I hope
9 you all take to heart. I have not seen your RFP
10 that you claim is in the cooker, I'm really
11 excited to see what -- so some of my comments
12 might be inappropriate because you might have
13 already solved them.

14 With that, let me just go ahead and say,
15 first off, I think it's very important that --

16 GENERAL WILLIAMS: I can take it out of
17 the cooker and recook it.

18 MR. BENTON: Okay. I think it's very
19 important for OBO, other federal agencies and the
20 like out there to realize that the good
21 contractors, the good (off mike) of the world out
22 there have opportunities, they don't need to work

1 for you. I know that sounds very blunt and you
2 might not want to hear that, but they don't need
3 to work for you.

4 They have numerous opportunities, and if
5 the risk and the reward is not there, they'll go
6 other places. And I can clearly -- I know from
7 some members even within our chapter here in this
8 area who have said they're not going to work for
9 OBO in the future, they've just had bad
10 experiences, it's not worth it, they'll move on,
11 and so they have many other opportunities.

12 I have the same thing with
13 subcontractors who have the same stories back to
14 me about, I don't want to work, you know, and
15 you're working for this client, because it's just
16 too hard. So recognize out there, if you don't
17 position yourself to have fair and reasonable
18 approaches to doing things and if you're not
19 providing work that allows them to feel that
20 they're doing things of significance, contractors
21 and architects, engineers will go other places
22 because there's lots of work out there, especially

1 the good ones, because the good companies know
2 that they, especially if they're chasing best
3 value type of procurements out there, which is the
4 more fun, enjoyable way to do business out there
5 and more beneficial, they're going to find the
6 rewards in other places. So with that as kind of
7 a lead in, I've already mentioned about award
8 criteria, I think it's extremely, extremely,
9 extremely important to look at your award
10 criteria.

11 There was a study done by a friend,
12 General, Bob, you probably --

13 (Interruption)

14 MR. BENTON: -- Doctor Doug Grazberg
15 (?). Doug has done a study looking at the
16 evaluation criteria from a number of different
17 Federal RFP's and it's absolutely scary to look
18 at, when you just look at what's done; was done as
19 an evaluation. In reality, such a high percentage
20 of them just come back to -- were given to the
21 lowest guy who's able to get a bond and get the
22 job.

1 And despite all of the different things
2 that are set out there, in reality, that's what it
3 comes out to be. And so, really look at a work
4 criteria because that really does demonstrate to
5 the people making proposals what you're looking
6 for. And so it you put your work criteria and you
7 put your -- if you're still waiting up front and
8 if you show that to the people proposing, guess
9 what, you will train the people to respond to the
10 ways that you are going to reward for, which
11 should be the best of all worlds. You tell us
12 what you want, we respond.

13 I will say, just as an adjense (?) to
14 what I said before, don't have hidden criteria and
15 there are some people out there in the procurement
16 world who actually go through all of that and then
17 they say well, we hold our chance to do a cost
18 benefit trade off. And the end result just always
19 ends up, always to be, low price award.

20 Is there a need for education of
21 procurement officials out there? There's a need
22 for education on both sides; both in the private

1 sector, but clearly with the downsizing of the
2 government and with all of the different things
3 going on in the government agencies, clearly,
4 there is a need and there's really what we see
5 many times, my members see, is there seems to be a
6 disconnect between the people who really are going
7 to manage a job that you deal with wants a reward
8 and the procurement weenies. I'll use that term,
9 I'm sorry, but that is the truth of life.

10 The procurement folks, you know, they
11 tell the real construction folks, or the people
12 who are going to operate, maintain it, you can't
13 talk to them because when, you know, we're not
14 blessed with a warrant and so the people over
15 there -- they only deal with you and then they
16 don't know and they take their RFI's, they send it
17 over there, they don't understand, you don't get
18 answers.

19 It's just, you know, it's a situation of
20 confusion and what happens when you have
21 confusion? Nobody really wins it very well out
22 there. So yes, education; there are a lot of

1 different avenues. DBIA is trying very hard to
2 enhance and bring up their owner education program
3 and I encourage you all to take advantage of that.

4 I do encourage, we do believe, and I
5 will say the party line from DBIA is clearly, we
6 do recommend that there should be some evaluation
7 and the consideration for those who have
8 certification. If you're a design build
9 professional or other types of certifications from
10 some of the different agents, season organizations
11 out there; those should be credit given. Those
12 individuals have demonstrated through that process
13 that they should be able to bring you greater
14 value compared to just Johnny come lately who says
15 that he portrays that they are whoever they are,
16 they know design build, or they know how to do
17 cost estimating, or they know how to do a value
18 added type of analysis. I mean, give some credit
19 for certification.

20 One of the things that our members are
21 talking about and I know, General, I've heard you
22 talk before and I understand some of the

1 constraints, but find a way to expedite or reduce
2 some of these facility clearance problems. You're
3 getting a reduced pull. It's the old boy or old
4 girl network who are the only people able to bid,
5 because you've got to have a clearance and, you
6 know, if you're not in that club or if you
7 haven't, you know, gotten a job (off mike) for
8 somebody else to be able to get a clearance as a
9 subcontractor so eventually maybe you can step up
10 someday and do it.

11 People can't come to the par; they can't
12 -- so you're going to lose out on part of the
13 industry. The industry is a very vibrant
14 industry. New people are coming and going out
15 there and with the requirements, and I realize all
16 of the restrictions that are on -- to go through
17 and do the clearance process, but you're losing
18 people left and right who can't get through the
19 door and because of the period of time, and I
20 recognize the cost that (off mike) goes through
21 it; it just can never make there and be someone to
22 propose. And so, continue -- I hear from members

1 that that is a bar to entry, I guess competitively
2 and I'm sure John would say that's a nice bar
3 because it makes it so I'm the only guy or a few
4 others who could propose, but you're not getting
5 the full variety and opportunities from that.

6 And again, I do acknowledge some of
7 those real legitimate restrictions that you have
8 no control over on there. I will make one comment
9 to Jay's (off mike) it's a personal (off mike)
10 that I have. I think government procurement
11 officials are totally naive in that they seem to
12 think that we have people sitting around waiting
13 and that we're paying their salaries and that if
14 you happen to get that award, when you finally get
15 around to making your award six, three months,
16 nine months, or whenever you get around to it,
17 those people are just standing there waiting. And
18 there not been proposed on two or three other
19 jobs, because, guess what, the hit rate on jobs --
20 I'll let you figure out what it is, but it can run
21 all the way between zero and 100 percent.

22 Good companies maybe are above 33

1 percent on their hit rate on wents (?), and so,
2 guess what, those individuals when you make this
3 great detailed evaluation of their criteria, their
4 resume, and their individual picture, and how they
5 look. Guess what? The probability of them being
6 able to be there, and it's not being switched,
7 it's not an issue of integrity, it's an issue of
8 the realities of the world; is you have to propose
9 on many more than what you're going to get. And
10 so therefore, I clearly recommend to clients and
11 owners when I talk to, is you look for a criteria
12 that the company -- you're buying that company,
13 you're buying that design build firm, that AE
14 firm.

15 And so you'll want to have a resume of
16 what they're going to use and the way they hire
17 and how they evaluate people, because in reality,
18 we don't have indentured servants anymore in this
19 country. And so therefore, you can't even have
20 guarantee, if you got them on the day of award,
21 they're going to be there next week, because those
22 people in today's industry are moving (off mike);

1 that's the way it is. And so I think it's a
2 naiveté that is detrimental to many owners who
3 seem to think that they can lock down and it's
4 unfair if they don't have, you know, General
5 Williams, and you're out there and presenting at
6 the (off mike) interview, and guess what, they
7 come to an award, you're not there, you bate and
8 switched on me. Anyway, that's an unreal
9 expectation.

10 We do encourage oral interviews. We
11 think that's a very good way to move beyond some
12 of the marketing materials that you get in
13 proposals and the things, and it gives an
14 opportunity, again, if you move beyond just
15 procurement folks and the lawyer in the room, and
16 you get the people who are really truly going to
17 maintain, you know, the Paul Rowe who's going to
18 have to deal with how to maintain this thing,
19 who's interested in how you're going to propose at
20 BIM (?); does it have GIS coordinates in for the
21 different valves and things? Does (off mike) that
22 stuff in there?

1 That's the type of questions that he can
2 really kind of get a feel for and participate. So
3 oral interviews, recognizing you can lie verbally
4 just as well as you can lie in writing, but there
5 is value and you get a feel of a person across
6 from the room that way.

7 And then Ed, I think, in conclusion,
8 I'll say he said something about surveys. I would
9 encourage even more periodic surveys. And many --
10 just move beyond the design build construction
11 industry out there and look at what's going out
12 with all of the companies out there in the world.

13 The good companies periodically survey.
14 And you have to have a real robust system that,
15 therefore, gives them the feeling of integrity and
16 that there is value and you're doing something
17 with results. If you have surveys, and they just
18 get thrown in, and they go through, and they get
19 summed up, and they just kind of nothing ever
20 really happens with them, guess what, people
21 aren't going to waste the time. If you use the
22 surveys out there and are going to come back and

1 have, you know, in a very adversarial detrimental
2 fashion, you're right; you're not going to get
3 candid good feedback. So it has to be in a spirit
4 of collaboration that surveys every four months or
5 something. I know it's a pain, but if you make
6 them very simple and direct, maybe you don't try
7 to survey everything every time. But surveys and
8 getting feedback is important if you truly want to
9 embrace a continuous learning environment and
10 trying to improve. So I've given a number of
11 comments and I'll turn it back over to you,
12 General.

13 GENERAL WILLIAMS: Thank you. Thank you
14 very much. Well, listen. I appreciate all of the
15 comments. We still have Walter Cate over here.
16 He's one of the procurement persons, so weenies is
17 the term.

18 MR. CATE: That's the technical term.
19 Maybe I can be a (off mike).

20 GENERAL WILLIAMS: And I know the
21 recorder up here got that, so. Okay.

22 MR. CATE: Yeah; I'm the technical

1 weenie. I mean the procurement weenie at the
2 table, not the technical weenie. But I would like
3 to repeat something that Ed said in the
4 conversation that we had the other day. He said
5 don't let the contract undermine getting the job
6 done and I think that's a very good point and I'm
7 certainly going to make that to my people.

8 I think another way I might restate that
9 in a slightly different way and say make sure your
10 contract reflects the business deal and don't let
11 it get in the way of your discussions and the
12 business deal that you construct, to the extent
13 you can. Of course, we can't violate the law,
14 but, you know, we do have a lot of flexibility.

15 With regard to facilities clearances,
16 I'll make a particular point on that. One of the
17 reasons we have a prequalification process, in
18 addition to determining whether firms meet certain
19 statutory requirements that we have, is so that we
20 will have time prior to the issuance of the
21 solicitations. Four firms that are pre-qualified
22 to get a facilities clearance. And so if firms

1 pre-qualify, then we will sponsor those firms for
2 a facility clearance. And so we are trying to be
3 more inclusive that way. You don't actually have
4 to have a contract. You don't have to have had a
5 contract that required a clearance necessarily for
6 us to sponsor you.

7 I think all of the points that have been
8 made by this panel have been very good. The only
9 -- and I would just like to kind of almost restate
10 what both Rich and Ed have said. To me, the
11 significant component of improving the procurement
12 process is improving the competitive environment.

13 We certainly realize that today there's
14 considerable competition among owners for
15 experienced firms to design and construct
16 buildings of the type that we're building.
17 Furthermore, we are building in difficult areas,
18 as General Williams had said. So that's the
19 further impediment. Consequently, we are very
20 much interested in hearing from you who are here
21 today, ideas for how we can become a more
22 efficient, a more -- I'm sorry, attractive client

1 or owner to potential business customers. And
2 that's really kind of what I would like to get out
3 of this.

4 GENERAL WILLIAMS: Well, I think that
5 this has just been a real good discussion and I
6 would just like to start from the fact that I've
7 been doing government business for a few years and
8 the courage to put the right kind of things on the
9 agenda is a step in the right direction.

10 Obviously, if we were not concerned from
11 the stand point of trying to get this as close to
12 right as possible, or to look for a better way to
13 spin (?) this up, it wouldn't be on the agenda.
14 It's like the BIM; we just know that it's time now
15 to go in that direction. It's time now to kind of
16 stop the talking about something that we know that
17 there are some issues around and that is the
18 government procurement process. So we thought by
19 just opening this up to, and making it a panel
20 issue, and giving the panel members are all
21 equally qualified to speak to these matters, it
22 would be helpful to us to re-chart and reshape the

1 way we would move forward.

2 And we wanted to have the full piece of
3 this. The contracting arm, which is outside of
4 OBO that does this work for us as a service, we
5 wanted them to be here to hear, in fact, we made
6 them a collaborative member of the team, even for
7 the deliberation. So I think for the panel and
8 for the government as a whole, we have crossed the
9 big hurdle and that is is there a problem with
10 this particular area that we need to look at?

11 So I think the approach that everyone
12 took, and particularly our panel members, because
13 I believe you told me the truth. You told me what
14 you feel and what was there, and there's some very
15 good nuggets in all of this. One is this whole
16 notion of training. I think Lee (?) is right. I
17 think we do have to pay some attention to ensuring
18 that everybody who has anything to do with
19 procurement really understand the rules. And you
20 have to temper those rules with the time that we
21 are currently working in.

22 The whole idea of relationships; you saw

1 my slide so I don't have to go any further about
2 that. It's important. You just simply cannot get
3 it done unless you have the relationship. The
4 place where I think you have illuminated the best
5 path for help -- and this panel knows that I
6 listen. We have a preamble now that's three
7 months old. That idea came right from this table.
8 So our RFP now talks about what OBO is trying to
9 do and sort of how we do business. So you really
10 don't have to read the other part if you don't
11 like what you see up front. Okay.

12 So that's very useful for someone who is
13 a business person, want to get there, and move
14 ahead. And it's not untraditional because you
15 don't find this in most RFPs. So that's been very
16 helpful. I really think we have to pay some
17 attention to this relationship business, because
18 as it was said, you can tell a lot from sitting
19 across the table and having a dialogue about what
20 it's going to look like when you really have to
21 discuss a naughty (?) issue. So I think that's
22 one that we will clearly look at.

1 Rich talked about the awards criteria.
2 Now, when we opened this and Walter know that
3 we've had some discussions about methods and means
4 and maybe trying to look at the way we do things
5 with more flexibility. I think the day has
6 arrived, and I'm saying this openly, where we have
7 to begin to look at our procurements in a lot of
8 different ways. And whether awards criteria can
9 be a centerpiece to that, that's something that we
10 will need to take back and study.

11 But it is clearly an interesting
12 phenomenal. I understand it. I know what it's
13 about and I think that can be useful, as well.
14 The clearance process is a piece of government
15 that, you know, I want to be honest and tell you
16 that that one is going to be hard, because we
17 don't necessarily control our destiny about that.
18 But I will agree with you that it is not what it
19 should be and it's causing some issues for us. So
20 I'll just take that one now to just add to my own
21 personal concerns about that and we'll have to
22 make these points in other arenas that I play in,

1 but I heard you and know that to be a fact.

2 The last one deals with who sits at the
3 table. And we've had about a year of discussion
4 on this already. This was lunch, I think three
5 quarters ago. We started talking about the value
6 of having the executive, or the manager, that's
7 going to have the responsibility for doing the job
8 at the table when we're making these kind of
9 selections so that the relationship can begin and
10 those kind of non-procurement questions can get on
11 the table, which I think can be very useful for
12 us.

13 So I think what we're going to do --
14 we're going to take this information back, we're
15 going to look at it quickly, and see if any of
16 this can make some sense even now, because see we
17 don't really have time to wait years and all of
18 this business; we really go to get on with it,
19 because some of these matters are upon us right
20 now. And we need to keep responding back to
21 industry that we hear you. You need some
22 feedback.

1 And I think the thing that really makes
2 this panel useful, and I'm just repeating what I
3 hear from the members who have served on the
4 panel, is that it's not a waste of your time. And
5 you learn how our struggles and we're dealing with
6 and hopefully at the end of the day, we're better
7 off as a function of it. So I think that this was
8 a very useful session. Yeah; Joe.

9 MR. TOUSSANT: If I may, just a short
10 comment. Great comments about this and I'm very
11 happy, sir, to hear the prominence that's being
12 given to the -- acknowledgement of the key role
13 that the project director plays in the success of
14 projects. I would put a finer edge on this point
15 though, and I would -- I appreciate what you're
16 saying, Rich, about the contractors, you know,
17 can't tie up their people, but a very key member
18 of that is the day to day person with whom that
19 project director deals. And that would be the
20 contractor's project manager; the person that they
21 are going to put on the site with full authority
22 to act on their behalf.

1 And it would be, I think in an ideal
2 state, sir that we would see both of those folks
3 at the negotiation table so they both appreciate
4 the deal that the senior management has made, the
5 commitment that they've made, to the success of
6 the project. And that's just the one minor point
7 I'd put on this whole thing.

8 GENERAL WILLIAMS: Okay. Thank you.
9 Anyone else? Yes.

10 MS. SORG: I just wanted to comment on a
11 comment that I heard about old boys and old girls
12 network. I have to say that frankly, your program
13 has done a huge amount of work in outreach and
14 expanding the scope of firms that you're
15 interesting in, since I've been working here. And
16 to get all of these projects done, to get the
17 expertise that you need, you've really done a
18 great job and I hope that continues in this kind
19 of inclusionary (?) process that you have. And I
20 don't think that this old boys network or old
21 girls network applies at OBO anymore.

22 GENERAL WILLIAMS: Thank you. You would

1 know. Okay.

2 MS. SORG: Definitely.

3 GENERAL WILLIAMS: Okay. Are there
4 other comments? We're going to break down for
5 lunch. We've been doing this for a few hours.
6 And let me say to our visitors. Don't run away
7 and leave us at lunch time, because you miss one
8 half of what the panel is about. We're delighted
9 to have you. We're one of the most open panels
10 around. We will recognize you at the end of the
11 day and we would like for you to stay with us.
12 Gina will give us now some admin instructions
13 about lunch and then I have one other event to do
14 before lunch time.

15 MS. PINZINO: If the invitees that are
16 guests today would simply walk to the exit and our
17 staff members, our OBO staff members, will
18 actually escort you to the cafeteria and then
19 return back here at, I think 1:00?

20 GENERAL WILLIAMS: Yeah; better do it at
21 one.

22 MS. PINZINO: Would that be all right?

1 GENERAL WILLIAMS: Yes.

2 MS. PINZINO: At 1:00. And then the
3 panel members would -- if they could just simply
4 accompany General Williams, managing directors,
5 and Phyllis up to the executive dining room. We
6 have a nice treat up there for you. And that's
7 where we'll take our family picture for the panel
8 members. So that's all.

9 GENERAL WILLIAMS: Okay. At each one of
10 these sessions, we have to do things that we
11 really don't like to do, because when we have
12 members who have served -- there's a 10 year
13 restriction here, as you know. And we have to say
14 good-bye to them, but we keep them on a short
15 string because from time to time, we do call up on
16 them. You're always an alumna. And so we look
17 forward to keeping the interaction.

18 But to bring nine people together, most
19 of which have not met each other before, and have
20 them come and be very honest, you see, because
21 this is not, and I kind of agree with Suman, this
22 is not the old boy, old lady arrangement. I

1 notice you see what I did. And so we want to make
2 certain that everybody gets a chance and we've had
3 some wonderful members on this panel for the
4 almost six years; been very supportive, these
5 individuals work with us offline, they do their
6 homework.

7 And I can't say enough about them
8 personally. But we do like to recognize them when
9 they leave, so I'm going to ask Greg to come up
10 now. Greg is with the CEO of the Stanley Company.
11 He has told you what he thinks about them and all
12 of that. And one of the things that I really like
13 about Greg is that he will say he is an
14 independent thinker and he says what he believes
15 and that's important.

16 But we want you to remember the panel
17 and, of course, remember OBO. And for that, we
18 want to give you a building democracy booklet.
19 It's already been endorsed somewhere by that, and
20 we hope you'll find someplace to store that.

21 MR. CRASANDA: Thank you very much.

22 GENERAL WILLIAMS: Okay; yeah.

1 MR. CRASANDA: Thank you.

2 GENERAL WILLIAMS: In addition to that,
3 Congressman Wolf (?) has one of these. Secretary
4 Paul has one. I'm just telling you the company
5 that you're going to keep. This shows, and we're
6 very proud of what Suman said. The 42 loose
7 structures for our government all over the world
8 is really not a small feat. It's been a lot of
9 work and we got all 42, I think some portion of
10 them, of the buildings. You'll be able to look
11 through it and think about the contribution, Greg,
12 that you made to this. Okay. Would you like a
13 word?

14 MR. CRASANDA: Yes. First, General, I
15 would like to thank you for giving me the
16 opportunity to share on this panel. I've learned
17 quite a lot. In fact, I've learned more about
18 OBO, and the projects, and the sort of things
19 you're doing that I've been able to contribute.
20 And I do appreciate that; representing the
21 American Counsel of Engineering Companies. And
22 hopefully, we'll stay in touch.

1 GENERAL WILLIAMS: Okay.

2 MR. CRASANDA: And whenever you ask,
3 I'll be back.

4 GENERAL WILLIAMS: Okay. Thank you very
5 much.

6 MR. CRASANDA: Thank you, sir.

7 GENERAL WILLIAMS: Thank you. And, you
8 know, we have -- we're so fortunate on this panel,
9 because we got a slice of the best of industry, we
10 got the academe, and we get it all. And we're
11 fortunate to have several PhDs on this panel,
12 who's really sort of practicing that. So, Doctor
13 Kirk, if you would come forward. I want to just
14 say that everything that I said about Greg,
15 obviously applies here. You're quite today, but I
16 know you're not normally quite and that just means
17 that he's going to go have some food and he's
18 going to come back and he's going to open up this
19 afternoon.

20 But you've been very very valuable,
21 particularly in an area where we have been able to
22 gleam ideas to deal with value in the project,

1 because you are connected to the value engineer
2 world and that has been very very helpful for us.
3 And it's always been a big piece of our program as
4 we have moved forward with our projects. And I
5 want to thank you for your contribution and take
6 this small momentum as a way of saying thanks.

7 DR. KIRK: Thank you very much, General.

8 GENERAL WILLIAMS: Okay.

9 DR. KIRK: I've certainly enjoyed being
10 part of this and I really enjoy the value based
11 decision making that you really embark with
12 everyone that's here.

13 GENERAL WILLIAMS: Well, thank you.

14 DR. KIRK: Thank you, again, very much.

15 GENERAL WILLIAMS: And let me give you a
16 copy of the 42 buildings, as well.

17 DR. KIRK: All right. Thank you.

18 GENERAL WILLIAMS: Okay.

19 DR. KIRK: Thank you.

20 GENERAL WILLIAMS: Now, if anyone from
21 industry ever write in your papers or your
22 pamphlets that we don't like industry, you know

1 that's a problem. Okay. Because we really really
2 enjoy that. Okay. We're going -- Gina, are we
3 ready now?

4 MS. PINZINO: Yes, we're ready. And if
5 I could ask you (off mike) staff members,
6 actually, who are here today to come to the door
7 so that we (off mike).

8 (Recess)

9 MS. PINZINO: If everyone could please
10 be seated; strong voice.

11 (Pause.)

12 MS. PINZINO: They're networking, it's
13 okay.

14 (Pause.)

15 GENERAL WILLIAMS: We've got to get
16 started. We're going to get started and I know I
17 announced this morning that we were going to do
18 our very best to get out a little earlier, and we
19 will strive to do that, but it's more important
20 for those of you who have braved the weather today
21 to allow this operation to continue and cover what
22 we have on the agenda. We've had two wonderful

1 bits of discussion this morning. Big topics
2 really signature opportunities for government and
3 now we're going to touch on a couple of others.
4 I'm going to take them a little bit out of
5 sequence, because it has so much tie in.

6 I'm going to -- we just come out of
7 procurement, and see, ordinarily, I would go right
8 into the next topic that is listed, but I want to
9 go to the work force, because it's going to take a
10 real good discussion about another critical part
11 that we have. And I think, not only we, but I
12 think that's a collective we, so will the
13 champions who are assigned to work force, and then
14 we're going to follow cost estimation after that,
15 and then we'll roll back into the others.

16 I would ask that we try to be as crisp
17 as we can, but I know that's sometimes difficult
18 when we enter these issues. We want this to be a
19 learning experience for everyone and we want
20 everyone to feel, once the day is over, that it's
21 been worth your time. So with that, we're going
22 to Matt Wallace and Rich, are you going to work on

1 that one; and also Steve and Bill? If they would
2 take us through that one; Bill, you want to start
3 first?

4 MR. MINER: Well, I think it's unfair to
5 Rich, because we'd worked with Lee quite a bit on
6 this and --

7 GENERAL WILLIAMS: All you have to say
8 is I'm differing and going to --

9 MR. MINER: -- and I think we're going
10 to open up with the agenda slide, which we can go
11 to. We're going to start with Steve Stomber.
12 He's going to talk a little bit about the global
13 perspective on human resources, and then we
14 drafted into service. Jonathan Blyth is hitting
15 up our HR activity now and he's going to give us
16 some statistics, some interesting statistics on
17 OBO.

18 GENERAL WILLIAMS: All right.

19 MR. MINER: And how we're doing in terms
20 of work force. I'm going to talk a little bit
21 about current practices in OBO and OPM initiative
22 and then we'll turn it over to Matt Wallace to

1 share with us findings, discussions, and
2 recommendations that he and Lee Evey have had
3 prior to this session. So at this time, I'm going
4 to go to Steve.

5 GENERAL WILLIAMS: Okay.

6 MR. STOMBER: I'm going to look at the
7 global perspective and looking at that, initially,
8 the predictions are really dire when it comes to
9 the future of the federal work force. You know,
10 starting in 2000, in the NASA IG and before
11 Congress. The subcommittee on oversight and
12 government management remarked that federal
13 executives, managers, and HR professionals have
14 found it harder to locate and attract skilled
15 workers. The problem is made worse by the trend
16 many organizations have of a declining or
17 flattened budgets and downsizing initiatives. We
18 follow that up with an article in leadership (off
19 mike). Four years later they show that the skill
20 gap is growing and technical jobs are replacing
21 lower skilled jobs that are becoming (off mike).

22 I mean just three months ago, there was

1 a report done by Gallup and the counsel for
2 excellence in government that show that 60 percent
3 of the federal government's general schedule
4 employees and 90 percent of the senior executive
5 service will be eligible to retire in 10 years.

6 And the government estimates about
7 290,000 of those eligible to retire will be gone
8 in the next five years. At the same time, our
9 next generation of workers, generation wide, is a
10 smaller percentage, 16 percent, than the total
11 population retiring, the baby boomers, 25 percent.
12 As a result, we're going to have very intense
13 competition between public, private, and nonprofit
14 sectors for America's best and brightest future
15 workers.

16 And so from a global perspective, how do
17 employers achieve a desirable work place? The
18 Gallop survey, and give this some ideas, they
19 looked at six keys things they look for in a work
20 place that attracts workers. One is intellectual
21 stretch, the ability to find a stimulating work
22 place, one where you can learn what you learned in

1 school and where employers promote creativity and
2 innovation. Your mission match is number two,
3 where an individual can believe in the mission and
4 where the work has a strong impact on public
5 issues.

6 Now, the third work place value that
7 came faced down was growth potential, where the
8 job has potential and offers the opportunity to
9 develop new and advanced skills. The fifth was
10 compensation. How much an individual will earn;
11 also benefits, health insurance, retirement. And
12 the last was job security. The survey also shows
13 that 34 percent of the population 18 to 29 do want
14 to work for Uncle Sam and that those of that
15 percentage growth potential and intellectual
16 stretch are the top key values that those
17 employees are looking for in the work place.

18 When they look at the group of people
19 working that or scientist engineers, computer
20 professionals, attorneys, those engaged in public
21 policy, they found 30 percent interested in
22 working for Uncle Sam. And which of those people

1 they look for work places, again, that hit
2 intellectual stretch and had very good
3 compensation and benefits.

4 When it comes to professionals currently
5 in the work place in private or non-private
6 sectors, the managers and supervisors, it dropped
7 down to 17 percent of those people who want to
8 work for the federal government. And those folks
9 place their key emphasis on compensation, benefits
10 first, and then intellectual stretch.

11 It was noted in the survey and I found
12 it in all of the readings I did, that the lowest
13 ranking criteria that people were looking for
14 working for the government was belief in the
15 organization mission and the strong impact on
16 important public issues. The key aspects
17 everybody was looking for was benefits and job
18 security. That the problem that the government
19 has, globally, is the ability to provide a
20 competitive environment; there's no innovation
21 people feel, there's no creativity, and there's no
22 reason to go to work for the government when you

1 can go work for the private sector and make more
2 money.

3 And if you divide a square into four
4 corners, they asked about different federal
5 agencies and the State Department fit into the
6 lower right hand corner, which were people had a
7 very interesting idea of the State Department, but
8 they didn't know too much about it. So one of the
9 things, globally, is that we need to change the
10 perspective of our work.

11 I think it's very similar to like what
12 they do in DOD. DOD started many years ago to
13 become an employer of choice and they changed
14 their policies, they made them more flexible, more
15 in tune with the American work place of being
16 mobile, and the portable benefits.

17 Another aspect of this is education.
18 Some states like California have adopted an
19 educational counsel where they're reforming their
20 education plan so they can promote and develop the
21 scientists and engineers that we need in the
22 future. And to me this would be an ideal place

1 where the federal government could step in with
2 the Department of Education to help us provide the
3 kind of engineers and scientists we need in the
4 future. I turn again, to DOD, and DOD has turned
5 itself around in the last 10 years and marked
6 itself as an employer of choice. They are marking
7 effort to educate the public; something that other
8 agencies like the IRS has done and the CIA very
9 effectively. They showcase the missions and the
10 civilian occupations through all various means;
11 T.V., internet, and so on. They get full
12 exposure.

13 NASA had developed a problem with
14 keeping key scientists, and so to improve its core
15 skills and capabilities, its HR department
16 developed a core capability assessment looking for
17 key skills they would need in order to function
18 and perform its mission in the future. And this
19 is something I think also that could possibly be
20 adopted at the State Department.

21 Finally, in the survey, just three
22 percent of the respondents thought that government

1 work would offer the ability to innovate and
2 exercise creativity, challenge (off mike) to
3 improve the perception. And one way that I think
4 we can do this at the State Department is through
5 OPM. OPM is coming up with new recruiting
6 programs, which we need to carry further from our
7 perspective to interim programs and so on to get
8 people more interested in our activities and about
9 also offering more high performing work
10 environments that value innovation, creativity,
11 and opportunity for growth.

12 (off mike) I found that most
13 federal government agencies outside
14 of the State Department are trying
15 to use their expertise to establish
16 a broad reputation for being a
17 great place to work. Try to
18 establish a reliable worker's
19 supply chain, provide better
20 compensation, use temporaries, use
21 term employment, use incentive that
22 would closely match the mobility of

1 the current American work force,
2 and try to match candidates'
3 ability to job profiles.

4 I did also an informal survey of my
5 director and I found that most of my young
6 employees -- they came to work for State for three
7 reasons. One, for the international travel, two,
8 for the ability to sink their teeth into some
9 solid work and rather than being an assistant for
10 four to five years for somebody else, and then,
11 also for tradition and pride of working for the
12 government.

13 I think these are the very same things
14 that DOD has in its employees and its staff that I
15 think globally we should go forward and try to
16 change the perspective of the market place towards
17 the State and especially toward OBO and the good
18 things that we do. And I pass to Jonathan.

19 GENERAL WILLIAMS: Okay.

20 MR. BLYTH: Thank you. I want to talk a
21 little bit about OBO, in particular, and I want to
22 preference my remarks, first, by stating a few

1 things to keep in mind. Number one that OBO faces
2 what every government agency is facing at the
3 present moment. So when you see these statistics,
4 don't think this is abnormal. This is a problem
5 that all human resource specialists and human
6 resource division directors are working on.

7 The second is that this issue that we
8 have, with regards to our vacancy rates and with
9 regards to our upcoming retirement boom, has never
10 affected the mission here at OBO. We are actually
11 working with basically the same amount of staff
12 that we started in 2001, building now 12 to 14
13 embassies a year versus one embassy. So that's
14 testimony to the individuals who work at OBO.

15 If we go to the first slide, you can see
16 that there are actually three work forces at OBO.
17 One of them, in the dark blue, are the PSCs, and
18 at the moment, we have 288 members. These are our
19 contractors. At the yellow, at the bottom, is our
20 foreign service, which we have now 251. And
21 finally, on the left side, you see that we had the
22 civil service and we have our floats, which are

1 the exact same as civil servants. And at the
2 moment, if you go to the next slide, we have 483
3 individuals who are in the civil service who work
4 at OBO.

5 This represents the backbone of this
6 organization. And as you can see, we've broken
7 them down into what GS levels. GS five through
8 ten, and for the people who are not familiar, GS
9 five through tens are considered lower management
10 individuals, secretaries, some policy analysis
11 clerks. GS elevens through 13 are the middle
12 management and in the future represent the upper
13 management with its GS fourteens or fifteens,
14 which are really grants chiefs and the top
15 management.

16 As you can clearly see, out of the 483,
17 close to 450 are in the 11 through 15 range, which
18 means that we are very upper middle management
19 organization. If you go to the next slide, you
20 can see it broken down by the individuals and the
21 amount of years that they've actually worked for
22 the federal government. This is not to say they

1 have worked for OBO, but this is to say that they
2 are at OBO and how many years they've worked for
3 the government.

4 If we use the fourteens and fifteens,
5 you can see that there are 20 to 29 years of
6 service in the federal government, there are 36,
7 30 to 39 there are 17, 40 to 49 there are two.
8 And actually, if you look at the GS 11 to 13, you
9 see there is actually one individual who works at
10 OBO who has worked for the federal government for
11 50 years.

12 Now, I want to note here. Retirement is
13 a personal decision that is based on a variety of
14 different factors so that when we extract
15 information, we can't really speak definitively of
16 whether individuals will retire at a certain age
17 or at a certain period of time in their career,
18 but we basically can get an understanding.

19 So if we go to the next chart, we can
20 see the percentages broken down of the GS
21 fourteens and fifteens who have those years of
22 service. And fortunately at OBO, as you can see,

1 17, 8, and 9, reading from 20 to 40 years in the
2 14 to 15 range, as well as the 11 to 13 range, 9,
3 8, and 1, seems to be a very small number, which
4 is actually working in our favor.

5 However, if you go to the next slide,
6 you can see the ages of these individuals. Now,
7 what is unfortunate for OBO is that if you look in
8 the 14 to 15 range, you see that 43, 23, and 3,
9 there's 70 to 79 years old, that represents the
10 individuals who are at the upper part of what you
11 would consider probably the end or getting towards
12 the upper end of their federal career. As well as
13 you look at the eleven through thirteens, you see
14 25, 17, and 10; another factor.

15 And then if you look in the -- if you go
16 to the final slide I have here, which points out
17 the major concerns. At 11 to 13, over the age of
18 50, we have 52 percent of our population. At to
19 13 for over the age of 60, we have 27 percent.
20 That means that one out of four GS eleven through
21 thirteens who work at OBO are actually in the
22 range of getting up to the possibility of

1 eligibility to retire.

2 As well as the fact that if you look at
3 GS fourteens and fifteens, over the age of 50, we
4 have almost 70 percent of our population. And if
5 you look at fourteens and fifteens over 60, you
6 have 26 percent. Once again, another factor; one
7 out of four.

8 And then what you also have to look at
9 is the bottom of the charts, to try to figure out
10 who are going to be those fourteens and fifteens
11 in the future. And if you look at our GS elevens
12 (off mike) thirteen, under the age of 14, we only
13 have 19 percent of our population in that range.

14 So clearly what you see is a very top
15 heavy organization, with regard to people being
16 eligible to retire, and subsequently, these are
17 the issues that OBO is facing over the next five
18 to fifteen years.

19 MR. MINER: So as Jonathan said, we are
20 top heavy and we're old. And short term, that's a
21 good thing; long term that can be a disaster for
22 an organization.

1 MR. BLYTH: Right.

2 MR. MINOR: I've talked to many of the
3 people that are on these statistics and asked them
4 their impression of the process. I put pros and
5 cons, but it's really not good and bad. It's just
6 the nature of our environment, our HR environment.
7 Some things we can influence, some we cannot, some
8 we just have to accept. First slide; on the pros
9 side, if you ask a typical OBO employee why did
10 they come; why do they stay? And most do come and
11 stay. They fundamentally believe that we're
12 involved in a very very important mission.

13 You described it this morning. It's
14 significant work. It's also global, it's
15 overseas, and for certainly architects, and
16 engineers, and other professionals that I manage,
17 it's challenging work. You don't work on the same
18 building for several years. You'll work on a
19 different building, in a different location,
20 everyday. You will read the paper in the morning
21 and it will influence the taskers (?) you get by
22 noon. So that type of contact and touch with

1 world events is stimulating and is exciting even
2 if you're old. So people come and people stay.

3 Also, the variety of employment options
4 is a real pro for us. Many organizations only
5 have one type of system. You come in as a regular
6 staff employee. You don't have a foreign service
7 option. You don't have a PSC option. We didn't
8 list third party contractors that come in for a
9 very short period of time and give us a hand.

10 We have WAEs up there and I would have
11 to say that I'm hiring more retirees than recent
12 graduates, you know, a lot of reasons for that and
13 more opportunities, perhaps. But having those
14 different --

15 GENERAL WILLIAMS: No, I think it's
16 vibrant and smart.

17 MR. MINER: Yeah; exactly.

18 GENERAL WILLIAMS: Okay.

19 MR. MINER: And having those
20 opportunities -- with sitting down with somebody
21 and saying which one of these tracks best fits
22 your status and career really helps find a place

1 for a lot of people. OBO is very diverse and that
2 doesn't happen by accident, that happens with
3 leadership, coming from you and the Department at
4 whole, and we're also a very mobiley (?), upward
5 focus, creative. A lot of the things we're
6 talking about here -- yes, we're moving with BIM,
7 sustainable design is an issue, natural hazards is
8 an issue, and for young professionals, they
9 gravitate to that and Suman mentioned that in her
10 own organization. She has to compete with us and
11 we have to compete with her for the attention of
12 young bright individuals.

13 The bottom line is the government (off
14 mike) across the board; working the federal
15 government is stable and that's very very
16 important to most people. It has a good salary
17 package, it's a predictable salary package, helps
18 when you're trying to put kids through college,
19 helps when you're trying to take out a loan, and
20 the benefits are very very good. I just miss the
21 old retirement system. I'm in the new retirement
22 system and I feared I had gotten to the party too

1 late; this was in 1985. And the party's still
2 going on.

3 It's actually a better system and a lot
4 of the private sector has adopted there system.
5 And even though folks hired after 1985 have the
6 retirement benefit to take their 401k and go and
7 work with Suman Sorg, very few people are
8 exercising that option. So it says there's
9 something right about federal employment and
10 certainly, work at OBO.

11 One other issue is when someone looks
12 for work. Somebody in the building profession
13 would not first think of the State Department.
14 That's where you go if you are a political science
15 major or an economics major. That's not something
16 that an architect and engineer would normally
17 think of. So OBO, being a part of an operation
18 that's entirely different from the building
19 industry, is one of the things that we need to
20 recognize and perhaps change our outreach strategy
21 to respond to that.

22 I see a lot of ads now, radio ads

1 especially, with the CIA and they talk about
2 opportunities. And it's a new (off mike) and I'm
3 hearing young people talk about that as an option
4 now, that weren't talking about it before, because
5 they were a little too clandestine. But if they
6 can do it we can do it, because we have a
7 wonderful story to tell.

8 On the downside of what I characterize
9 as cons, you heard some alarming statistics. We
10 are about to have, or in the midst of, an enormous
11 turnover of our top talent. These are people you
12 can't replace. When we work on projects and you
13 ask us a question about Wagadoogoo (?), it's nice
14 to have people in the room who've been visiting
15 Wagadoogoo for 10 years. They can mentally walk
16 through that building and tell you what you'll see
17 and where the roof came from and what were all of
18 the antidotes about it.

19 GENERAL WILLIAMS: And can spell it.

20 MR. MINER: Can spell it; can get their
21 business (off mike). That's very very valuable.
22 And that goes away when an individual leaves. We

1 have a lengthy hiring process. I would say it's
2 true in all of the government. Ours has been
3 documented very carefully by our HR department.
4 And by plan, it's at least 18, 19 months process.
5 And that includes establishing the position,
6 getting it classified, then advertising it, short
7 listing people, getting a group to interview,
8 conducting the interviews, the background
9 investigation, and then finally negotiating
10 salary. It's a very very long process. We lose a
11 lot of good talent along the way.

12 Security clearance, you heard a lot
13 about that. Contractors have a problem with it.
14 Certainly new hires have an issue with it. I run
15 an intern program for architects and engineers.
16 It's not uncommon for some of the young architects
17 and engineers to graduate from the intern program
18 before they actually get their security clearance.
19 That's how long it can take.

20 Diplomatic security has been helpful in
21 their interim clearance process, which does a
22 quick check on especially young people that don't

1 have a long sorted history to go through and will
2 allow us to bring them in. Under a watchful eye,
3 we might be able to get them working on jobs
4 sooner rather than later. But it is significant.

5 This one, you know, travel can be good
6 and travel can be bad. And it gets old very fast.
7 You said in your opening remarks all of the pretty
8 (off mike). And when people come to work with us,
9 they think they're going to get trips to a lot of
10 pretty places. And they do get a few. But by and
11 large, our program is focused on tough spots,
12 Tripolis, the Beiruts, the Baghdads. And they
13 didn't always count on those destinations.

14 I don't think starting a career in
15 federal government is ideal for a lot of young
16 professionals. In our organization, I think we do
17 a lot of design and construction management
18 doesn't have a lot of hands on work. There's not
19 a lot of hands on design work, in particular. And
20 the associations recognize that work in federal
21 government is not counted 100 percent towards your
22 internship. It's down to 50 percent last time I

1 looked, because they know that you're not being
2 involved in negotiating contracts, working up the
3 proposals, getting involved in marketing, and the
4 like.

5 What you need to understand and be
6 exposed to in order to be a successful
7 professional. So young people need to and we need
8 to spend more time with them filling in those
9 other gaps in their knowledge about actual
10 professional practice, as opposed to working for a
11 federal agency.

12 And I through this in at the bottom.
13 The lengthy firing process also needs to be
14 acknowledged. The government can be stable, but
15 it can also be overly protective of poor
16 performers. And young, and even mid and upper
17 level employees, their morale can be severely
18 affected if under producers are sitting next to
19 them making the same money and the organization
20 has no clear path for either motivating them or
21 counseling them to pursue other careers. So I
22 think it's something that we deal with quite a

1 bit.

2 I wanted to conclude with just a snap
3 shot of some work that OPM is doing and I think
4 this helps both in public and private sector HR
5 understanding. OPM decided to take a whole new
6 look in the 21st Century at how they recluded (?)
7 and approached potential employees. And they
8 found that they were approaching them all the same
9 way. It was a one sort of profile for a new
10 employee. And that was somebody who's going to
11 come on board and work for 30 years and retire.
12 That's not the case anymore.

13 And they came up with a series of
14 dimensions that allow you to establish a profile
15 for an employee, very much like a Myers Briggs
16 type profile. Some people are at the beginning,
17 some are at the middle, some are at the end of
18 their career, and some are retired coming back.
19 They are looking for different things; each of
20 those categories. They may have a different
21 attitude about mobility.

22 Their willingness to relocate themselves

1 and their family multiple times has a dimension.
2 Their permanence, whether they're here seasonally,
3 whether they're here for just one contract,
4 whether they're here specifically for a summer
5 intern opportunity, has to be understood so that
6 you know what their motivation is. They may not
7 be looking to sign up for us for more than just a
8 couple of months and we need to know that so that
9 we aren't talking to them like they're long term
10 commitments.

11 Mission focuses a very very interesting
12 one. When they diagram this, they point out
13 something I hadn't really thought about, is that a
14 recent engineering graduate, really wants to be an
15 engineer more than a civil servant. The heart
16 felt desire to do good for government comes sort
17 of mid, late career. A young person right out of
18 the classroom is thinking about his classes, he's
19 thinking about his professors, how he can get
20 registered, and he's really focused more on his
21 profession. And that needs to be at the front end
22 of the recruiting process.

1 Also, on the other spectrum, there are a
2 lot of folks that want to just help in one area.
3 I saw a very strong example of that after
4 Hurricane Katrina. Department of State sent out a
5 notice and said who would like to help with this
6 important mission? Well, half of my staff stepped
7 forward and said I'm ready to go to New Orleans;
8 not forever, I want to come back to this wonderful
9 place, but this is a special mission, I have
10 special skills and ability; sign me up. And
11 several of them did sign up and I think a few did
12 show.

13 But it's the kind of flexibility that if
14 staff knows that we are willing to accommodate
15 that, can make a difference in their long term
16 interest in the organization. And the final one,
17 perhaps the most difficult now, is flexible
18 arrangements. We hear about telecommuting, we
19 hear about flexible time. It does a lot for
20 families and it is the Hallmark of a family
21 friendly organization. It does a lot for reducing
22 traffic on the highways.

1 I'm not convinced yet that it does
2 enough for the mission. I see enormous
3 performance problems associated with some of the
4 staff that are not accountable for all of the
5 time. I think there are clearly certain work
6 opportunities -- and skill levels that where that
7 can work, but in our business, I see that as a
8 very difficult thing to do. The summary of that
9 document in the last slide is a matrix. OPM takes
10 all of the different types of workers; students
11 across the top, new professionals, mid career, all
12 the way out to retirees. And then talks about the
13 things that they look for and what have
14 significant influence on them when you're
15 recruiting them.

16 In the pay area, very clearly, people
17 would like to have relocation pay. They do not
18 want to come out of their pocket to move,
19 especially if it's an overseas situation. They
20 also prefer to have pay for performance. People
21 do not feel that their salary history should
22 necessarily govern where they start on the pay

1 scale. That their ability to perform, once on the
2 job, out to be factored in and they'd like to see
3 that factored in in some sort of formal way.

4 In the second level, the highest impact
5 is reinstatement eligibility, especially with mid
6 and upper level people. They like to know if I
7 come work in this organization and decide to leave
8 for a planned or unplanned circumstance, can I get
9 back in without starting from scratch. You see
10 Telework under work arrangement. High across the
11 board, there's a strong preference today to
12 Telework for all sorts of reasons and then that's
13 followed up by flexible schedules, work time.

14 And then down at the bottom, in terms of
15 benefits, the biggest selling point in any
16 organization, public or private, would be a strong
17 thrift savings plan, a 401k plan, we have that in
18 place and should encourage its use.

19 GENERAL WILLIAMS: Okay. Thank you.

20 MR. WALLACE: And, you know, with that
21 comes retention, it comes attracting the talent
22 and retaining the talent. It's not just the

1 government; it's not just OBO that's having the
2 issues with recruiting and finding the talent.
3 It's industry wide within the AEC professions.
4 So I did take a lot and you'll hear a lot of
5 reiteration of what was already discussed today.
6 A lot of the benefits that people are looking for
7 and it's -- I don't think there's anything that
8 hasn't been mentioned here today that hasn't had
9 to do with people and what they're looking for.
10 The facts are that it is a job seekers market
11 today. Unemployment is very low. You've got top
12 heavy organizations with baby boomers getting
13 ready to retire and it's creating a competition
14 amongst organizations to get this talent. And
15 what benefits they provide us is really what
16 attracts the people.

17 The talented individuals in the private
18 sector that go out on the market are out for maybe
19 two weeks. And, you know, I find that when you
20 submit a resume for a person who is hot and
21 talented, if they employer doesn't jump on them,
22 they're opportunity has passed. So having that

1 streamline hiring process is becoming more
2 important and understanding some of the challenges
3 that OBO and all of the government has within
4 hiring people, should maybe be looked at a little
5 bit more carefully. Next slide, please.

6 So when you do have this talent, you
7 know, how do you hold onto them? Why are people
8 leaving? Was the gout (?) full that had the six
9 items which professionals desire and, you know,
10 how are you going to use those to benefit your
11 organization? And I believe that communication,
12 along with benefits packages, goes a long way to
13 retain employees. Find out what's most important
14 to the people who are working underneath of you,
15 because everybody has different goals, different
16 desires. And you see less committed employees
17 leaving; it's more money, it's better health and
18 retirement, it's flexible work schedules, it's all
19 of those things.

20 So I believe an appropriate amount of
21 attention should be given to employees and to find
22 out what makes them tick. What are their long

1 term goals? To me, that's part of making a happy
2 healthy environment and providing your employees
3 with that family atmosphere. And I took myself as
4 an example. I take pride in planning, I consider
5 myself to be green, you know, in a lot of ways,
6 and I look -- in my career, I've seen different
7 types of employers in the private sector and I've
8 had different managers, managers that look at you
9 as a statistic or how much numbers you're putting
10 up on the board.

11 And it's the companies who I've worked
12 for who do take the time to find out what I want,
13 you know, I have a long term goal. I want to be
14 at a certain place and doing a certain thing in
15 10, 20 years. And the fact that my company, and
16 I'm not just saying this because there's a
17 stenographer up there, you know, they have taken
18 the steps necessary to show me, and giving me the
19 training, and putting me in the opportunities to
20 go learn.

21 And I believe that that goes a long way.
22 I've been approached by other companies. I've

1 been offered more money. It's not the money that
2 makes me tick. It's the fact that I have what I
3 consider to be a family, you know, when you grow
4 up you up you spend most of your waking hours at
5 work. If you wake up miserable every day it's
6 very tough to get up and go to the office and do a
7 good job. So I think it's very easy to leave
8 an employer who doesn't take the time to know me,
9 or treat me, or help me in the way that I want to
10 progress. Next slide, please.

11 So the recommendations that I think
12 which would benefit OBO, and pretty much anybody
13 in the AEC professions, is the career patterns
14 guideline from OPM had about 10 or 15 pages of
15 things that make people tick. They did do that --
16 what is it the Myers --

17 GENERAL WILLIAMS: The Myers Briggs.

18 MR. WALLACE: -- the Myers Briggs
19 testing to see what people are looking for in
20 certain age groups and I looked at it and I'm like
21 this is the key to recruiting right here, is
22 knowing what the people want.

1 Some things that current recruiting
2 firms are doing are they're attending job fairs at
3 Universities, they're taking on advisory roles to
4 help the students develop their career, where they
5 want to go, and it's developing those
6 relationships that can help attract that talent
7 because you're already working with them.
8 Providing resume classes, giving one on one
9 guidance to the individual students goes a long
10 way to develop relationships.

11 Something that Suman had said about BIM
12 is, you know, is the Internet age is fast paced.
13 It's got people concerned with getting things done
14 very quickly; we're having a conversation today.
15 There's a different mentality and we talked about
16 it on our conference calls. How do you put
17 together the Internet age group, the generation X
18 and Y, with the people who have been doing things
19 their way for 30, 40 years? It's difficult.

20 So one way to attract and retain would
21 be to get some of that higher level technology,
22 you know, the students who are working engineering

1 and architecture classes now are already learning
2 BIM. So it's things that stay on top of
3 technology, things that students are already
4 feeling comfortable with, which may end up helping
5 companies and government organizations in the long
6 run.

7 And one thing that came up today is also
8 marketing campaigns. And, you know, who doesn't
9 know "An Army of One" or "The Few. The Proud. The
10 Marines?" It's these familiar slogans that when
11 children, you know, growing up I didn't know what
12 I wanted to be, it was very tough. And I just
13 kind of went out into the work force and ended up
14 where I ended up, but I didn't have the direction
15 that I think I would have liked. And getting out
16 there and knowing what my possibilities are is
17 very helpful and helped guide me to where I am
18 today.

19 Having the materials to hand out at
20 these job fairs, at these recruiting functions, is
21 very important. Take aways, which are up to date
22 and which are using the OPM characteristics, you

1 wouldn't sell to a mid level career professional
2 the opportunities the same way you would sell a
3 fresh out of college student. So having these
4 materials and keeping them up to date is very
5 important to get the new talent into your
6 organization. The use of search firms can have
7 many benefits and you see a lot of organizations,
8 both government and private sector, using these
9 search firms to find the talent that isn't on the
10 market. A lot of people don't put their resume on
11 Monster when they're looking for jobs.

12 They also have an outside approach, an
13 outside the box approach, to recruiting. They
14 have relationships established and it can help
15 lower costs of marketing and finding the talent.
16 Next slide, please.

17 You know, that being said, the benefits
18 of OBO, which I see are phenomenal. Traveling the
19 world and learning a trade, especially when
20 you're, you know, young, is a great opportunity.
21 I think you guys have a great marketing campaign
22 right there. There's nothing to tie you at home.

1 This is the time, you know, when kids graduate
2 college is the time to go off and explore the
3 world. And I think that if anybody shouldn't have
4 a problem recruiting that out of school talent,
5 it's OBO.

6 The hiring processes may get in the way,
7 but you can have intern programs to get them in
8 the door to establish those relationships. There
9 is succession planning, which I think is very
10 important in organizations. Another topic we felt
11 was very important. With the top heavy
12 organization, to take some of these lower level,
13 lower skilled professionals and putting them
14 together with higher level teaching them how to do
15 what the job, you know, teaching them how to do
16 the job. You know, who is going to, you know,
17 tell somebody to -- who's going to teach somebody
18 to spell some of the hard names of the places
19 where you guys build the embassies?

20 Other things that firms are doing are
21 mentor protégé programs, advanced career
22 positions. One thing I thought was interesting

1 was a company who had put together a program where
2 bright students out of college were chosen to be
3 in an accelerated career path. Whether it was
4 based on grades, personality, I'm not sure, but
5 especially when students become professionals, you
6 can quickly see who's going to become the next
7 leaders.

8 You might as well give them that
9 opportunity first, because, you know, everybody's
10 going to notice a rising star. It better be you,
11 otherwise, that person's going to get recruited
12 and you're going to lose them. I think that's all
13 I had. You can go to the next slide. And we had
14 talked about how valuable it could be for people
15 to talk about this. I'm curious myself, well, how
16 are other people doing this and I've made lots of
17 phone calls and I'm hearing a lot of the same
18 things. But everybody's looking for these outside
19 of the box techniques to recruit.

20 GENERAL WILLIAMS: Okay. Thank you.
21 Panel, we've had a very interesting presentation
22 and somewhat discussion on a problem that we just

1 have to recognize to be a problem. And I think
2 I'll listen to other comments, but I think what I
3 see from this work is that we are not any
4 different than anyone else who's looking for
5 talent. Our profile might be a little different
6 from the stand point of heavy versus early
7 entrance. And the lack of the lower spectrum
8 being (off mike) might be a function of a little
9 culture thing, which we have to work through.

10 That's one of the reasons Bill is
11 running the intern program. And a little bit
12 because of the nature of the work. And because it
13 does require some level of experience, but at the
14 same time, we might have to do some culture
15 shifting in order to be able to accommodate people
16 who want to come in right out of graduate school,
17 or right out of engineering school, or wherever
18 and want to travel to Wagadoogoo and get some
19 experience in Eastern Africa. So that's a very
20 good point. Are there any other comments? Yes;
21 Greg.

22 MR. CRASANDA: I agree with most of

1 everything that has been presented, but it's a
2 fundamental issue. That for the long term has to
3 change and that's we're not graduating enough
4 engineers from U.S. Universities. I think we
5 graduate about 50,000 a year. India alone
6 graduates over 400,000, and I think China about
7 600,000.

8 Where does that take us? What's the
9 industry going to do about it? Well, let's start
10 at home. We don't have enough females and
11 minorities in the profession. And if you take the
12 hard disciplines, mechanical, engineering, about
13 18 percent female that are enrolled in the hard
14 disciplines. Environmental or Biomedical
15 engineering are high in (off mike).

16 I have three daughters. Not one of them
17 was interested in going into engineering. I
18 figured out my wife had brainwashed them (off
19 mike), it's either black or white, and all of
20 that. So we have a lot of work to do. And in our
21 company, we've taken this very seriously. We send
22 engineers out to the elementary schools and the

1 high schools trying to educate and tell people
2 what a great profession it is and look at the
3 opportunities today. Compensation is fantastic
4 and the demand is high.

5 So thinking outside of the box, I think
6 what we need is really to encourage more people to
7 go into the engineering education. And we all can
8 do our fair share by starting at the elementary
9 school, not necessarily at the Universities.

10 GENERAL WILLIAMS: Excellent point. Are
11 there other -- yes; Suman.

12 MS. SORG: One of the things that the
13 AIA has accumulated in its statistics gathering
14 efforts is that 51 percent or more graduating
15 architects are women. And I know in the (off
16 mike) schools, those numbers are going up, as
17 well. And so I think women's career paths need to
18 be paid attention to a little bit more. We'd
19 certainly do that. You know, we have very liberal
20 policies, in terms of not only maternity leave,
21 but also encouraging returning women back to the
22 work force. For example, paying for and letting

1 them take time off to get registered and take the
2 exam, working through with their different day
3 care situations. All of that is not just (off
4 mike), that's just what we do.

5 Another part of this is also, that's one
6 point I want to make, but the other point is that
7 the firm, at least my firm and a lot of other
8 firms that I've talked to, have started planning
9 for this job jumping. A lot of -- we already
10 anticipate that the (off mike) of graduating
11 architects is shrinking. It used to be 18 months;
12 it's down to eight months. It's down to - I don't
13 know, Andrew, you can fill me on this. They're
14 moving around these jobs, no matter how good you
15 are. You're organization is you should plan for
16 (off mike). They're not going to stay around like
17 they used to; that coach is gone. They want to
18 experience different things.

19 So it's very important to see what they
20 can do for you and what you can do for them in
21 that very narrow window of time. So that's what
22 we do in our --

1 GENERAL WILLIAMS: Okay. Let me thank
2 everyone who participated on this very important
3 subject. Obviously we could spend much much more
4 time. We decided to introduce it. We're going to
5 come back to it with some sort of specifics.
6 You've lifted some important things. The whole
7 notion of culture, where do we begin the outreach,
8 where do we plant the first seed; all of these
9 types of things that as you know, some topics just
10 really require some additional work. We worked
11 almost a year on design build. We worked a year
12 on the Williams 20 (?). We worked several
13 sessions on some of the other issues.

14 So I think this one warrants some
15 further work. Now, I must inform you that
16 apparently the weather is not getting better and
17 the department has, well, OPM has made a decision
18 that we should have an early departure. That
19 means that the federal government buildings will
20 start emptying.

21 So I must make an apology on behalf of
22 the weather and the government for the panel

1 members who have prepared and will not be able to
2 make the presentation today. But one person,
3 member, who made a preparation, this would be his
4 last time; that's Doctor Kirk. And I'll like to
5 extend an invitation to be my guest next time, to
6 come back. And we'll ensure that cost estimation
7 goes first. And just to show that we appreciate
8 the preparation that you did and we'll come back
9 and you will work with the team on that.

10 And then the other three subjects that
11 we had for this afternoon, we will also have those
12 at the top of the list next time. I would like to
13 do, at this time, recognize everyone that's here,
14 because you have sat through this and what
15 motivated you to come, I don't know. I had a
16 quick conversation with a couple of people in the
17 hallway and I keep seeing the same faces all of
18 the time, so I would just like to start in the
19 corner. I think -- yes, sir; with you.

20 MR. DOUGLAS: Mike Douglas with Douglas
21 Systems.

22 GENERAL WILLIAMS: Okay. And your

1 interest is BIM?

2 MR. DOUGLAS: Our interest is very much
3 BIM, the whole life cycle that OBO is focused on,
4 the dynamics of the relationships between the
5 owner operator, and the contracting industry and
6 the tools that support the evolutions process.

7 GENERAL WILLIAMS: Let me just ask you a
8 question and anyone else who's in the BIM whirl.
9 As we go around, I will ask you to respond to the
10 same thing because it's important. Do you see,
11 since, that out approach is on target?

12 MR. DOUGLAS: I would say so. The fact
13 that you're committed to move in that direction;
14 if you're focused on inner, upper ability, the
15 standards focus is very important, aside from
16 specific technologies. That you're vision seems
17 to encompass a full life cycle and the various
18 functional groups within OBO. And as related to
19 the facilities that cause for liberating,
20 reclinement (?) of your processes towards
21 improving the quality of product. Ultimately, I
22 think they're well served (off mike).

1 GENERAL WILLIAMS: Thank you. Yes, sir.

2 MR. MACDEMIRE: Very nice to be here,
3 General.

4 GENERAL WILLIAMS: Thank you.

5 MR. MACDEMIRE: This is Bill MacDemire,
6 by the way. We redirected in here from the core
7 (?), so you can (off mike) consult with a core
8 engineer on this image. The only observation I
9 made that might be of value is it may help OBO to
10 start working, looking internally to build some
11 internal BIM expertise. (off mike) education
12 baseline to make these decisions.

13 We've had tremendous success with this
14 with the core, where they've plowdered (?) six
15 months, a year, once they started and when we got
16 in there, we started to help them to figure out
17 how to internally bring it to the market. And
18 that, I think really caught their level of
19 understanding and how they were going to work that
20 life cycle from planning, design, construction,
21 commissioning, and all the way up to the OEM (?)
22 and really open them up. So that's a content that

1 maybe we share with you.

2 GENERAL WILLIAMS: Thank you. Mr.
3 Macdemire?

4 MR. MACDEMIRE: I'm Bill MacDemire, I'm
5 the BIM (off mike) specialist from (off mike) and
6 I think the approach you're taking is very good.
7 I would encourage you to look at some of the other
8 organizations that have run out there and look at
9 the mines that they ran into.

10 GENERAL WILLIAMS: Okay.

11 MR. MACDEMIRE: So you don't run into
12 the same ones.

13 GENERAL WILLIAMS: Very good. Thank
14 you; appreciate having you. Yes; sir.

15 MR. MCCORMICK: I'm David McCormick with
16 Whitman, Requardt, and Associates, an
17 architectural engineering firm out of Baltimore.
18 I'm looking to do, potentially work in future.

19 GENERAL WILLIAMS: Did anything we talk
20 about today tickle your fancy?

21 MR. MCCORMICK: All of it.

22 GENERAL WILLIAMS: Well, good.

1 MR. MCCORMICK: (off mike) second
2 business, so.
3 GENERAL WILLIAMS: Good; thank you.
4 Yes.
5 MR. GOLDBERG: Hi, Andrew Goldberg with
6 the AIA. We're happy to be here. We're happy
7 that Suman is on the panel representing us and I
8 appreciate it; thank you.
9 GENERAL WILLIAMS: Thank you; always
10 delighted to have you. Okay; yes.
11 MR. CHRISTENSEN: Mike Christenson; I
12 think we've met.
13 GENERAL WILLIAMS: Yeah; a few times.
14 MR. CHRISTENSEN: I work for (off mike)
15 and Mechanical Engineering (off mike) along the
16 lines (off mike) mechanical infrastructure.
17 GENERAL WILLIAMS: Right.
18 MR. CHRISTENSEN: I hope (off mike)
19 GENERAL WILLIAMS: Right; yes, ma'am.
20 MS. AILOR: I'm Diane Ailor; I'm with
21 DBI Architects with local architecture (off mike)
22 GENERAL WILLIAMS: All right. Mr.

1 Fowler, I fed you today.

2 MR. FOWLER: Hello, sir. Actually, I
3 enjoyed it very much.

4 GENERAL WILLIAMS: Okay.

5 MR. FOWLER: I'm Terry (?) Fowler; I'm
6 with the Associate General Contractors (?). (off
7 mike) our agency contracting (off mike) to BIM,
8 which you can get on our website; abc.org/BIM.
9 I've been working with the construction (off mike)
10 very particular about (off mike) to try to get
11 this out there and trying to get everybody to (off
12 mike). The (off mike) quite yet, but this one is
13 important for our industry and to get invited to
14 be here.

15 GENERAL WILLIAMS: Delighted to have
16 you.

17 MR. FOWLER: And to participate.

18 GENERAL WILLIAMS: Delighted to have
19 you; yes.

20 AUDIENCE: I'm Buck Mike (off mike),
21 Employer and the General and I have seen each
22 other several times in the last two or three

1 months.

2 GENERAL WILLIAMS: Yes, we have.

3 AUDIENCE: (off mike) turnover projects.

4 GENERAL WILLIAMS: Right.

5 AUDIENCE: I guess I'm struck by the
6 whole conversation with BIM and I recollect back
7 early in my career when we were struggling as
8 other engineering companies were trying to figure
9 out whether to go to (off mike) and I think there
10 are an awful a lot of parallels to the
11 conversations we are having about do we get owners
12 to fund things, do we fund them ourselves, what do
13 we do? And I frankly think the answer that the
14 found was all three. We funded some, the owners
15 funded some, and we funded some together. And we
16 probably achieved the quickest progress by working
17 together with our own to determine what they
18 really needed at the end of the day and (off mike)
19 our systems; address those needs. So my counsel
20 would be to continue to involve in that
21 conversation.

22 GENERAL WILLIAMS: Right.

1 AUDIENCE: As you move out of the
2 problem.

3 GENERAL WILLIAMS: Delighted to have
4 you, Buck. Buck and I were on that three embassy
5 turnover at the early part of December in Central
6 America and the Caribbeans.

7 AUDIENCE: And Casestane (?).

8 GENERAL WILLIAMS: And Casestane; coal
9 place, yes. Yes?

10 MR. HUBBARD: Sir, I'm Ron Hubbard; C &
11 H Associates and I'm a marketing consultant and I
12 help write proposals on some of your projects, a
13 lot of them.

14 GENERAL WILLIAMS: Good; thank you.
15 Yes, sir.

16 MR. BANKER: Hello, General.

17 GENERAL WILLIAMS: Hello.

18 MR. BANKER: William Banker; Surge
19 Suppression Incorporated. They (off mike) service
20 protection and we're working with OBO and many
21 other contractors here and we're very interested
22 in the topic that came up (off mike) reduction of

1 maintenance and cost in operations.

2 GENERAL WILLIAMS: Delighted to have
3 you. Yes, ma'am.

4 MS. HAA: Andrea Haa from Quality Plus
5 Surge Suppression and I'm delighted to be here.
6 The focus on (off mike), I think is wonderful from
7 a component level (off mike) to the product level,
8 as well, which I think will be very beneficial.

9 GENERAL WILLIAMS: Thank you. Yes,
10 ma'am.

11 MS. CALLAWAY: Melba Callaway, General.

12 GENERAL WILLIAMS: Yes.

13 MS. CALLAWAY: I'm glad to be here.
14 I've certainly enjoyed our (off mike) and my
15 partner and I are starting Surge Suppression of
16 Carolina, carrying on (off mike). So wish us
17 luck.

18 GENERAL WILLIAMS: Yes, (off mike)
19 Hudson (?) was a very strong supporter of
20 everything that we have done in OBO. So delighted
21 to have you.

22 MS. CALLAWAY: Thank you very much, sir.

1 GENERAL WILLIAMS: Uh-huh.

2 MR. HJERMSTAD: I'm Matthew Hjermstad
3 with DMJM Design; fairly long history with
4 personal (off mike) along with (off mike). I work
5 (off mike) in Arlington and it's nation wide and
6 world wide. And we've been using BIM for quite a
7 while and we do force it upon ourselves. (off
8 mike) a lot of PMs that bite the bullet and work
9 with BIM just because we have to.

10 GENERAL WILLIAMS: Right.

11 MR. HJERMSTAD: That's the way the
12 industry is going.

13 GENERAL WILLIAMS: Good.

14 MR. HJERMSTAD: Thank you very much.

15 GENERAL WILLIAMS: Thank you for being
16 here. Yes.

17 MR. GRAVES: Mark Graves of DMJM also.
18 Let me kind of reinforce what Matthew was saying
19 of academics. It's so important. DMJM is a large
20 national organization that the President of our
21 company has pushed it from his level all the way
22 down. So that is where it's going. It's an

1 evolutionary process. It's just like AutoCAD (?)
2 was 20 years ago. So we're all going to have to
3 tend to deal with some of the growing pains of
4 working into it.

5 GENERAL WILLIAMS: Do you think we're
6 generally on the right track?

7 MR. GRAVES: Oh, yes.

8 GENERAL WILLIAMS: Okay.

9 MR. GRAVES: And like Matthew and
10 myself, when you were talking about attracting the
11 young kids to go ahead and see the world, I was
12 one of those kids and I loved it.

13 GENERAL WILLIAMS: Okay; good.
14 Outstanding; yes, ma'am.

15 MS. FRENE: Hi, General. My name is
16 Karen Frene. I'm with Eaton Electrical and we're
17 a manufacturer of the Powerwear (?) brand (off
18 mike) power systems, as well as the (off mike)
19 brand of distribution equipment. This is actually
20 my first introduction to BIM, so this is new and I
21 find it interesting to hear, and I guess my wheels
22 are sort of turning in my mind.

1 Our company makes a product called (off
2 mike), which actually includes a facilities
3 management component. So I guess my mind was sort
4 of thinking towards the (off mike) that we spoke
5 about earlier, in terms of being able to monitor,
6 manage, and maintain some of the facilities
7 management type of equipment such as (off mike)
8 power systems, generators, chillers, (off mike),
9 etcetera. So I found this very beneficial and as
10 I mentioned, I think the wheels are turning in my
11 head, as far as how to (off mike)

12 GENERAL WILLIAMS: Sure. Oh, sounds
13 good.

14 MS. FRENE: Thank you.

15 GENERAL WILLIAMS: Yes, sir; this
16 gentleman right here (off mike)

17 MR. SCHWEITZER: Right here, sir?

18 GENERAL WILLIAMS: Yeah.

19 MR. SCHWEITZER: Joe Schweitzer,
20 AICA-SP; working with Suman Sorg & Associates (?)
21 on chiro and (off mike). This is our first year
22 in the program. I appreciate coming. It gives me

1 a good chance to see what my client is thinking in
2 the future so that we can then take it back (off
3 mike) incorporate -- projects and incorporate it
4 into our future (off mike). Appreciate the
5 invite, sir.

6 GENERAL WILLIAMS: Good; delighted to
7 have you. Yes, sir.

8 AUDIENCE: (off mike) Security and
9 Technology. (off mike)

10 GENERAL WILLIAMS: Yeah; thank you.
11 Yes, sir. Right here.

12 MR. WINKLER: I'm Gerry (?) Winkler; I'm
13 with Integrus Architecture. We're the
14 architecture (off mike) five of your agencies.

15 GENERAL WILLIAMS: I know.

16 MR. WINKLER: And it's been a
17 fascinating meeting. I really enjoyed it. I've
18 learned a lot. On the (off mike) interesting
19 throughout the industry, as there is a lot of
20 people that have been involved in using these
21 tools for quite some time. Some of those
22 architects and engineers (off mike), but I think

1 there's a lot to be learned for all of us and to
2 keep this dialogue going, I think it's an
3 extremely important program.

4 GENERAL WILLIAMS: Still located in the
5 Tidewater area?

6 MR. WINKLER: Pardon me?

7 GENERAL WILLIAMS: Are you located in
8 the Tidewater area of Virginia?

9 MR. WINKLER: I'm in the other
10 Washington; the state of Washington.

11 GENERAL WILLIAMS: Okay; Seattle. Okay.
12 Yes.

13 MR. KACHA: I'm Paul Kacha (off mike) a
14 lot of topics (off mike) started in procurement.
15 Procurement was very important for me to listen
16 to. (off mike) 2003 (off mike) you started
17 opening up the (off mike) companies, because
18 nothing changed before and we jumped into
19 construction management (off mike). And since
20 then, I've done several of the projects for the
21 (off mike) the first one was the (off mike) in
22 Baghdad.

1 (off mike) of BIM, as well. So
2 this is the first time
3 (off mike) try to learn as much as
4 I can and try to see if we use it
5 for a small company like ours and
6 hopefully, we will
7 (off mike)

8 GENERAL WILLIAMS: Appreciate it and
9 delighted to have you.

10 MR. KACHA: Thank you.

11 GENERAL WILLIAMS: And I'm happy to know
12 that some decision we made along the way helped
13 your company grow. Okay; yes.

14 MR. BROWN: Bill Brown.

15 GENERAL WILLIAMS: Bill; oh, yeah.

16 MR. BROWN: With Page Southerland and
17 Page. We're doing a couple of those (off mike)
18 embassies --

19 GENERAL WILLIAMS: I know.

20 MR. BROWN: -- that you showed (off
21 mike). Just to comment on the personnel thing. I
22 would (off mike) that you can (off mike) your

1 youngest, your newest employee, as to be your
2 recruitment (off mike). They know where the
3 students are. They understand the culture. They
4 can talk (off mike). They don't want to see those
5 of us with gray hair. They want to see somebody
6 that they can relate to. We've used that and been
7 very very successful.

8 GENERAL WILLIAMS: You know, that's an
9 excellent point, and Bill, I appreciate you doing
10 this. We haven't had time to talk much about our
11 innovative task force to try to put some new
12 lessons into the place. That was the approach we
13 took. We took the youngest and most inexperienced
14 people we had in the organization to help think
15 about new ideas. Okay; yeah.

16 MR. SHIRVINSKI: Adam Shirvinski with
17 formerly EMSI, now DLT Solutions. As always, it's
18 a pleasure to be hear listening to the thought
19 leadership that you all are taking and in relative
20 to BIM, I think the path that you're moving
21 forward is a new one. Don't eat the whole
22 elephant; be careful about how you precede

1 forward. But I'm very encouraged with the manner
2 in which you're going about evaluating different
3 technologies, how you're going to implement it,
4 and I think that the thought leadership that you
5 are embarking right now is very important to
6 continue to do so as you move forward.

7 GENERAL WILLIAMS: And you and Bill have
8 been at every single panel and that's the reason I
9 always turn my back because I know I'm okay.

10 AUDIENCE: I work for you, sir.

11 GENERAL WILLIAMS: I know that.

12 AUDIENCE: And I'm retiring soon; I'll
13 be around for a little bit.

14 GENERAL WILLIAMS: Okay. Yes, sir.

15 MR. WHITE: Ken White with Ameristar
16 Fence Products. Thank you, General, for having us
17 here. We helped out on a couple of embassies
18 where your certifications standards we met. We
19 brought -- we invested about a million dollars
20 worth of our technology, our private industry, so
21 an example of how a private industry can work with
22 this government sector and work well as a

1 partnership brought value to some embassies, but
2 were working out with anti-scale and anti-random
3 (?) issues out on the perimeter. Reduced the cost
4 of that project about \$400,000, so, you know,
5 helped out a lot in that regard. As it relates,
6 (off mike) to the BIM, you certainly set your
7 standards and hold people accountable to them,
8 because we're talking about security issues here
9 out on the perimeter and (off mike) the same thing
10 as it was to BIM. But the networking
11 opportunities is what brings me here mostly.

12 GENERAL WILLIAMS: Thank you.

13 MR. WHITE: Thank you very much for your
14 time.

15 GENERAL WILLIAMS: Yes.

16 MR. WALDSCHMIDT: Yes, thank you,
17 General. I'm Dieter Waldschmidt and I'm with
18 Saelzer Building Security. We're another
19 supplier. We supply windows and doors (off mike).
20 We enjoy very much working -- done so many
21 projects with you, so we enjoy very much.

22 GENERAL WILLIAMS: Delighted to have you

1 here.

2 MR. WALDSCHMIDT: Thank you.

3 GENERAL WILLIAMS: Yes. Okay; yes,
4 ma'am.

5 MS. NUGENT (?): Hi, I'm Pam Nugent from
6 Goshtow (?) Architects. I'm here on behalf of
7 Nancy Goshow (?) who sends her regrets. We're one
8 of the largest women on architecture firms in New
9 York City and we're in 8A. And I found both the
10 procurement and the (off mike) very enlightening
11 today. For a company that hasn't done work with
12 OPO, but wants to do so very shortly, I find the
13 openness of this organization and I was here at
14 the industry days and this is my first industry
15 advisory panel meeting. I found the opening
16 really great and when we do our (off mike)
17 decisions, you know, you haven't ordered the
18 company before, it's very encouraging to keep
19 pursuing work with you guys. And also, I think as
20 far as BIM, we have purchased the software and
21 it's been installed on some of our machines and
22 training is going to start pretty soon. Thank

1 and Anderson. I appreciate the opportunity to
2 (off mike) of this meeting. Our company has
3 served BOGO for over 20 years as (off mike)
4 engineering firm. And we always enjoy coming to
5 forms like this to continue our learning process
6 to ensure that we're better client service (off
7 mike)

8 GENERAL WILLIAMS: Please keep coming.
9 Yes, sir.

10 MR. CARBONE: Rich Carbone, Peace Corps
11 director of OBO; (off mike) department. And we've
12 been coming for the last three years.

13 GENERAL WILLIAMS: Yes, you have. And
14 of our friend from the World Bank, I think he was
15 here, but he left. Oh, okay. All right. Okay.

16 MR. COTCHEN: Thank you, sir.

17 GENERAL WILLIAMS: I don't think I
18 missed any; yes, I did.

19 MR. COTCHEN: Excuse me.

20 GENERAL WILLIAMS: Yes, sir.

21 MR. COTCHEN: I'm fully engaged (off
22 mike) in what we're doing here. Thank you for the

1 invitation. I'm Don Cotchen with McGraw-Hill
2 Construction. We're here to support in any way we
3 can the mission of OBO and, as you know, we've
4 already worked in conjunction with the Department
5 of Labor to distribute more than a million
6 magazines to high school students on opportunities
7 for careers in construction. And so we hired the
8 requirement to have more engineers from educated
9 young people about that were engaged in that
10 process, with labor. We're also sponsoring a work
11 force, construction work force crisis conference
12 in New Orleans on June 5th and 6th, co-sponsored
13 by the (off mike). Those are two initiatives (?) we
14 think that will support some of what OBO needs
15 done and anything else we can do (off mike)

16 GENERAL WILLIAMS: Now, I might add
17 McGraw-Hill and ENR (?) they have done yeoman job
18 of helping us get our message out. So we
19 appreciate that and please let Jan and Norbert
20 know that. Okay. Yes, sir.

21 MR. KUBIC: Good afternoon, General.
22 I'm Chuck Kubic. I'm the President of ECC

1 International and thank you for continuing to
2 invite us to participate. And we're an
3 international general contractor. (off mike)
4 starting our second year, you know, working for
5 OBO and we have a security upgrade job in Bangkok
6 and we just were selected as the developer for a
7 new build to lease contract for the American
8 Cultural Center in New Delhi. So it provides a
9 lot of excitement and, General, we love the nasty
10 sites. We'd go anywhere.

11 GENERAL WILLIAMS: Okay. Now, you write
12 this down. You get everything correct. Yes, sir.

13 MR. MALLOY: I'm Mark Malloy from the
14 World Bank and I think seeing your 42 projects was
15 pretty interesting to (off mike) what (off mike)
16 your organization that's far larger than ours.
17 (off mike) International (off mike) size of the
18 facility (off mike). In regard to BIM, I'm afraid
19 that I'm the old dog and this is a new trick and
20 I'm not looking forward to transitioning (off
21 mike) five or six (off mike). I just recently
22 took our paper plans and had them scanned.

1 GENERAL WILLIAMS: Well, but one thing
2 about that, you're honest and that's good. Okay.
3 Now, that I forget and -- yes, sir. No, you're
4 right. You're on.

5 MR. MARCUS: (off mike) to go last. My
6 name is Alex Marcus. I'm the managing director of
7 ESI Total Fuel Management and our mission is to
8 ensure the reliability of generators; to prevent
9 generator failure through maintenance and
10 monitoring the stuff that actually makes it run,
11 which would be the fuel. It's a very unique
12 business that we do and we were the first to
13 develop (off mike). Thank you very much for
14 having me, General. And I found this (off mike)
15 company, we're international. I found it to be
16 very interesting, very important, (off mike)
17 concerns of how the panel is integrating into the
18 private sector and I'd like to see more of this
19 even in the private sector.

20 GENERAL WILLIAMS: Yes.

21 MR. MARCUS: We've (off mike) and also
22 in terms of the challenges that you face (off

1 mike) developing projects, and programs, and
2 personnel who's being denied (off mike). We have
3 to compete with major companies and to do things
4 in different ways, but we also have creativity
5 (off mike). So there are things that we can do
6 and (off mike). In terms of BIM, whenever we
7 evolve with BIM, but there are challenges that we
8 face, ourselves, that I think are parallel (off
9 mike) products and services that we provide,
10 especially with products.

11 We have introduction software (off mike)
12 and the challenges that we face there is that we
13 have suppliers (off mike). There's a lot of
14 companies out there that haven't yet integrated to
15 those concepts and to their design, their
16 production. So I think that you would face some
17 of those same challenges, especially in small
18 businesses.

19 GENERAL WILLIAMS: Right.

20 MR. MARCUS: (off mike)

21 GENERAL WILLIAMS: Right.

22 MR. MARCUS: Will be important for all

1 to encourage (off mike)

2 GENERAL WILLIAMS: Thank you so much.

3 We're delighted to have you. Did I miss anyone?

4 It's important that you take the time to come, you

5 sign up and you come. I want you to feel that

6 you're welcome. I think everyone knows that.

7 That's the reason we spend some time to let you

8 introduce yourself. So for that, we thank you for

9 coming. Now, the panel -- I'll just go around and

10 any parting words you would like to pass to us.

11 And let me lead the people who are going to be

12 leaving last, so I'll start with you, Matt.

13 MR. WALLACE: Just thank you for the

14 opportunity to be here. One thing I did not

15 mention was I represent the Society of American

16 Military Engineers and part of attracting and

17 retaining talent is to associate yourselves with

18 professional societies. And they have programs to

19 get involved with people.

20 GENERAL WILLIAMS: Okay.

21 MR. WALLACE: So I'm sorry I didn't

22 mention that before.

1 GENERAL WILLIAMS: Right. And for the
2 younger side of our profession; so you don't have
3 to be old, vibrant, and smart to be on the board.
4 You can be young, vibrant, and smart; Suman.

5 MS. SORG: Thank you, General, for a
6 wonderful session, again. I'm really delighted to
7 represent the AIA here, and I hope that, you know,
8 there'd be continued more conversational knowledge
9 very important topics. I must say I hate head
10 hunters. You know, this is what (off mike) a head
11 hunter called my company and wanted to hire me.

12 GENERAL WILLIAMS: (off mike)

13 MS. SORG: (off mike) if you don't want
14 to come, can you recommend somebody else? And
15 it's become a nightmare and I don't really know
16 where it's going to end.

17 GENERAL WILLIAMS: Yeah; I understand.
18 Right; we try not to resort to that. Yes; and I
19 know, Eric, you have not had much to say, but just
20 give us your observation.

21 MR. STRACK: Well, this has been very
22 valuable for me personally, but it's a very

1 valuable tool for the industry to understand the
2 intricacies of where OBO is trying to go. I do
3 want to thank you for the opportunity to be here.
4 Mr. Pawulak sends his regrets.

5 I would say on the idea of integrating
6 BIM into the facilities management world, that I
7 am working with a client who is tasked with that
8 challenge, and from what I have been able to see
9 today, it would make the transition and transfer
10 of personnel in your world, scattered across the
11 world much easier I would think, because you could
12 significantly reduce the learning curve and cycle
13 on what is probably a short term assignment in the
14 first place. I don't know how long the folks were
15 assigned overseas, but I think it could be of
16 tremendous value.

17 GENERAL WILLIAMS: Thanks for your
18 observations. Rich?

19 MR. BENTON: Thank you again for
20 allowing me to come and represent Design Build
21 Institute of America. I will tell you to
22 encourage all here to take advantage of the

1 educational programs DBIA does offer. Get
2 involved in your chapter. We are holding a design
3 build in the federal sector conference here in the
4 D.C. area in June. General, you were one of the
5 speakers last year. We're not inviting you this
6 year to speak, but we have other well regarded
7 individuals at your level who will be there and
8 participating.

9 But BIM will be a major component of
10 that program and I know it's in other programs
11 this year too, but clearly in that one; June 27th,
12 the 29th, I believe it is here, at L'Enfant Plaza
13 Hotel in this area. So I encourage you to take
14 advantage of that; I think you will find it worth
15 while.

16 And again, we continue to encourage you
17 from an organization perspective to continue to
18 work with other organizations, including DBIA as
19 you work towards trying to advance and improve and
20 inter-train (?) with industry improvements in your
21 program.

22 GENERAL WILLIAMS: Thank you. Thank you

1 for coming. Ed?

2 MR. DENTON: I will accept the title of
3 vibrant and smart. One that occurred to me
4 sitting here talking about retaining and
5 recruiting staff, I think the same thing could be
6 said in the construction industry right now with
7 the world wide market place making it very
8 difficult to get competition and interest; may be
9 something worth thinking about in the future is
10 how can we make sure and ensure that we get true
11 competition? And which always helps us in the
12 bottom line.

13 GENERAL WILLIAMS: Thank you. John?

14 MR. BAROTTI: With respect to BIM, we're
15 committed to it, and we'd be happy to assist your
16 group in any way that we can. With respect to HR,
17 we have the same problems trying to find good
18 people and we have a missing link in the middle
19 right now. We are getting some young people. We
20 have a lot of people who are older, but we're
21 missing that middle link. I'm trying to make up
22 for Greg's three daughters with my two sons going

1 to engineering school.

2 GENERAL WILLIAMS: Good. Okay. Greg?

3 MR. CRASANDA: Thank you again, General
4 for the opportunity to serve. I must confess that
5 before I participated in this panel, I really did
6 not agree with the design build approach.
7 Obviously, us engineering firms would like to work
8 for owners and no disrespect to the contractors,
9 but in design build, engineering firms generally
10 end up as sold to contractors. However, my
11 participation in the last year has shown me that
12 the tremendous challenge that you face to deliver
13 these embassies, and the compressed schedule, and
14 the number of embassies. And I think, yes, you
15 made the right decision to follow the procurement
16 process that you're using for executing this
17 project.

18 GENERAL WILLIAMS: Thank you very much
19 for your service.

20 MR. CRASANDA: Thank you.

21 GENERAL WILLIAMS: Yes?

22 DR. KIRK: Yes; thanks General. I

1 certainly enjoyed being at the various sessions
2 and certainly represent the Society of Value
3 Engineers. I had the opportunity just a few
4 minutes ago to do a value engineering review of a
5 project that was designed on BIM. Absolutely
6 fantastic; it was -- we could get into so much
7 greater detail, we could really analyze things so
8 much better. The opportunity to get the buy in
9 from the designer and the Veteran's
10 administration, in that case, for a hospital; it
11 was just superb. So even though we didn't talk a
12 lot about it here, the opportunity for BIM to work
13 in even things like value engineering is just
14 incredible. So that's really good.

15 Part of what I've enjoyed too is the
16 passion that you have. The incredible passion for
17 what you do. And, of course, if you have it then,
18 of course, that just carries its way and you can
19 kind of feel it. I've had the chance to work with
20 some of your people in doing some of your
21 projects. But passion is, I think what also draws
22 in and helps to bring in new fresh talent and all

1 that kind of thing.

2 All of us have a career changing things,
3 you know? And one of mine was in the opportunity
4 -- I got a full (off mike) fellowship to go to
5 Jordan. That was my first time ever going outside
6 the country in anything. And to me that was
7 absolutely a life changing event, because of --
8 everything becomes upside down. You just start to
9 rethink everything and I certainly agree with what
10 Matt was talking about.

11 That what a wonderful opportunity you
12 have in recruiting by just playing that up,
13 because anyone, even if it's just for a very short
14 amount of time, will walk away personally with so
15 much more knowledge and so much more innovation
16 and everything, as well as contributing to your
17 organization. So I think there's really a career
18 changing opportunity for a lot of folks out there.

19 GENERAL WILLIAMS: Thank you.

20 DR. KIRK: And thanks for letting me
21 participate.

22 GENERAL WILLIAMS: Thank you all for

1 coming. It is now about 2:30 and we are going to
2 break, but before we do, there's a group of
3 people, and help me thank them. They probably
4 hear your applause on the outside; the people who
5 have been trying to get your badge and whatever.

6 It's very difficult to get in and out of
7 the building, so some of them, I think or most of
8 them, are still on the outside, but let's give the
9 management support division a round of applause
10 for their -- these are the people who are behind
11 the scenes and they are very important because
12 they help us facilitate what we are doing. And
13 then, of course, we want to thank our team that
14 was responsible for this whole effort. I will
15 start off by thanking Phyllis for arranging the,
16 as she's done for every session, the executive
17 arrangements upstairs for our lunch. Then also, I
18 would like to thank Gina and her staff. I think
19 everybody in the industry know who Gina is.
20 Anybody who doesn't know?

21 MS. PINZINO: I'd like to thank Andrea,
22 Adelet, and Michael Sprague, who are a part of the

1 External Affairs.

2 GENERAL WILLIAMS: And let me just say
3 this for the benefit of those who are new. We
4 have, and I know, I think we have a trump on this
5 one. We have the first full time, well I would
6 say it first. We have a full time staff that does
7 nothing but worry about the link between the
8 industry and this organization. That's all Gina
9 does, and her staff. Okay. And with that, let's
10 be safe and we'll see you next time. Have a great
11 day.

12 (Whereupon, at 2:34 p.m., the
13 PROCEEDINGS were adjourned.)

14 * * * * *

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