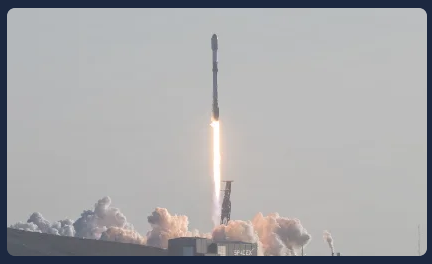
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INDUSTRY DAY SUMMARY
OCTOBER 2026

USACE LOS ANGELES DISTRICT · SAN LUIS OBISPO · OCT 22, 2026

Vandenberg Industry Day: Key Takeaways



MILCON is moving to Other Transaction Authority (OTA) agreements. What USACE and Vandenberg's Spaceport of the Future team presented on upcoming projects, and what USACE asked of contractors.

$90.6M
Launch support infrastructure

$152M
ATC tower, fire station and base ops

FY28 Q2
Solicitation and selection, both

>$7.5M
AF MILCON & FSRM default to OTA/PDB

01 AT A GLANCE

1 **MILCON is moving to OTAs.** An April 29, 2026 Air Force memo defaults MILCON and FSRM over $7.5M to non-traditional acquisition. Army and Navy memo expected FY28.

2 **Two Vandenberg agreements are coming:** $90.6M launch support infrastructure and a $152M airfield operations facility, both anticipated for FY28 Q2.

3 **Selection is qualifications-based.** Qualifications and white papers, down-select to ~3, pitches, award to the highest-qualified. Price comes after.

4 **Pricing is open-book.** The selected firm shares direct costs, indirect costs and fee as design develops; USACE hunts for hidden contingency.

5 **Almost everything is negotiable.** CICA, TINA, the Contract Disputes Act and CAS don't apply. Davis-Bacon, safety, environmental, bonding and security still do.

6 **No small business set-asides for now,** but USACE can write participation into agreements and wants it raised in RFI responses.

7 **Speed is the priority.** USACE aims to negotiate each agreement in about two weeks, and design-bid-build is now a last resort.

02 THE VANDENBERG PROJECTS

AGREEMENT 1 Launch support infrastructure — $90.6M

South Base Entry Control Facility — $65M · FY28–30
Commercial vehicle inspection station: 4 private-vehicle lanes, 2 truck lanes (one X-ray), oversized-load bypass, gatehouse, overwatch tower, parking.

Road and infrastructure to SLC-5 — $13.2M · FY28–30
New 24-ft road, 12" water line, telecom duct bank, 12.47 kV underground primary; environmental and UXO monitors.

Telecom lines, South to North Base — Not shown separately
Underground duct bank linking the two communication hubs; horizontal directional drilling chosen.

AGREEMENT 2 · STAND-ALONE Airfield operations — $152M

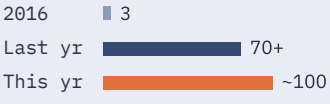
ATC tower, Fire Station 41 and base operations center. A tower that sees the whole runway, a flightline fire station and ops center, plus improved runway, lighting and navigational aids, and aircraft staging.

WHY VANDENBERG

184 mi²
Largest Space Force base

$6B
Estimated economic impact

Launches per year



Starting point: all four projects reached 35% design or more before termination. The existing design goes to every offeror as a reference. Alternatives are welcome inside the cleared environmental footprint, though some requirement-driven choices may be fixed.

03 WHY MILCON IS MOVING TO OTAS

The 2026 NDAA gave military construction its own OT authority (10 U.S.C. § 2808a), and the Air Force has directed its larger projects to use it.

- The Air Force allows an IDIQ instead only with a very high-level waiver. USACE expects Army MILCON on OTs by FY29, possibly sooner.
- In the LA District, OTAs are anticipated at Vandenberg SFB and Nellis AFB, with more expected. MATOCs, SATOCs and design-bid-build continue; civil works and IIS stay under the FAR for now.
- OTs have been used for R&D since the 1960s but are new to MILCON. USACE staff said they are learning alongside industry.

THREE OT AUTHORITIES

§ 4021 · Research
Dual-use tech outside the FAR

§ 4022 · Prototype
Can roll into non-competitive production

§ 2808a · MILCON NEW
Extends OTs to conventional construction

04 HOW THE OTA PROCESS WORKS

Qualifications-based selection, then two phases with off-ramps before construction is authorized. Once selected, USACE works only with that firm; the rest is negotiation to fit the budget.

Qualifications + white papers › **Down-select** to about three › **Pitches** from the shortlist › **Award** to highest-qualified

Phase 1: design matures; open-book estimate is a living document › **Gateway / off-ramp:** price set, final › **Phase 2:** construction; funds should already be in hand

PROGRESSIVE DESIGN-BUILD

Contractor owns design and construction, starting from USACE's concept with no fixed price. 35% designs are awarded routinely; the gateway may come at ~60% or less.

CM AT RISK

For mature designs (35–100%). Constructor owns only construction; first line item is usually paid preconstruction review for constructability and value engineering.

HEARD IN THE ROOM

One-star waiver
A waiver from at least a one-star general is now needed to use design-bid-build for MILCON. It took too long and produced facilities designed for yesterday's needs.

~2 weeks
USACE's target to negotiate each agreement.

Final at the gateway
The Phase 2 price is locked, and funds should already be in hand at construction award.

No surprises
The final proposal should look very close to the open-book estimate. A big gap is a problem.

05 OPEN-BOOK ESTIMATING

Instead of one closed fixed price, the selected firm opens its cost records and shares all cost information as the design progresses.

DIRECT
Sub bids, supplier quotes, labor rates

INDIRECT
PM, field overhead, general conditions, bonding

FEE
Pre-negotiated, fixed or % of final cost

The package also carries a WBS, quantity takeoffs, escalation assumptions, a documented basis of estimate, and a cost and schedule risk analysis USACE will help develop. **USACE will look for major cost drivers and hidden contingency;** heavy contingency on your own design raises concerns.

USACE'S HYPOTHETICAL EXAMPLE	AT 30% DESIGN	BY 60% DESIGN
Facade	$2.5M allowance across two concepts	Quotes for both; government chose metal-and-glass; estimate took the hard quote
Electrical / data	$5M, flagged high-risk (shielded cabling, redundant power)	Sub met government IT security experts; new quote cleared the flag and cut cost

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Open-book pricing rewards cost records that are clean, current and easy to explain. Auxilee helps contractors organize job costing, overhead and estimate documentation before the government asks to see it.

06 FAR CONTRACT VS. OT AGREEMENT

Under the FAR, required clauses are read in even if left out. Under an OT, if a term isn't negotiated in, it doesn't exist.

LAW	FAR CONTRACT	OT AGREEMENT
CICA	Full and open competition, formal bidding rules	Competition "to the maximum extent practicable," streamlined
TINA	Certified cost or pricing data	Commercial pricing terms, market research or custom metrics
Contract Disputes Act	Structured, slow claims and appeals	Dispute resolution negotiated into the agreement
Cost Accounting Standards	Rigid cost measurement and allocation	Use your existing commercial accounting system
Bayh-Dole / data rights	Default government licensing rights	IP and data rights negotiated from scratch
Project Labor Agreements	Mandatory at $35M or more	Not applicable

STILL APPLIES Davis-Bacon & labor laws · OSHA & EM 385-1-1 · NEPA, UFC & installation standards · Payment & performance bonds · Security requirements

All terms are negotiable except a handful of mandatory articles, negotiated after selection. USACE wants industry's help rewriting changes, inspection and payment clauses, and progress payments can be shaped around your cash flow.

SMALL BUSINESS & SUBS

No set-asides for now. FAR Part 19 doesn't govern OTs, but USACE can require a share of work for small businesses.

Some **$7–10M** OT projects could go directly to a capable small business.

No bait-and-switch. Dropping a named key sub could carry a financial penalty.

GOOD TO KNOW

Firms can use their existing commercial accounting systems.

Contracting officers on OTs are now **agreements officers.**

Next up: Air Force OTA projects at Nellis, Davis-Monthan and Luke; USACE plans industry days to explain them.

CMMC: of the projects the speaker knew of, most need Level 1 at most; one needs Level 2.

07 YOUR ACTION CHECKLIST

- ☐ **Plan your white paper.** Qualifications and innovation drive selection.
- ☐ **Get cost records open-book ready.** Sub bids, quotes, labor rates, overhead and a basis of estimate.
- ☐ **Line up key subs early.** They may be evaluated at RFQ; teaming may be enforced.
- ☐ **Bring time- and money-saving ideas** that stay inside the approved footprint.
- ☐ **Answer RFIs.** Leadership reads the feedback, including on small business.
- ☐ **Watch SAM.gov** for notices under DoDAAC **W912PL**.
- ☐ **Check each solicitation's security requirements,** including CUI and CMMC level.

08 UPCOMING EVENTS

18 NOV 2026	**OTA Industry Day**	Las Vegas (venue TBD)
20 NOV 2026	**OTA Industry Day**	Long Beach Community College
3 MAR 2027	**Business Opportunities Open House**	Los Angeles (TBD)

Resources: USACE SPD small business programs, which list the full projected workload: spd.usace.army.mil/Business-With-Us/Small-Business. LA District Small Business Office: Roger Minami (Kinya.R.Minami@usace.army.mil) and Abegail Banaga (Abegail.C.Banaga@usace.army.mil).

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