

BILATERAL SENIOR ENGINEER CONFERENCE (BSEC) USG-GOJ ALLIANCE PROGRAMMATIC VIEW OUTBRIEF

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"The views, opinions and findings contained in this report are those of the authors(s) and should not be construed as an official Department of the Army position, policy or decision, unless so designated by other official documentation."



USG-GOJ ALLIANCE PROGRAMMATIC VIEW

- USG-GOJ Alliance Programmatic View consists of two parts:
 - Unilaterally focused – Attract a wider contractor base by adopting methods/approaches currently used by MOD for HN projects.
 - Bilaterally focused – Maximize transparency among all programs in the Japanese construction market to maximize efficiency and avoid program clustering



USG-GOJ ALLIANCE PROGRAMMATIC VIEW – UNILATERALLY FOCUSED

- Key Actions [Proponent/Champion]:
 - Service components/stakeholders to *first* prioritize own programs/projects
 - Enhance US funded project attractiveness in the Japanese construction market
 - Adapt/apply GOJ procurement methods [JED, Service components/stakeholders]
 - Modify bonding requirements where possible [JED, PARC]
 - Reduce ATR/BTR processing times [Service components/stakeholders]
 - Hold Industry Day events with local AE and Construction communities [JED]
 - Standardize USG interpretation of criteria among service components/stakeholders
 - Resume regular bilateral technical working group meetings which include service components and stakeholders [JED, Service components/stakeholders, USFJ]
 - Incorporate strategic timing to optimize program synchronization efforts [JED, Service components/stakeholders]
- Timeline:
 - TBD – Coordinate quarterly programmatic review meeting
 - Council of O-6 meetings – in April and June 2019 to discuss USG progress & prepare for Mini-BSEC (see next slide)



USG-GOJ ALLIANCE PROGRAMMATIC VIEW – BILATERALLY FOCUSED

- Key Actions [Proponent/Champion]:
 - Promote US funded projects to maximize awareness to Japanese construction contractors [JED, MOD]
 - Collaborate/coordinate on MOD Industry Days – serves as “connective tissue” to USG Industry Days
 - Advertising US funded projects on Regional Defense Bureaus’ (RDB) version of FedBizOps [JED, MOD]
 - Synchronize and prioritize US and MOD funded projects to balance limited construction contractor resources [JED, MOD]
 - Quarterly joint bilateral IPR’s to adjust/reconcile schedules [JED, MOD, USFJ]
 - Participating in each RDB’s briefing sessions for construction contractor [JED, MOD]
 - Begin implementation of Bilateral Initiatives
 - Basic Criteria Package / Criteria Package (BCP/CP)
 - Construction Management Manual
 - Base access for Japanese contractors
- Timeline:
 - Continue to attend and enhance quarterly MOD schedule/procurement meetings
 - Mini-BSEC in August 2019 – Director-level meeting to receive/provide feedback, discuss progress & set agenda for next BSEC



BILATERAL SENIOR ENGINEER CONFERENCE (BSEC) CONSTRUCTION MARKET IN JAPAN / ACCEPTABLE ALTERNATIVE JAPANESE STANDARDS 日本の建設市場 / 代替可能な日本製品、基準

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CONSTRUCTION MARKET IN JAPAN / ACCEPTABLE ALTERNATIVES

ACCEPTABLE ALTERNATIVES :

Shared GOJ/USG Goal:

Greater use of Japanese products to lower costs, and attract more Contractors.

JP MOD has two current initiatives :

- Identify high-priority Japanese products which meet US/JP standards, in order to improve Contractor's confidence in proposing using these products
- Technical review of ASTM (US standards) versus JIS (JP standards), in order to increase use of Japanese products which meet JIS.

JED/POD has one current initiative:

- Revising Guide Specs to include JIS standards in addition to (/in place of) ASTM standards.

BILATERAL COOPERATION (MOD and JED): Working Group is currently underway to merge results of initiatives.

- ACTION:** This Working Group will be expanded to include the Service Components.

代替可能な製品、基準

日本政府/米政府と目標を共有する:

コスト削減のため日本製品の使用を増やし、契約業者をより惹きつける

防衛省 は現在2つの構想を持っている:

- 米国/日本基準に合致する優先順位の高い日本製品を特定し、これらの製品の使用を提案する際の業者の自信を向上させる
- ASTM(米国基準)対JIS(日本基準)の技術的確認を行い、JISに合致する日本製品の使用を拡大させる

JED/POD太平洋地区 は現在1つの構想を持っている:

- ASTM基準に加え(代わり)JIS基準を含めるため仕様書ガイドを改定する

日米協力 (防衛省とJED): 作業部会が構想の結果を統合する作業を現在行っている

- ACTION:** この作業部会に各軍を含める



CONSTRUCTION MARKET IN JAPAN / ACCEPTABLE ALTERNATIVES

▪ **ACCEPTABLE ALTERNATIVES – UFC COMPLIANCE:**

- UFC's often complicate ability to meet technical and life-safety intent when using local (JP) materials, thus significantly increasing costs.
- Requesting relief from how UFC compliance is achieved, and to delegate compliance enforcement in Japan to local technical SME's.
 - Exemptions (programmatic-wide)
 - Waivers (project-specific)
- Request(s) to be sent higher headquarters of each Service Component.
 - Using common message reinforced from all Japan representatives of Service Components.
 - Technical SME's in Japan to provide background technical analyses and programmatic review, in tandem to the request.
 - Follow the model of the Dec 2018 Fire Protection Working Group (JED + all services).
 - Prioritize technical requests. Ex. Fire protection; Elevators; Doors/windows.
- **Action:** Establishing Working Group (Lead: Navy. Including JED + SC's) to develop common message/request and simultaneous timing.
- *Milestones: Monthly Working Group meetings. Draft letter: May 2019(T)*



CONSTRUCTION MARKET IN JAPAN / ACCEPTABLE ALTERNATIVES

■ EXPANDING THE CONSTRUCTION MARKET:

- Expanding to foreign labor and contractors is anticipated to provide only indirect relief.
 - Evolving Japanese Immigration Laws
 - Security concerns may prohibit new labor from participating on HN/MILCON projects, but may free up additional existing labor forces.
- Post-Olympic outlook (2020): no significant market relief due to major civil works and infrastructure improvements projected in the next decade.
- Bonding requirements
 - **ACTION:** Establish a Contracting Working Group (JED + Service Components Contracting) to explore bonding requirements issues, while maintaining requisite protection(s) to US Government.

■ 建設市場の拡大:

- 外国人労働者を受け入れ始めているが、工事業者は間接的にしか緩和されない見通し。
 - 日本の外国人労働者受け入れに関する法律を改正中。
 - セキュリティー上の懸念から、第三国の労働者は日本政府/ミルコン事案への参加を禁止するが、既存の他業種の労働者が利用できるようになるかもしれない。
- オリンピック後の見通し (2020): 今後10年間に大きな土木及びインフラの改良が予定されるので大規模な市場の緩和は無い。
- ボンドの要求
 - **ACTION:** 契約作業部会 (JEDと全軍の契約部) を設立し、米政府の保護を維持しながらボンドの要求問題を討議する。



CONSTRUCTION MARKET IN JAPAN / ACCEPTABLE ALTERNATIVES

- **COST CONTROL:**
 - ATR's tie-up the availability of our limited pool of Contractors.
 - ATR avoidance:
 - PA's which better factor the current Japanese market
 - Strict adherence by PDT's to "designing to within the P.A. limit (budget)"
 - No late de-scoping.
 - Reduction of ATR timeframe would minimize adverse impact Contractors who must 'hold' their proposed prices.
 - Cost Estimating is especially volatile in this market, and when in an uncompetitive environment of few bidders.
 - **ACTION:** Establish a Working Group (JED + Service Components) for better cost estimating in the programming and design phases.
 - **ACTION:** JED to share locally produced JED Cost Estimating Guide with Service Components.
- **積算管理:**
 - 既取引のある業者が更に追加予算請求で縛られてしまう。
 - 追加予算を避ける対策:
 - 事案の見積りに日本の市場の状況をもっと加味する。
 - 事案担当チームに設計が計画予算内で済むよう徹底させる。
 - 遅い段階で計画範囲・内容の変更をしない。
 - 追加予算請求に要する時間を抑えれば、業者の提案価格を維持する時間を最小限に抑えられる。
 - 積算は、特に入札者の少ない競争のない現在の市場では不安定な要素が多い。
 - **ACTION:** (JED+各軍)積算の作業部会を発足し計画、設計段階の見積りを改善する。
 - **ACTION:** JEDは既に作成した積算ガイドを各軍で共有する。



CONSTRUCTION MARKET IN JAPAN / ACCEPTABLE ALTERNATIVES

OTHER ACTIONS:

- ACTION: JED to share locally-produced JED Design Guide to service components.
- Base Access for Contractors:
 - Significant cost driver (estimates ranging from 10-25% added cost).
 - Not in the control of Design and Construction agencies.
 - ACTION: Council of O-6's: Inform of base access issues and cost impacts.
 - Goal: Greater commonality to installations' approaches to security, providing greater stability to Contractors.
 - Encourage greater use of (examples):
 - Exclusion zones
 - Off-basing
 - Increased laydown areas
 - Flexibility of working hours/days
 - More gate access and direct haul routes to improve Contractors' efficiency.
- ACTION: JEDは各軍と現地レベルでJED作成の設計ガイドを共有する。
- 業者の基地立入手続き:
 - 経費を大きく左右する（10-25%の追加費用）
 - 設計施工機関の管轄外である。
- ACTION: 米軍上層部の担当者に基地立入に関する問題点および影響について報告する。
 - 目標: 基地側の警備の方針に共通性を求め業者に安定した条件を目指す。
 - 下記を今後より積極的に導入する:
 - 除外区域(緩和)
 - オフベース化
 - 資材置き場(面積)を増やす
 - 作業時間・曜日に柔軟に対応
 - 現場までより効率的なルートの確保、ゲートの利用条件を緩和し業者の効率アップを図る



END

