PGI 236.2 -SPECIAL ASPECTS OF CONTRACTING FOR CONSTRUCTION

Parent topic: PGI Part 236 - CONSTRUCTIONAND ARCHITECT — ENGINEER CONTRACTS

PGI 236.203 Government estimate of construction costs.

(1) Designate the Government estimate as “For Official Use Only,” unless the information is classified. If it is, handle the estimate in accordance with security regulations.

(2) For sealed bid acquisitions—

(i) File a sealed copy of the Government estimate with the bids. (In the case of two-step acquisitions, this is done in the second step.)

(ii) After the bids are read and recorded, remove the “For Official Use Only” designation and read and record the estimate as if it were a bid, in the same detail as the bids.

PGI 236.207 Pricing Fixed-Price Construction Contracts.

(a)(70) *Definition*: “lump sum” means a single payment of money, as opposed to a series of payments made over time.

(i) An example of a line item with lump sum pricing in accordance with DFARS 204.71 is as follows:

ITEM NO.	SUPPLIES/SERVICE	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0001	Repave runway 4 at Joint Base Andrews Firm Fixed Price PSC: Z1BD ACRN: AA	1	Job	$1,501,866.08	$1,501,866.08

Note that payment would occur upon completion and acceptance of the entire effort. Progress payments based on estimates of the percentage of completion (see FAR 52.232-5—Payments Under Fixed-Price Construction Contracts) could occur prior to that point.

(ii) An example of a line item with unit pricing in accordance with DFARS 204.71 is as follows:

ITEM NO.	SUPPLIES/SERVICE	QUANTITY	UNIT	UNIT PRICE	AMOUNT

0001	Repave runway 4 at Joint Base Andrews Firm Fixed Price PSC: Z1BD ACRN: AA	525,128	Square Foot	$2.86	$1,501,866.08

Note that this allows the contractor to invoice for completed quantities of work, in accordance with FAR 32.102 (d), as those are accepted. Progress payments based on estimates of the percentage of completion (see FAR 52.232-5—Payments Under Fixed-Price Construction Contracts) could also occur prior to that point.

PGI 236.211 Special situations.

(b)(2)(A) The contracting officer shall report data on the timelines for definitization of all requests for equitable adjustment (REAs) for change orders received from contractors under construction contracts. The contracting officer shall report this data using the PALT/Protest/REA Tracker module in the Procurement Integrated Enterprise Environment at https://piee.eb.mil within 10 business days of definitization. Data to be reported includes—

(*1*) The contract number against which the REA was submitted;

(*2*) The contractor that submitted the REA;

(3) Date of receipt of the REA; and

(4) Date of definitization of the REA and contract modification number.

(B) Individually reported records will be aggregated by the PALT/Protest/REA Tracker module. The PALT/Protest/REA Tracker module will aggregate the timelines for the definitization of REAs for change orders under construction contracts. Contracting officers shall attach the aggregate results for the military department or defense agency to solicitations in accordance with FAR 36.211. See PGI PGI 205.205 Special situations.(h) for further instructions regarding the solicitation notice.

PGI 236.213 Special procedures for sealed bidding in construction contracting.

For additive or deductive items—

(1) Use a bid schedule with—

(i) A first or base bid item covering the work generally as specified; and

(ii) A list of priorities that contains one or more additive or deductive bid items that progressively add or omit specified features of the work in a stated order of priority. (Normally, do not mix additive and deductive bid items in the same solicitation.)

(2) Before opening the bids, record in the contract file the amount of funds available for the project.

(3) Determine the low bidder and the items to be awarded in accordance with the procedures in the clause at 252.236-7007, Additive or Deductive Items.

PGI 236.273 Construction in foreign countries.

(b) When a technical working agreement with a foreign government is required for a construction contract—

(i) Consider inviting the Army Office of the Chief of Engineers, or the Naval Facilities Engineering Command, to participate in the negotiations.

(ii) The agreement should, as feasible and where not otherwise provided for in other agreements, cover all elements necessary for the construction that are required by laws, regulations, and customs of the United States and the foreign government, including—

(A) Acquisition of all necessary rights;

(B) Expeditious, duty-free importation of labor, material, and equipment;

(C) Payment of taxes applicable to contractors, personnel, materials, and equipment;

(D) Applicability of workers' compensation and other labor laws to citizens of the United States, the host country, and other countries;

(E) Provision of utility services;

(F) Disposition of surplus materials and equipment;

(G) Handling of claims and litigation; and

(H) Resolution of any other foreseeable problems that can be appropriately included in the agreement.