

Naval Facilities Engineering Command

“Turnkey Procurement of Furniture, Fixtures & Equipment (FF&E) for Design/Build Projects”

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What is Turnkey D/B Approach to FF&E?



- **Past FF&E acquisition methods include use of government procurement offices (FISC, GovWorks) which has resulted in lack of coordination between the D/B contractor, procurement offices and FF&E suppliers/vendors**
- **Turnkey strategy allows for acquisition of FF&E through the Design/Build construction contractor as a separately priced line item**
- **Provides single point of responsibility for functional integration of FF&E into a facility (design, purchase, storage, and coordination of FF&E installation)**

Advantages of Turnkey D/B Approach



- **Ensures full integration of FF&E into the building floor plan and systems (electrical, mechanical, fire protection coordination, etc.)**
- **Eliminates Government procurement process delays – no empty buildings awaiting FF&E**
- **Potential to shorten time required to outfit a facility – contractor can coordinate FF&E delivery and installation with construction schedule and building completion**
- **One POC = Better Management = Minimized delays to project delivery**
- **Client receives a fully functional, furnished facility at turnover to the government**

- **FF&E includes moveable furnishing items such as systems workstations, freestanding desk systems, appliances, accessories, etc.**
- **Preparation or design of the FF&E package funded within D/B construction effort**
- **Contractor's professional interior designer prepares package using NAVSUP BPAs and GSA sources; reviews pricing from several sources to determine Best Value (BVD)**
- **FF&E package to include all FF&E product pricing, delivery and installation costs**
- **FF&E package approved by client, NAVFAC Interior Designer/Collateral Equipment Manager and Contracting Officer**

- **Two RFP sections provide direction to the prime contractor in dealing with FF&E requirements (both located on www.wbdg.org/ndbm)**
 - **Spec Section E20; Part 3 – Engineering Systems Requirements (ESR) – project specific**
 - **Spec Section E20; Part 4 – Performance Technical Specification (PTS) – standardized, performance-based language; requirements regarding purchasing & installation, warranties, BVDs, etc.**
- **Define responsibilities of the prime contractor and their interior designer**

- **Contractor authorized by NAVFAC Contracting Officer to purchase supplies and services on behalf of the government**
- **Primary method for purchase = NAVSUP Blanket Purchase Agreements (BPAs)**
 - Office Furniture
 - Packaged Furniture
 - Household and Quarters Furniture
- **Incidental requirements may be fulfilled using other GSS or commercially available sources**
- **NAVFAC must seek permission from NAVSUP if a majority of FF&E requirements are not available on BPAs**

- **Procurement and coordination of the FF&E package is a separate line item in the contract**
- **FF&E line item is separate and distinct from the design and construction for the project**
- **FF&E line item includes an estimated amount that is based on the FF&E budget for the project and the proposed Handling & Administration Rate (HAR)**
- **FF&E line item will be negotiated after the award of the contract and acceptance of the final FF&E package**
- **Award of the FF&E line needs to occur a minimum of six (6) months prior to the Construction Completion Date (CCD). Contractor's schedule should anticipate FF&E being included.**

Handling & Administration Rate (HAR)



- **HAR = Prime contractor's effort for administration, storage, profit and other costs associated with implementation of FF&E package**
- **Prime contractor may propose a HAR for the FF&E – not to exceed 5% of FF&E package cost**
- **HAR is part of the FF&E line item**
- **Proposed HAR will be evaluated as part of the costs during the Best Value Source Selection**
- **Proposed rate is incorporated into the contract award**

Contract Pricing Schedule Example



0001	Base Bid	FFP Includes all labor, equipment, and materials to provide design and construction for PXXX , <u>INSERT TITLE OF PROJECT</u> , including bond costs, complete in accordance with the RFP and all amendments, but not including work indicated or specified to be provided under any other bid items.		KTR ENTER PROPOSAL AMOUNT
0002	FF&E (Planned Mod)	FF&E: Furniture, Fixtures, and Equipment / Collateral Equipment for Base Bid, PXXX , <u>INSERT TITLE OF PROJECT</u>		GOV'T ENTER FF&E BUDGET
		Handling and Administrative Rate (HAR) NTE 5%	%	KTR ENTER % AND EXTENDED HAR AMOUNT
		Total FF&E Amount for PXXX (Estimated)		KTR ENTER TOTAL AMOUNT FOR FF&E (FF&E BUDGET + HAR)
Total Base and FF&E (Total for Items 0001 through 0002)				KTR ENTER TOTAL OF ITEMS 0001 THROUGH 0002

- **HAR applied to the final negotiated cost of FF&E to arrive at the total award amount for the FF&E line item**
- **Funding for the FF&E line item, including HAR, is separate from the funding for the design and construction of the project**

- **Selection of FF&E products may be based on other than low price (past performance, compatibility with existing, delivery terms, sustainability, etc.)**
- **FF&E line item is not subject to Davis Bacon Act**
- **Sales tax may be applicable – check local and state regulations**
- **Process is a TEAM EFFORT!! Include all stakeholders – Client, Funding Source, NAVFAC Interior Designer/Collateral Equipment Manager, Contracting Officer**
- **Any changes after award of the FF&E line item must be coordinated with the team**

Questions

