

## **CONTRACTING**

**29 February 2004**

**Questions and Answers**

**1:30 PM**

### **Q1: Who selected HNC to execute the Captured Enemy Ammunition mission?**

A1: The Combined Joint Task Force – 7 in Baghdad selected the U.S. Army Corps of Engineers Engineering and Support Center in Huntsville to perform the CEA work in Iraq.

### **Q2: Who is CJTF-7?**

A2: CJTF-7 is comprised of 35 countries that are the coalition forces fighting in Iraq. They are, in addition to the United States, Albania, Australia, Azerbaijan, Bulgaria, Canada, the Czech Republic, Denmark, the Dominican Republic, El Salvador, Estonia, Georgia, Honduras, Hungary, Italy, Japan, Kazakhstan, Latvia, Lithuania, Macedonia, Moldova, Mongolia, the Netherlands, New Zealand, Nicaragua, Norway, Poland, Portugal, Thailand, the Philippines, Romania, Slovakia, South Korea, Spain, Ukraine and the United Kingdom.

### **Q3: Why was HNC selected to administer the contract?**

A3: The USACE Huntsville Center was selected for the mission based on site visits by its personnel, site assessments and recommendations to CJ TF-7. The task force in Iraq accepted the Center's proposal and funded the effort on July 28, 2003.

### **Q4. Were these contracts competitively bid? If not, why not?**

A4. Yes. A solicitation was advertised in 2000 and was bid on competitively. The original task order contract that was awarded in August 2000 was for 200 million dollars and went to six companies: EOD Technology, Inc. (EODT), Tetra Tech Foster Wheeler, Inc. (TTFW), USA Environmental, Inc. (USAE), Parsons Corporation (Parsons), American Technology, Inc. (ATI), and Zapata Engineering, Inc (Zapata). All six contracts were increased by \$10 million by the Huntsville Center and then by another \$50 million with approval by the Army. Of the six companies, only four were originally selected for the operation in Iraq. ATI was not interested in Iraq because it had already been awarded a major project in Hawaii. Zapata has since begun work in engineering and project management in Iraq. ATI may well become capable of doing the project in the future.

EODT, TTFW and USAE were issued task orders originally of \$65 million. These were increased by \$1.9 million to a total of \$66.9 million for the work in Iraq.

Parsons was issued a task order for \$89 million against the contract for the work in Iraq. Nine million dollars has since been de-obligated as the plan was refined. Parsons was selected to supply logistical support for the project. Logistical support items are things such as facilities, equipment, maintenance, recreation and food.

### **Q5. Does the Center do the work itself or does it contract the work?**

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A5: The Center has contracted the work to TTFW, Parsons, USAE, EODT, Zapata, Cost, & Time, Inc., and StrataCom Media.

**Q6: How/Why were those businesses selected?**

A6: The five firms were selected from our 2000 task order contracts. The type of work (ordnance & explosives), the work environment (international/ Iraq), the urgency (supporting the war fighters), complexity of the work under the existing conditions and need for expedited action are important factors in this selection. Additionally, these five businesses receiving new task orders had overseas experience and experience in meeting the above requirements. The PCT and StrataCom Media contracts provide administrative support to this unique mission.

**Q7: Who is paying for the mission and how large is the financial effort at this point?**

A7. CJTF-7 is the customer and their total contract award is \$285,000,000. Two hundred and eighty-five million dollars was awarded to seven contractors. Zapata, EODT, USAE and StrataCom Media are small businesses, and Zapata and StrataCom are 8A firms. Zapata provides additional engineering and management support. StrataCom provides family member support. The cost breakdown is as follows:

Parsons	\$ 80,000,000.00
EODT	\$ 66,947,670.95
USA Environmental	\$ 66,947,670.95
TTFWI	\$ 66,947,670.95
Zapata	\$ 3,838,958.00
Project, Cost & Time Inc.	\$ 232,646.40
<u>Stratacom Media Inc</u>	<u>\$ 85,382.75</u>
TOTAL	\$ 285,000,000.00

**Q8. Who is executing this mission? Is there a mix of military, civilian and contractors?**

A8. Department of the Army civilians from the U.S. Army Corps of Engineers supervise the project on six sites. The government currently has about 16 program and project personnel in country. That includes Zapata, which provides some management support to the program. Parsons, which supplies logistical support to the program, has approximately 40 people in country. The contractors provide the manpower:

approximately 300 people. Local security forces and laborers used on the sites number about 900, as of February 2004.

**Q9. How much CEA has been destroyed to this point and what is the current output on a daily basis? Is this a 24/7 operation?**

A9. As of 29 February 2004, the total tonnage destroyed was about 65,000 tons and the sites have received about 95,000 tons of CEA. The goal for daily output per site is 100 tons per day. There are six sites. Operations take place six days a week and about 12 hours a day.

**Q10. Is most of the CEA being destroyed in place? Or is some of it moved to central location(s)?**

A10. Most of the CEA to be destroyed is moved to a safe central location. Some of the CEA is destroyed immediately and some is being set aside for potential use by the future Iraq government.

**Q11. What is the current estimate on amount of CEA remaining to be destroyed? What are the proposed milestones for destruction, if any?**

A11. There have been numerous estimates as to the amount of CEA in Iraq. However, more CEA is discovered each day and it is hard to say exactly how much exists. Current goals are to store as much CEA as is possible and to destroy at least 100 tons of CEA per day per site, establish a viable local work force and to replace active DOD military assets with USACE personnel.

**Q12. Who is working this issue in Washington?**

A12. There is an Operations Center at USACE Headquarters that coordinates Operation Restore Iraqi Oil, Restore Iraqi Electricity and the CEA program.

**Q13. Have you reached maximum output within the constraints you were given?**

A13. We exceed expectations on a regular basis. For example, the goal was to destroy 100 tons of CEA per day. In February, the total demolition and collection was 40,908 short tons. With only 25 work days in the month, we averaged 1,636 ST per work day.

**Q14. If you were given additional funding, how much output would be feasible?**

A14. Additional funding would facilitate complete transition from military assets to USACE, including security. This would optimize our production capability by allowing us to develop our own convoy schedules.

**Q15: What is the length of each contract?**

A15: The length each is one year, ending in September 2004 unless extended.

**Q16: What credentials are required for the people doing the ordnance/ demolition work?**

A16: Contractors were selected based on their international experience and their ability to provide personnel qualified to handle ordnance and explosives. All personnel working on this project with ordnance require training and experience with ordnance and explosives. Many of the personnel working on this mission are former military EOD personnel.

**Q17: When did the companies bid for these contracts?**

A17. Contracts were awarded under competitive bidding process during 2000. In 2003, the CEA tasks were awarded in August/ September 2003. The U.S. Army Corps of Engineers, Huntsville Center, has an impressive record and experience handling the removal of unexploded ordnance at formerly used defense sites (FUDS), base realignment and closure sites (BRAC), and for installation support nationally and internationally. The businesses selected to conduct removal/disposal actions under the current task orders have existing contracts to perform those missions. Existing contracts can be used to issue new task orders based on customer requirements and imperative needs for special expertise, such as the mission in Iraq.

**Q18: Why can't the military do this work?**

A18: The active-duty military is presently engaged on a number of fronts, most importantly fighting the insurgency in the country. Due to this, the quantity of CEA, and the USACE expertise and capability in this mission area, the mission has been turned over to USACE.

**Q19: It only took 46 days from the funding of the mission on 28 July 2003 until the contractor begins operation on 11 Sept. 2003. Isn't that an unusually short amount of time to bid and award contracts of this nature?**

A19: The process was handled quickly because of an urgent and compelling need that allowed for an expedited contract process.

**Q20. The length of this contract is one year. Will this mission be complete after a year? If not, and it is extended, will other companies be allowed to bid on the work?**

A20: The original estimate provided to DOD was for two years.

**Q21: Was the start date of 11 September planned?**

A21: There was not a planned start date on 11 September. The start date was determined by our ability to have the assets (people, equipment and life support) in the forward area to begin operations in a safe, secure environment, and to establish and work procedures

that continue to ensure the safety to the people of Iraq. The outstanding support, cooperation, and single-minded purpose from DOD, USACE and the contractors resulted in this remarkable achievement.

**Q22. What is the breakdown of big businesses to large businesses that are taking part in the CEA program, and do these businesses participate in national programs as well as international programs?**

A22. The breakdown of the businesses is as follows:

There are two large business firms taking part in the CEA program. They are Parsons, which is responsible for logistics, and Tetra Tech Foster Wheeler, which is one of the companies performing the CEA management.

There are three small businesses conducting demolitions in Iraq. They are EOD Technology, a small business headquartered in Lenoir City, Tenn., and USA Environmental, headquartered in Tampa, Florida. PTC is providing administrative support by way of cost and scheduling.

There are two minority-owned small businesses, which are also referred to as 8A companies. These are Zapata Engineering, Inc., out of Charlotte, N.C. and StrataCom Media, from Huntsville, Ala. Zapata is performing project management duties in Iraq and Huntsville. StrataCom provides family member support to those families of deployed government employees.