

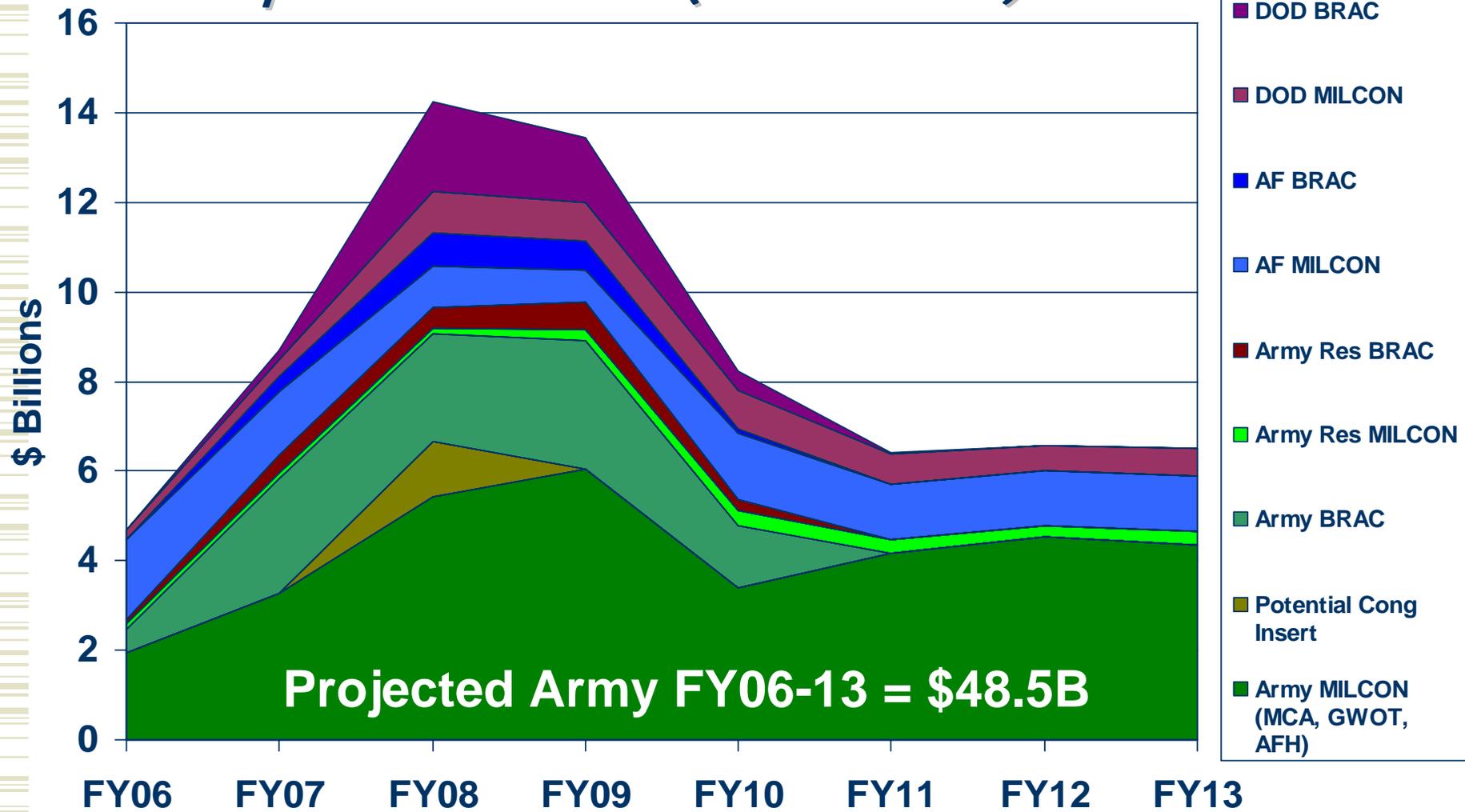


**US Army Corps  
of Engineers**  
Transatlantic Programs Center

# CENTCOM IDIQ Industry Day

Transatlantic Programs Center  
Winchester, Virginia  
14 February 2008

# USACE Challenge Execute \$69.6B of MILCON Requirements (FY06-13)





# Agenda

- 09:00 Welcome
- 09:05 TAC Overview
- 09:25 Review of current contract and uses
- 09:55 Current IDIQ pros and cons, other vehicles
- 10:10 Proposed changes to new IDIQ contracts
- 10:30 Future work forecast
  - AED
  - GRD
  - TAC
- 11:00 Break
- 11:15 Balance of Payments, Trade Agreements, etc.
- 11:30 Bank Letters of Guaranty, sureties, etc.



## Agenda, cont.

11:45 Base access

12:00 Defense Base Act insurance requirement

12:20 Requirements in Iraq and Afghanistan

12:45 Lunch

14:00 Summary of comments, questions, etc.

14:15 Open forum for questions and comments – TAC panel members



**US Army Corps  
of Engineers**  
Transatlantic Programs Center

# Industry Day



**Roger Thomas, Chief**  
Construction-Operations Division

14 February, 2008

**14 February 2008**

**CENTCOM IDIQ Industry Day**

# Mission

➤ Provide quality, responsive engineering, construction related advice and services to customers in the Middle East, Africa and other areas as needed

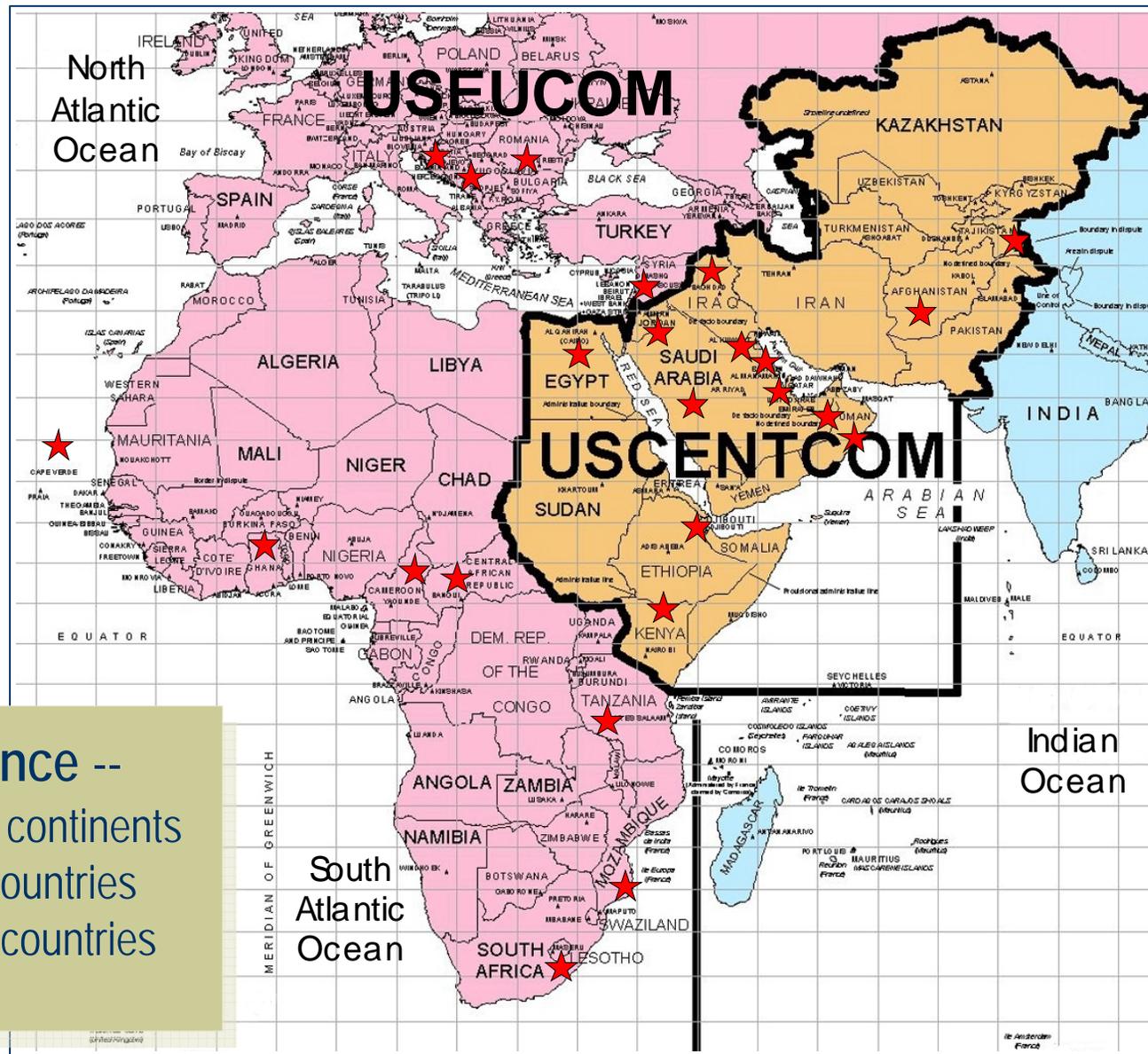
- ❖ U.S. military operations
- ❖ International and interagency support
- ❖ Stateside assistance to Gulf Region Division, Afghanistan District



## -- TAC People --

- Total 348: 324 civilians, 14 military
- 276 people in TAC Headquarters
- 72 people in field offices; half of these are foreign or third country nationals
- Supports 400-plus in Iraq, Afghanistan

# TAC Area of Operations



-- At a glance --

- Works on four continents
- Offices in 10 countries
- Projects in 24 countries

14 February 2008

CENTCOM IDIQ Industry Day

# Customer/Stakeholders

- US Central Command and its component services
- US Army Europe
- Department of Defense agencies
- Other US government agencies
- Foreign military forces and foreign governments



# Industry Support for TAC Missions

- TAC's services to customers
  - ❖ Engineering planning to construction turnover
  - ❖ Construction management assistance for host nation or customer-awarded contracts
  - ❖ Technical design services requested by customers
  - ❖ Services contracts
- Can't do it without industry!



14 February 2008

CENTCOM IDIQ Industry Day

# US Army Operations Gulf Region

- Host-nation funded programs
- Operations & maintenance
- Contingency construction



# US Air Force Operations Arabian Gulf



# US Navy Operations Gulf Region



# Foreign Military Sales



# Egyptian Air Force Programs

- Stakeholders
  - ❖ Egyptian Air Force
  - ❖ US Air Force Materiel Command
- Peace Vector programs
  - ❖ Air base upgrades for Peace Vector programs (F-16 sales)
- Pacer Forge Facility Support



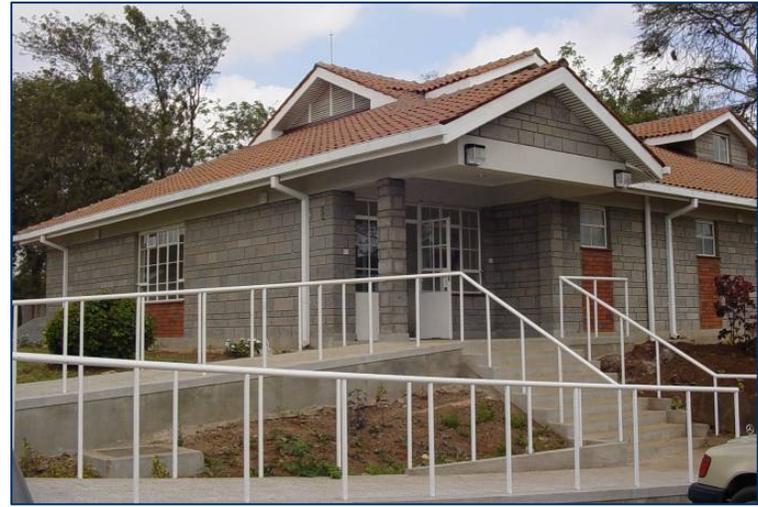
# King Abdullah II Special Operations Training Center, Jordan

- Stakeholders
  - ❖ Jordanian Ministry of Defense
  - ❖ King Abdullah Design and Development Bureau
  - ❖ US Special Operations Command-Central
  - ❖ Defense Security Cooperation Agency
- \$70 million construction contract



# Interagency Support

- US Agency for International Development
- Millennium Challenge Corp.
- Humanitarian support, various customers



# Specific Project Support for GRD

- Facilities O&M support
- MILCON supplemental
- Contingency Construction Authority
- Other assistance as needed



# Afghanistan Engineer District

- Afghan National Army facilities
- US and coalition forces
- Counter-narcotics and police facilities
- Support for US Agency for International Development



# Standard Designs

## First Set

- ✓ Barracks
- ✓ Washracks
- ✓ Administrative buildings
- ✓ Warehouse facilities
- ✓ Vehicle maintenance
- ✓ Tactical operations
- ✓ Medical
- ✓ Operations Center
- ✓ Morale, welfare, recreation
- ✓ Dining
- ✓ Detention facility
- ✓ Expeditionary protective structures

## Second Set

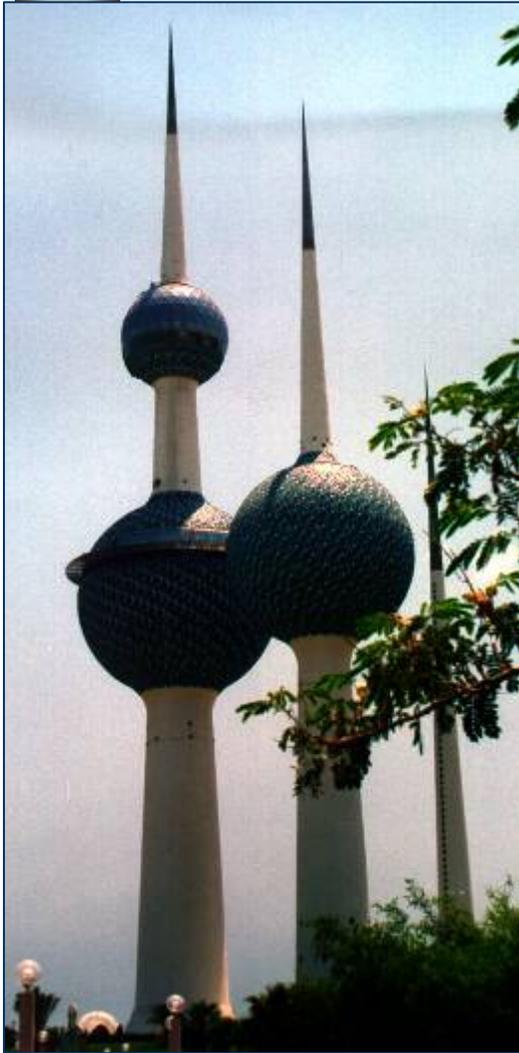
- ✓ Hardened joint operations center
- ✓ Hardened warehouse
- ✓ Hardened vehicle maintenance
- ✓ Power distribution/supply
- ✓ Water distribution/supply
- ✓ Sewage system
- ✓ Communications network
- ✓ Tanker truck offloading facility
- ✓ Helicopter pad
- ✓ Aircraft hangar

# Logistics and Support

## ➤ Contractor considerations

- ❖ Project site ordnance clearance certification
- ❖ Disruption planning
- ❖ Local procurements, small purchases, payments (cash)
- ❖ Site layout, sub-contractor accessibility
- ❖ Contractor mobilization and lay down areas
- ❖ Site vehicles, construction equipment
- ❖ Power/utilities (capacity/type)
- ❖ Communication and other services
- ❖ Field office, staff housing
- ❖ Demobilization and equipment extraction

# Relevant, Ready, Responsive, Reliable



14 February 2008

CENTCOM IDIQ Industry Day



**US Army Corps  
of Engineers**  
Transatlantic Programs Center

# Existing CENTCOM IDIQ Contracts: Analysis and Adjustments

Marsha Rudolph  
Chief, Mideast Branch  
Contracting



Review of Current Indefinite  
Delivery Indefinite Quantity  
(IDIQ) Contracts for Projects  
Anywhere in U.S. Central  
Command's (CENTCOM) Area  
of Responsibility (AOR)



# CENTCOM IDIQ CONTRACTS

- Awarded using Full and Open Competition
- Best Value Source Selection Procedures
  - ❖ Management Concepts
  - ❖ Technical Capabilities
  - ❖ Experience
  - ❖ Past Performance
  - ❖ Price



# CENTCOM IDIQ CONTRACTS

Types of Work: New construction, Restoration, Renovation and Repair; Design-Build; Operation and Maintenance (O&M)

Customers: U.S. Forces  
U.S. Government Organizations  
Friendly Foreign Governments

Specific Contract Document for each Project: Task Order  
- Firm Fixed Price  
- Cost-Plus-Award-Fee

# CENTCOM IDIQ CONTRACTS

- Multiple Award Contracts (MATOC's)
  - ❖ January 12, 2004 awarded 10 contracts
  - ❖ Basic Year and Four-One Year Option Years
  - ❖ Basic Year Dollar Limitation \$500,000,000
    - Each Option Year Limitation \$250,000,000
  - ❖ Total Dollar Limitation each Contract \$1,500,000,000

# CENTCOM IDIQ CONTRACTS

## ➤ Fair Opportunity Procedures for Selection Process

- ❖ Contractor Submission Requirements are minimized
- ❖ Typically looking for specific approach to fulfill requirements, management plan and price or cost
- ❖ Although not specifically addressed to each firm, the contracting officer considered the following when awarding the order:
  - Past Performance on earlier awarded orders
  - Impact on other awarded orders
  - Minimum order requirements

# CENTCOM IDIQ CONTRACTS

## ➤ Request for Proposals on Potential Projects Issued Using Fair Opportunity Process

❖ Request for Proposals Issued	129
❖ Awarded Task Orders	107
❖ Competitive Task Orders	97
❖ Non-competitive Task Orders	10
❖ Construction Task Orders	98
❖ O&M Services Task Orders	9
❖ Firm Fixed Price Task Orders (FFP)	76
❖ Cost Reimbursement Task Orders (CPAF)	30
❖ FFP/CPAF	1

# CENTCOM IDIQ CONTRACTS

➤ Task Orders for Iraq	66
❖ Firm Fixed Price	38
❖ Cost Reimbursement	28
❖ Construction	59
❖ O&M Services	7
➤ Task Orders for Afghanistan	20
❖ Firm Fixed Price	18
❖ Cost Reimbursement	2
❖ Construction	18
❖ O&M Services	2

# CENTCOM IDIQ CONTRACTS

## ❖ Task Orders in Other Countries

- Kuwait 9
- Jordan 2
- Qatar 1
- Kyrgystan 3
- United Arab Emirates 1
- Pakistan 1
- Uzbekistan 1
- Egypt 1
- Lebanon 1

# CENTCOM IDIQ CONTRACTS

- Total Dollars Awarded on all Contracts
  - ❖ \$2.9B
- Total Dollars Awarded for Construction
  - ❖ 2.7B
- Total Dollars Awarded for O&M Services
  - ❖ \$170M

# CENTCOM IDIQ CONTRACTS

- Total Dollars Awarded in Iraq    \$1.7B
  - ❖ Firm Fixed Price            \$781M
  - ❖ Reimbursement            \$910M
  - ❖ Construction            \$1.6B
  - ❖ O&M Services            \$100M

# CENTCOM IDIQ CONTRACTS

- Total Dollars Awarded in Afghanistan \$803M
  - ❖ Firm Fixed Price \$773M
  - ❖ Reimbursement \$29M
  - ❖ Construction \$732M
  - ❖ O&M Services \$70M



**US Army Corps  
of Engineers**  
Transatlantic Programs Center

# Review of Current Contract and Uses

Deborah Duncan  
Director, Programs and Project  
Management Division



**US Army Corps  
of Engineers**  
Transatlantic Programs Center

# IDIQ Industry Day

Existing CENTCOM IDIQ Contracts

A good tool but they  
just don't work any more

22 solicitations cancelled; 4 rec'd no bids

## Current IDIQ Contract not working for Afghanistan Engineer District

- AED had 6 of the 22 cancelled solicitations
  - Few received no bids (\$10M-25M range)
  - Three cancelled (\$25M-\$100M range)
    - One MILCON BAF Utilities
    - Two Afghan National Army Projects
  
- Contractor participation declined:
  - TAC held an industry forum with the 10 firms

# Afghanistan FY07 MILCON Program

- Perimeter Fence & Guard Towers
  - ❖ Few Bidders
  - ❖ Award 30 Sep 07
- Barracks & RSOI
  - ❖ Few Bidders
  - ❖ Awarded 31 Dec 07
- Bagram Utilities (W, WW & SW)
  - ❖ Cancelled and resoliciting full and open
  - ❖ Scheduled award May 08
- Hot Cargo Pad and Parallel Runway
  - ❖ Scheduled award 31 Jul 07
  - ❖ Expected award Feb 08
- Tanker Truck Off-Load Facility
  - ❖ CPAF
  - ❖ Few bidders
  - ❖ Reduced scope but awarded 17 Aug 07...

# Choosing an Acquisition Strategy

- Complexity of the work
- Capacity development goals
- Urgency of the requirement
- A balanced strategy
- Capabilities of the different contracting options
  - ❖ Market saturation or capacity
  - ❖ Bidding climate
  - ❖ Probability of success
  - ❖ Willingness to accept risk of failure
- Acquisition process time
- Cost



# Other Contracting Tools Afghanistan

## ❖ Multiple Award Task Orders

- Large: \$5 - \$20M
- Small: under \$5M
- Roads: less than \$25M

## ❖ Full-and-Open competition

## ❖ Implications

- Not all work in AOR will go to IDIQ's
- AED has other options to accomplish AOR work
- Acquisition decision rests with AED



# Other Contracting Tools Iraq

- ❖ Not all work in AOR will go to IDIQ's
  - Acquisition decision rests with local Commanders
- ❖ Central District:
  - MATOC: Designed for longer projects (\$1-\$5M). It can be used for new construction or renovation.
  - POCA (Performance Oriented Construction Activities): This is a multiple award contract designed for smaller projects (<\$1M). It can be used for new construction or renovation.
- ❖ North and South Districts plan to have contract vehicles in place similar to Central District's in the near future.
- ❖ JCCI contract mechanisms: IMAC (Iraqi Multiple Award Construction Contract). Max limit is \$500M.
- ❖ Full-and-Open competition



**US Army Corps  
of Engineers**  
Transatlantic Programs Center

# Proposed Changes to New IDIQ Contracts

Roger Vogler  
Director, Engineering Division

## New Construction ID/IQs - What will Stay the Same

- Task orders can be awarded as:
  - ❖ Design-Bid-Build and Design-Build
  - ❖ Fixed Price and Cost Reimbursable
  - ❖ Construction and Operations
- Task orders may be transferred to AED/GRD for administration
- Anticipate awarding three or more contracts
- 1<sup>st</sup> year plus 4 option years
- 20% self-performance
- Ability to mobilize quickly/provide quick response
- International firms are allowed to submit offers

## New Construction ID/IQs - What will be Different

- Scope will include environmental projects:
  - ❖ Waste Removal
  - ❖ Landfill construction
  - ❖ Waste Incineration
- Scope will cover all of TAC's AOR (Central Asia, the Middle East, and Africa)
- Minimum Guarantee - \$20K
- Total Capacity - \$5-10 Billion over 5 years



**US Army Corps  
of Engineers**  
Transatlantic Programs Center

# Future Work Forecast

Afghanistan - Richard Dickson

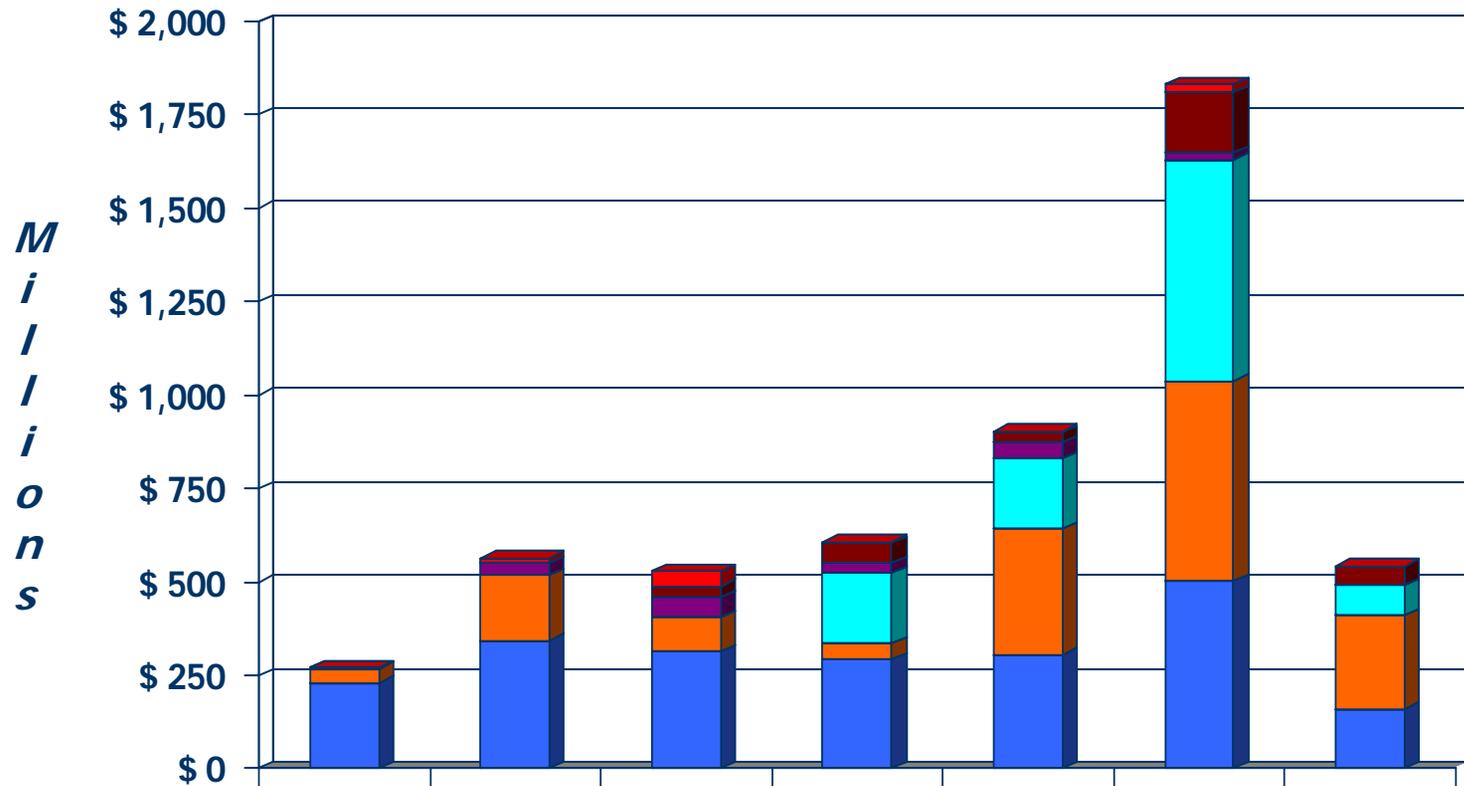
Iraq - Annie Cain

Transatlantic Programs Center - Roger Thomas

# Forecast for future work: Afghanistan

- **Bottom Line:** Future expected AED annual construction program of approximately \$ 500 M
  - ❖ Air Force MILCON
  - ❖ Army MILCON
  - ❖ Afghan National Army/Police
  - ❖ Reconstruction
  - ❖ Other
- AED's Contracting "Tool Box" varied
  - ❖ Use of largest IDIQs now difficult due to lack of competitive FFP proposals on recent MILCON contracts
- AED Contracting Strategy: Largest project/contract packages (~ \$ 50 M) will go to IDIQs. Contract packages of more than one project will continue so as to attract IDIQ proposers.

# Forecast for future work: Afghanistan



	FY03	FY04	FY05	FY06	FY07	FY08	FY09
■ Reconstruction	2	14	39	2	2	20	0
■ CERP			31	54	27	160	50
■ CN/BMI		32	54	28	44	20	0
■ Afghan Ntnl Police				188	187	593	83
■ US/Coalition Forces	37	174	90	43	337	535	250
■ Afghan Ntnl Army	231	344	314	293	306	502	160

# Forecast for future work: Afghanistan

## *Currently Known Program*

### ➤ **FY08:**

- ❖ Army MILCON: 3 projects ~ \$ 41 M (reprocurement)
  - BAF: Water, Waste Water, Storm Water
- ❖ Army MILCON: 11 projects ~ \$ 304 M
  - 2 x Roads (off BAF), Ramp @ Ghazni, Kabul Compound Phase 3, BAF: Roads, Power, Ammo Supply, Admin, Hanger, 2 x Fuels
- ❖ Air Force MILCON: 5 projects ~ \$ 165 M
  - Ramps/Taxiway @ BAF, Ramps at Manas and Kandahar

### ➤ **FY09:**

- ❖ Army MILCON: 3 Projects ~ \$ 69 M
  - BAF: 2 x Fuels, Hqds Complex
- ❖ Air Force MILCON: 3 projects ~ \$ 59 M
  - BAF: Ramps, Hanger

***Note: ANA and ANP programs cannot be accurately forecasted due to nature of funding stream. Current Air Force MILCON forecast is only to FY09.***

# Forecast for future work: Afghanistan

## *Currently Known Program*

- **FY10:**
  - ❖ Army MILCON: 8 projects ~ \$ 325 M
    - BAF: Internment, JOCs, 2 x Fuels, Logistics, Fence/Guard Towers, Barracks
- **FY11:**
  - ❖ Army MILCON: 5 Projects ~ \$ 84 M
    - BAF: Barracks, Utilities/Infrastructure, Cantonments
- **FY12:**
  - ❖ Army MILCON: 4 projects ~ \$ 53 M
    - BAF: Roads, Utilities/Infrastructure, Logistics
- **FY13:**
  - ❖ Army MILCON: 2 projects ~ \$ 37 M
    - BAF: Admin/Operations, Logistics
- **FY14:**
  - ❖ Army MILCON: 2 projects ~ \$ 85 M
    - BAF: Admin/Operations, Logistics
- **FY15:**
  - ❖ Army MILCON: 2 projects ~ \$ 23 M
    - BAF: Admin/Operations, Roads

# Forecast for future work: Iraq

- Future expected GRD workload to be executed through TAC:
  - ❖ Air Force MILCON
  - ❖ Army MILCON
  - ❖ Potential FMS
  
- GRD's Contracting "Tool Box"
  - ❖ Use of IDIQs now difficult due to lack of competitive FFP proposals on recent MILCON contracts
  - ❖ Full & Open Competition, JCC-I and District IDIQs provide alternatives
  
- GRD Contracting Strategy for FY08 and FY09 MILCON: Majority will go full and open competition. Smaller packages (<\$5million) can be advertised and awarded in-country via local IDIQs.

# Forecast for future work: Iraq

## ➤ **FY08:**

- ❖ Army MILCON: 35 projects ~ \$542 M
- ❖ Air Force MILCON: 5 projects ~ \$67M
- ❖ CCA: FY08 NDAA authorizes \$200M for contingency theater, all services

## ➤ **FY09:**

- ❖ Army MILCON: 21 projects ~ \$ 500 M
- ❖ Air Force MILCON: 1 project <\$50M

## ➤ **FMS:**

- ❖ 5 LORs have been signed by GOI for projects totaling \$350M

# Future Projects Gulf Region

- FY-08 Air Force Supplemental
  - ❖ Ramps, various facilities, Qatar, \$25-50M
- Air Force, Qatar
  - ❖ FY-09, CAS Ramp, \$50-75M
  - ❖ FY-10, Runway and Parallel Taxiway, \$75-125M
- Special Operations Forces, Qatar
  - ❖ FY-08 Supplemental, Warehouses, \$5-10M
  - ❖ FY-09 Training Ranges, \$10-15M



# Future Projects, Gulf Region

## ➤ Navy, Bahrain

- ❖ FY-08
  - Waterfront development, phase I
- ❖ FY-09
  - Waterfront development, phase II
- ❖ FY-11
  - Transient quarters (2 programs)
- ❖ FY-12
  - Operations/support facilities
  - Enlisted quarters (2 programs)
- ❖ FY-13,
  - Transient quarters
  - Dining facility

■ Total \$200-250 million



# Future Projects, Gulf Region

- Army, Kuwait
  - ❖ FY-08
    - Commo facility, \$10-25M
  - ❖ FY-13 Storage facilities, \$100-125M
- Army, Qatar
  - ❖ FY-10
    - Power Plant Upgrade, \$3–5M
    - Multipurpose Fitness Complex \$3-5M
  - ❖ FY-11
    - Barracks, Admin, Warehousing, \$16-20M
  - ❖ FY-12
    - Storage and Maintenance facilities, \$50-75M



**US Army Corps  
of Engineers**  
Transatlantic Programs Center

# Balance of Payments, Trade Agreements, Etc.

Lynn Johnson  
Contract Specialist  
Africa/SW Asia Branch

## Balance of Payments Program and Trade Agreements Act/Free Trade Agreements

- Trade Agreements Act applies to construction contracts equal to or exceeding \$7,443,000
  - ❖ See FAR 25.402
- Other Free Trade Agreements have different thresholds:
  - ❖ NAFTA – Canada / Mexico: \$8,817,449
  - ❖ Chile: \$7,443,000
  - ❖ Singapore: \$7,443,000

## Balance of Payments Program and Trade Agreements Act/Free Trade Agreements

- Use only domestic construction material for construction to be performed outside the United States
  - ❖ Including end products
  - ❖ Including construction material for foreign military sales
- Acquire only domestic end products for use outside the United States

## Balance of Payments Program and Trade Agreements Act/Free Trade Agreements

- “Construction material” means an article, material, or supply brought to the construction site by the Contractor or a subcontractor for incorporation into the building or work.
  - ❖ The term also includes an item brought to the site preassembled from articles, materials, or supplies.
  - ❖ Emergency life safety systems, such as emergency lighting, fire alarm, and audio evacuation systems, that are discrete systems incorporated into a public building or work and that are produced as complete systems, are evaluated as a single and distinct construction material regardless of when/how the individual parts or components of those systems are delivered to the construction site.
  - ❖ Materials purchased directly by the Government are supplies, not construction material.

## Balance of Payments Program and Trade Agreements Act/Free Trade Agreements

- Exceptions
- The estimated cost of the acquisition or the value of a particular construction material is at or below the simplified acquisition threshold
  - ❖ Simplified acquisition threshold means \$100,000, except for acquisitions of supplies or services that, as determined by the head of the agency, are to be used to support a contingency operation or to facilitate defense against or recovery from nuclear, biological, chemical, or radiological attack (Pub. L. 108-136, Title XIV, Sec. 1443), the term means—
    - \$250,000 for any contract to be awarded and performed, or purchase to be made, inside the United States; and
    - \$500,000 for any contract to be awarded and performed, or purchase to be made, outside the United States.

# Balance of Payments Program and Trade Agreements Act/Free Trade Agreements

## ➤ Exceptions

- The Contracting Officer determines that a requirement can best be filled by a foreign end product or construction material
- This includes determinations that:
  - ❖ A subsistence product is perishable and delivery from the United States would significantly impair the quality at the point of consumption;
  - ❖ An end product or construction material, by its nature or as a practical matter, can best be acquired in the geographic area concerned, e.g., ice or books; or bulk material, such as sand, gravel, or other soil material, stone, concrete masonry units, or fired brick;

# Balance of Payments Program and Trade Agreements Act/Free Trade Agreements

## ➤ Exceptions

### ➤ Determinations continued:

- ❖ A particular domestic construction material is not available;
- ❖ The cost of domestic construction material would exceed the cost of foreign construction material by more than 50 percent, calculated on the basis of--
  - A particular construction material; or
  - The comparative cost of application of the Balance of Payments Program to the total acquisition;
- ❖ OR, Use of a particular domestic construction material is impracticable.

## Balance of Payments Program and Trade Agreements Act/Free Trade Agreements

- “Designated country construction material” means a construction material that:
  - ❖ (1) Is wholly the growth, product, or manufacture of a designated country; or
  - ❖ (2) In the case of a construction material that consists in whole or in part of materials from another country, has been substantially transformed in a designated country into a new and different construction material distinct from the material from which it was transformed.
  - ❖ Designated countries are defined at DFARS 252.225-7045; the list is quite expansive (over 70 countries).

## Balance of Payments Program and Trade Agreements Act/Free Trade Agreements

- “Per DFARS 252.225-7045, “Free Trade Agreement country construction material” means a construction material that:
  - 1) Is wholly the growth, product, or manufacture of a Free Trade Agreement country; or
  - 2) In the case of a construction material that consists in whole or in part of materials from another country, has been substantially transformed in a Free Trade Agreement country into a new and different construction material distinct from the material from which it was transformed.
- ❖ “Free Trade Agreement country” means Canada, Chile, Mexico, or Singapore.

# CARGO PREFERENCE ACT

- **What are the US Cargo Preference laws?**
  - ❖ Cargo Preference Act of 1904
  - ❖ Requires that military cargoes be shipped exclusively on vessels of the US or belonging to the US.
  - ❖ Implemented by DOD 48 CFR Subpart 247.5 – Ocean Transportation by US flag vessels.
  
- **DFARS 252.247-7023 Transportation of Supplies by Sea**

## CARGO PREFERENCE ACT

- The Contractor and its subcontractors may request that the Contracting Officer authorize shipment in foreign-flag vessels, or designate available U.S.-flag vessels, if the Contractor or a subcontractor believes that—
  - 1) U.S.-flag vessels are not available for timely shipment;
  - 2) The freight charges are inordinately excessive or unreasonable; or
  - 3) Freight charges are higher than charges to private persons for transportation of like goods.

# CARGO PREFERENCE ACT

- The Contractor must submit any request for use of other than U.S.-flag vessels in writing to the Contracting Officer at least 45 days prior to the sailing date necessary to meet its delivery schedules. The Contracting Officer will process requests submitted after such date (s) as expeditiously as possible, but the Contracting Officer's failure to grant approvals to meet the shipper's sailing date will not of itself constitute a compensable delay under this or any other clause of this contract. Requests shall contain at a minimum—
- 1) Type, weight, and cube of cargo;
  - 2) Required shipping date;
  - 3) Special handling and discharge requirements;
  - 4) Loading and discharge points;
  - 5) Name of shipper and consignee;
  - 6) Prime contract number; and
  - 7) A documented description of efforts made to secure U.S.-flag vessels, including points of contact (with names and telephone numbers) with at least two U.S.-flag carriers contacted. Copies of telephone notes, telegraphic and facsimile message or letters will be sufficient for this purpose.

# CARGO PREFERENCE ACT

- The Contractor shall, within 30 days after each shipment, provide the Contracting Officer and the Maritime Administration (new address below), one legible copy of the rated on board vessel operating carrier's ocean bill of lading. (Note: not a Freight Forwarder's bill of lading)

US Department of Transportation  
Maritime Administration  
Office of Cargo Preference and Domestic Trade  
MAR 730, W23 – 453  
1200 New Jersey Avenue, SE  
Washington, DC 20590



**US Army Corps  
of Engineers**  
Transatlantic Programs Center

# Performance & Payment Bonds Bank Letter Of Guaranty (BLG)

Lynn Johnson  
Contract Specialist  
Africa/SW Asia Branch

# Performance & Payment Bonds Bank Letter Of Guaranty (BLG)

- **DEFINITION** - A written instrument requested by the Government as part of the solicitation; executed by the Contractor and a Surety to assure fulfillment of the principal obligation to the Government identified in the bond.

## Performance & Payment Bonds Bank Letter Of Guaranty (BLG)

- Miller Act (40 U.S.C. 3131 *et seq*) – For each Government Construction contract exceeding \$100,000.00, Contractors are required to furnish Performance and Payments Bonds.
- Must be submitted to the Contracting Officer with 15 calendar days after award and approved by Legal Counsel prior to issuing a Notice to Proceed to the Contractor.

# Performance & Payment Bonds Bank Letter Of Guaranty (BLG)

## ➤ Waivers to the Miller Act:

- ❖ *Contracting Officer may waive bond requirements for the work being performed in a foreign country upon determining that it is impracticable for the contractor to furnish such bonds. (FAR 28.102-1(a)(1))*
- ❖ *Cost Reimbursement Contracts (DFARS 228.102) – Bonds are not required unless there are fixed price construction sub-contracts in excess of \$100,000, the payment bond must be sufficient to pay for labor and material cost, and performance bond in an equal amount if available at no additional cost.*

## Performance & Payment Bonds Bank Letter Of Guaranty (BLG)

### ➤ Alternative to Performance and Payment Bond –

For Construction contracts performed in a foreign country,  
TAC utilizes BLGs –

- a. 10% of the Contract Amount represents deposit required of the Contractor
- b. Effective – Completion date plus one year, or until the work has been finally accepted by the Government. Then 1 year in an amount equal to 5% of original price after which the guarantee becomes null and void.



**US Army Corps  
of Engineers**  
Transatlantic Programs Center

# Base Access

**Carl Stubbert**  
**Center Contracting Chief**

# Base Access

- American Employees
  - ❖ CAC Card Required
  - ❖ Possible Additional Registration Required
  - ❖ Possible Escort Requirement
  
- Foreign Employees
  - ❖ Registration Required
  - ❖ Possible Escort Requirement
  
- Possible Entry Delays at Gate



**US Army Corps  
of Engineers**  
Transatlantic Programs Center

# USACE Defense Base Act Insurance Pilot Program Phase II

Worker Compensation Insurance Program  
Rules and Regulations

Colleen O'Keefe, Deputy PARC

PARC WIN





# Overview

- What is DBA Insurance
- When DBA Insurance is Required
- Background/History
- Objectives of the Program
- PARC Instruction Letter (PIL) 2007-02
- If Premiums are Not Paid...
- Points of Contact

# DBA Insurance

## ➤ What is DBA Insurance?

- ❖ Congressionally mandated workers compensation insurance effective since 1941
  - 42 U.S.C. Sections 1651-1654, as amended
  - OSD issued guidance in December 2003

## ➤ It's the Law

- ❖ Contractors **MUST** buy DBA insurance for its employees working outside the 50 states.
  - Unless under a self-insurance program approved by DOL or subject to a waiver (see FAR 28.305)

# When is it Required?

- For Contractors and Subcontractors unless waived by DOL
- DOL Policy Letter for DoD is forthcoming –
  - ❖ Changes/Clarifications in Waivers
- A waiver can be requested from DOL
  - IAW FAR 28.305
- No waiver if:
  - ❖ Hired in the US
  - ❖ Resident of the US
  - ❖ Citizen of the US
  - ❖ If no Local Compensation Law Exists in Country

# DBA Insurance

- The USACE-wide contract was awarded to Continental Insurance Company (CNA)
- CNA must be utilized whenever the contractor either obtains new DBA insurance or renews its existing DBA insurance
  - ❖ Why? Because this is a requirements contract
  - ❖ There is no discretion to accept coverage from another insurer, even if the price is lower
  - ❖ Otherwise, USACE will be in breach of its contract with CNA, and can be sued for damages by CNA

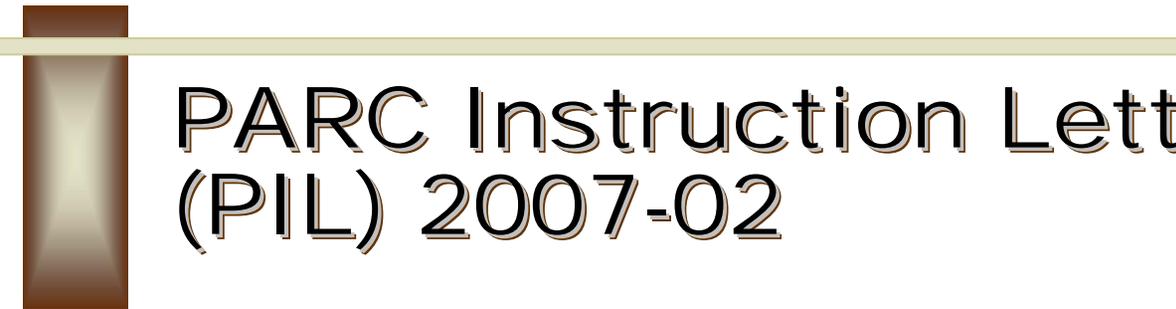
# Background/History

- Why does the USACE Pilot Program exist?
  - ❖ After 9/11 insurance costs became unaffordable for many companies, as much as \$150 per \$100 Compensation
  - ❖ Needed to find a way to help companies follow the law of providing insurance
- Contract Information
  - ❖ Second year of a two-year Pilot Program
    - 1 April 2007 through 31 March 2008
  - ❖ The reduced fixed rates are currently:
    - Services - \$3.50 per \$100 Compensation
    - Construction - \$7.25 per \$100 Compensation



# Objectives of the Program

- To make DBA coverage affordable
- Similar to USAID & Dept. of State Programs
- Risk Pooling
- Centrally Managed
- Develop Business Case Analysis



# PARC Instruction Letter (PIL) 2007-02

- Mandates that USACE contractors purchase DBA insurance (including renewals) under the USACE requirements contract with CNA
- Provides revised local provisions to be incorporated in all solicitations and contracts
- PIL provided during the OC briefing
- KO's verify policy before issuing NTP

## If Premiums are Not Paid...

- It is the KO's responsibility to ensure that the Contractor and its Subcontractors maintain DBA coverage *with CNA*
- Get a copy of the paid Invoice within 30 days
- If a contractor fails to maintain coverage
  - ❖ KO can withhold progress payments
  - ❖ Issue a Stop Work Order
  - ❖ Terminate the contract for default
  - ❖ Poor past performance - CPARS

# Points of Contact

- Contracting Office
  - ❖ Contracting Officer/Procurement Analyst PARC-WIN:
    - Lynn Harper (540) 665-3998 [lynn.harper@us.army.mil](mailto:lynn.harper@us.army.mil)
  - ❖ Contract Specialist - HECSA
    - Susan Burchell (703) 438-8487 [susan.m.burchell@usace.army.mil](mailto:susan.m.burchell@usace.army.mil)
- USACE Project Manager
  - ❖ Bunnatine Greenhouse:
    - (202) 761-7169 [bunnatine.h.greenhouse@usace.army.mil](mailto:bunnatine.h.greenhouse@usace.army.mil)
- Department of Labor
  - Miranda Chiu (202) 761-7169 [Chiu.miranda@dol.gov](mailto:Chiu.miranda@dol.gov)
  - ❖ Waiver Questions
    - John Chamberlain (202) 693-0925 [Chamberlain.john@dol.gov](mailto:Chamberlain.john@dol.gov)

# Points of Contact (cont.)

- Rutherford International – Insurance Broker for CNA Insurance
  - ❖ USACE DBA Administrator
    - Ramoan Jones (703) 813-6543 [romoan.jones@rutherford.com](mailto:romoan.jones@rutherford.com)
  - ❖ Senior Vice President
    - Sara Payne (703) 813-6503 [sara.payne@rutherford.com](mailto:sara.payne@rutherford.com)



**US Army Corps  
of Engineers**  
Transatlantic Programs Center

# Requirements in Iraq and Afghanistan

Colleen O'Keefe, Deputy PARC

PARC WIN



14 February 2008

CENTCOM IDIQ Industry Day

85

# Theater Business Clearance

**What?**



**Why?**

**Details....**



What?



A new DoD requirement!

# Why?



Theater Business Clearance gives CENTCOM and JCC-I/A visibility of contract personnel and materiel in Iraq and Afghanistan.

# JCC-I/A Acquisition Instruction Mandatory Language

**AI 52.7 Contract Delivery  
Requirements.**

**AI 52.8 Mandatory Shipping  
Instructions – Iraq.**



# JCC-I/A Acquisition Instruction Mandatory Language



**AI 26.4 Reporting  
Contractor  
Compliance with  
Support of Iraq  
Socioeconomic  
Program**

**AI 26.5 “Iraqi First”  
Program  
Implementation**

# JCC-I/A Acquisition Instruction (AI) Mandatory Language

## AI 52.12 Contractor Support of USAID Communities Stabilization Program (CSP) for Hiring Iraqi Apprentices.



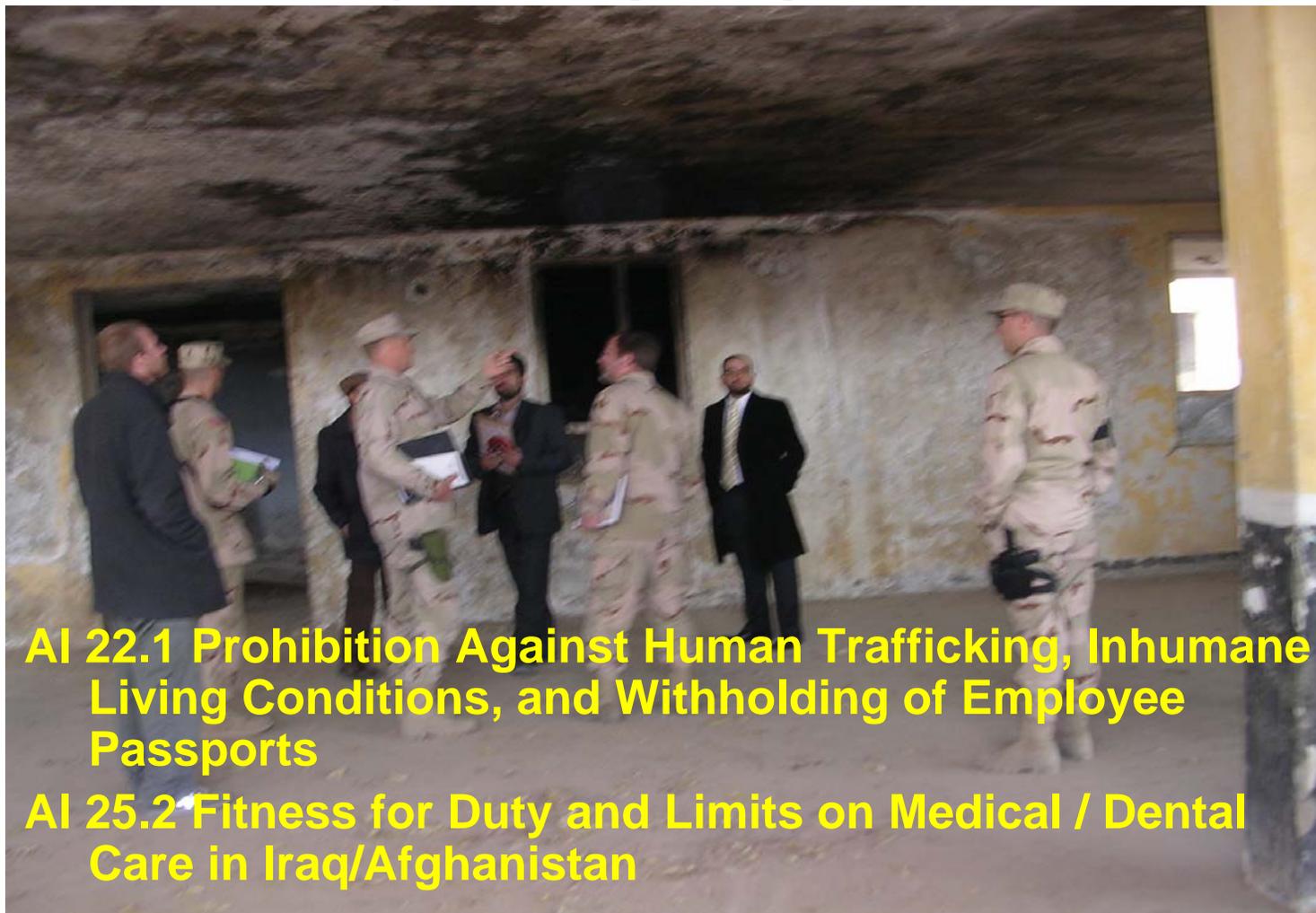
# JCC-I/A Acquisition Instruction (AI) Mandatory Language

**AI 25.3  
Compliance  
with Laws and  
Regulations.**

**AI 26.6  
Afghanistan  
“Afghan First”  
Program  
Implementation.**



# JCC-I/A Acquisition Instruction Mandatory Language



**AI 22.1 Prohibition Against Human Trafficking, Inhumane Living Conditions, and Withholding of Employee Passports**

**AI 25.2 Fitness for Duty and Limits on Medical / Dental Care in Iraq/Afghanistan**

# JCC-I/A Acquisition Instruction Mandatory Language



## AI 23.1 Reporting a Kidnapping

# JCC-I/A Acquisition Instruction Mandatory Language

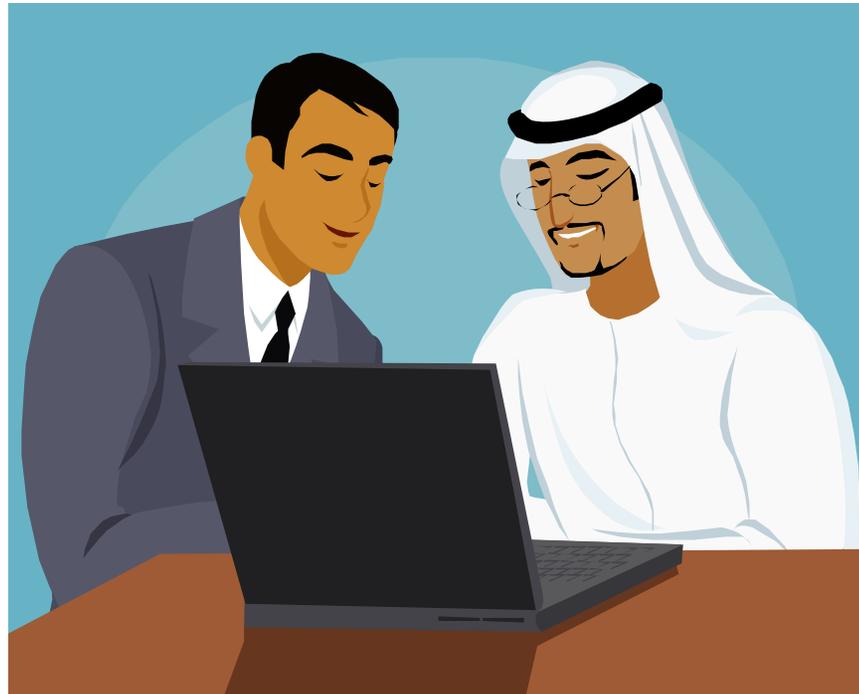
**AI 25.1 Armed  
Personnel – Incident  
Reports**

**AI 52.6 Arming of  
Contractors:  
Iraq/Afghanistan**



# JCC-I/A Acquisition Instruction Mandatory Language

**AI 25.4 Quarterly  
Contractor Census  
Reporting.**



# JCC-I/A Acquisition Instruction Mandatory Language



DFARS 252.225-7040,  
Contractor Personnel  
Authorized to Accompany  
Armed Forces Deployed  
Outside the United  
States.

# JCC-I/A Acquisition Instruction Mandatory Language

DFARS Deviation 2007-O0010, Contractor  
Personnel in U.S. Central Command Area of  
Responsibility



# Background

## **Historical Issues**

- ❖ **No centralized tracking and functional management process for contractors deployed in theater**
- ❖ **Functional oversight and control are not adequate for the vast number of contractors who now deploy with the U.S. Armed Forces**
- ❖ **Contractors are not contractually bound to manage and report contractor employee data in a single database (some used SPOT, other Services use different systems)**



# Objectives & Guidance

## **Objectives:**

- ❖ **Provide information on contractor logistics that result in increased functional management efficiency, providing COCOMs with greater visibility into contractor assets**
- ❖ **Provide NIPR access to contractor companies in order to manage contractor information and meet all DoDI requirements**
- ❖ **Leverage and integrate with existing authoritative data sources**

# Benefits to the Community

- **Assists Organizations / PMs with management of contracted logistics support; necessary for systems operation in the AOR**
- **Provides a central source of information to assist Defense Contractors and Combatant Commanders in planning force protection, medical support, personnel recovery, and logistics support of contractors who accompany the U.S. Armed Forces.**



# Benefits to the Community

- **Presents a single standard user interface for Government and industry to locate and correlate any individual to contract information and points of contact for routine actions and to manage emergency situations in an area of operation.**
- **Provides a standard tool for the functional management of contractors accompanying the force that reduces manual data entry through integration with related industry and Government authoritative systems.**

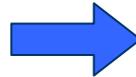


# Benefits to the Community

- **Associates contract visibility with individual deployed contractor and their location.**
- **Provides movement tracking through an automated interface with Joint Asset Movement Management System (JAMMS).**
- **Generates digitally signed Letters of Authorization with unique SPOT barcode to comply with Homeland Security Presidential Directive 12 Policy for a Common Identification Standard for Federal Employees and Contractors**

# SPOT Overview

**GETTING  
STARTED**

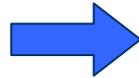


➤ **Users can register for SPOT with:**

- ❖ Common Access Card (CAC)
- ❖ DoD-approved software certificate
- ❖ Army Knowledge Online (AKO) login & password

# SPOT Overview

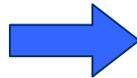
**BUILDING A  
RECORD**



- **Initial database records include:**
  - ❖ Contract #s and task order period of performance
  - ❖ Deployable contractor information
  - ❖ Company, contracting and Govt POCs

# SPOT Overview

**CREATING A  
DEPLOYMENT**

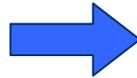


➤ **Preparation and actual deployment involves:**

- ❖ Identifying deployment itinerary
- ❖ Documenting eligibility requirement completion
- ❖ Completing specific deployment fields
- ❖ Requesting an LOA

# SPOT Overview

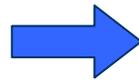
**TRACKING  
MOVEMENTS**



- **Updates from area of operation & departure:**
  - ❖ Duty station check-in
  - ❖ JAMMS movement scans at theater choke points automatically uploaded to SPOT
  - ❖ Deployment change, cancellation
  - ❖ Equipment return & record close out

# SPOT Overview

**GENERATING  
REPORTS**



- **Reporting functions:**
  - ❖ Standard and ad hoc query capability
  - ❖ Quantify contractor support to satisfy DoD requirement
  - ❖ Company visibility of employee status and location



## JAMMS Overview

- **JAMMS software leverages existing authoritative systems and DoD business processes to rapidly identify deployed contractors**
- **JAMMS “Scan & Go” software initial fielding in March/April 2007**

## JAMMS Overview

### ➤ **JAMMS integration with SPOT**

- ❖ **SPOT 6.0: Disconnected JAMMS produces Daily XML file to be uploaded into SPOT**
- ❖ **Scans from JAMMS are matched to personnel in SPOT through the DMDC validation performed against deployed personnel**
- ❖ **SPOT mini-records are created for persons that are not in SPOT**

## JAMMS Overview

### ➤ **JAMMS installation locations:**

- ❖ **Current: APODs, DFACs**

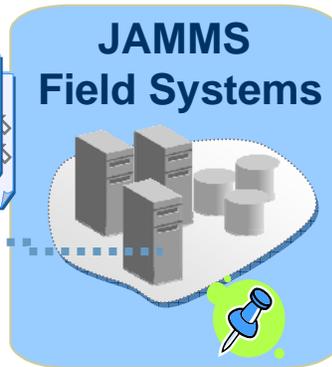
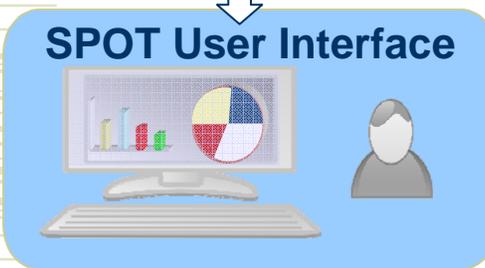
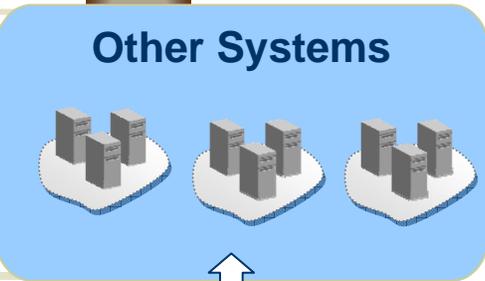
- ❖ **Future: Fuel Points, Security Gates, Convoy Staging Areas, Additional APODs / DFACs**

### ➤ **Target Population:**

- ❖ **Initially DoD - US Expatriates, Local Nationals, Third Country Nationals**

- ❖ **Future – similar populations for other federal agencies, e.g., DoS, USAID**

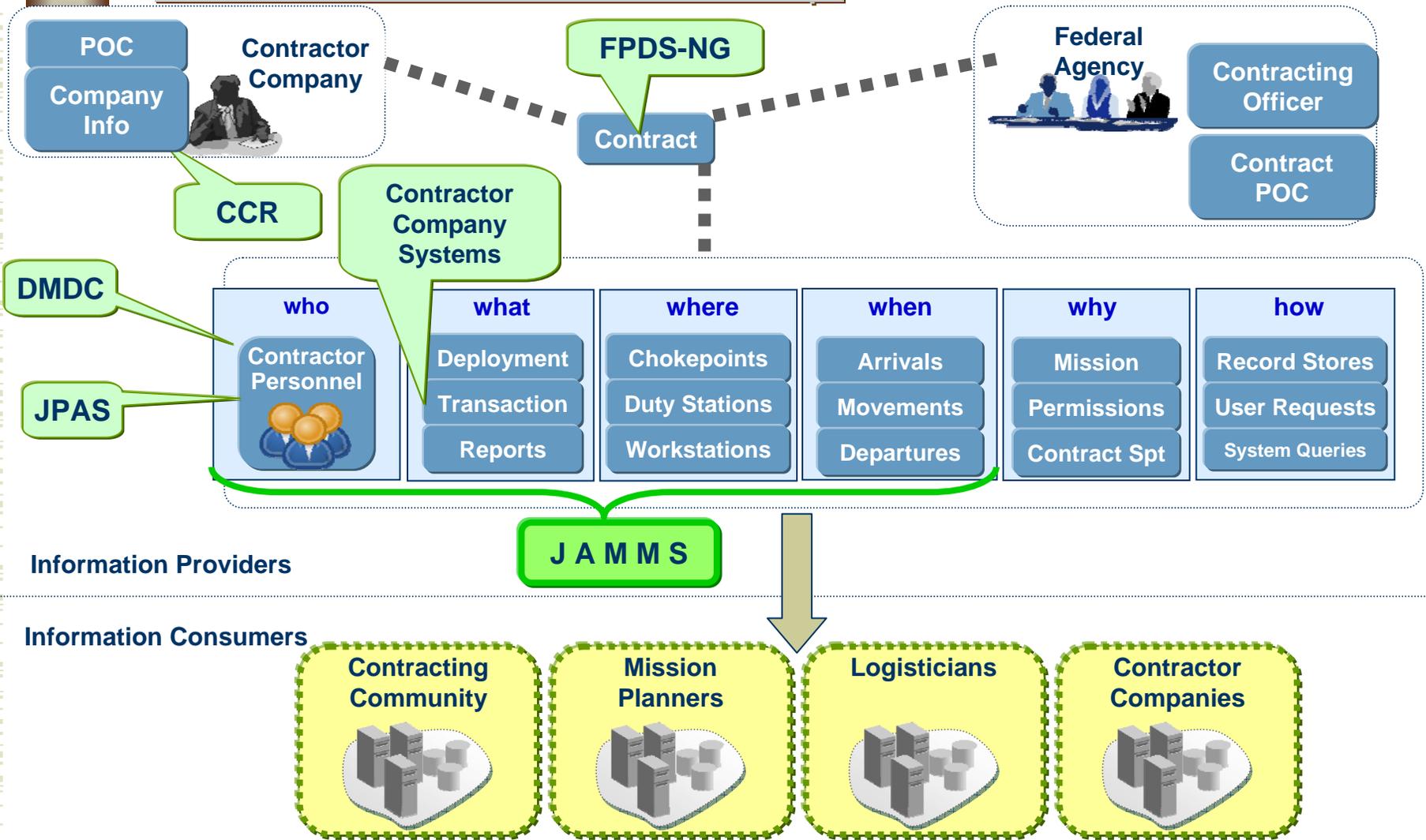
# JAMMS Scenario



- ### Movements
- Contractors move into, out of, and around theater
  - JAMMS stations at transient choke points, e.g., APODs / DFACs



# JAMMS Integration into SPOT Information Roadmap



## Letter of Authorization (LOA) Overview

- **SPOT provides a workflow for LOA approvals.**
  - ❖ **An LOA is requested as part of creating a deployment – the LOA is assigned to a Government Authority user**
  - ❖ **Government Authority and Contracting Officer (KO) user reviews LOA inbox and authorizes the LOA**
  - ❖ **KO reviews the LOA, assigns appropriate privileges and approves. Once the KO approves the LOA, it is digitally signed and available to be viewed and printed**

# Letter of Authorization (LOA) Overview

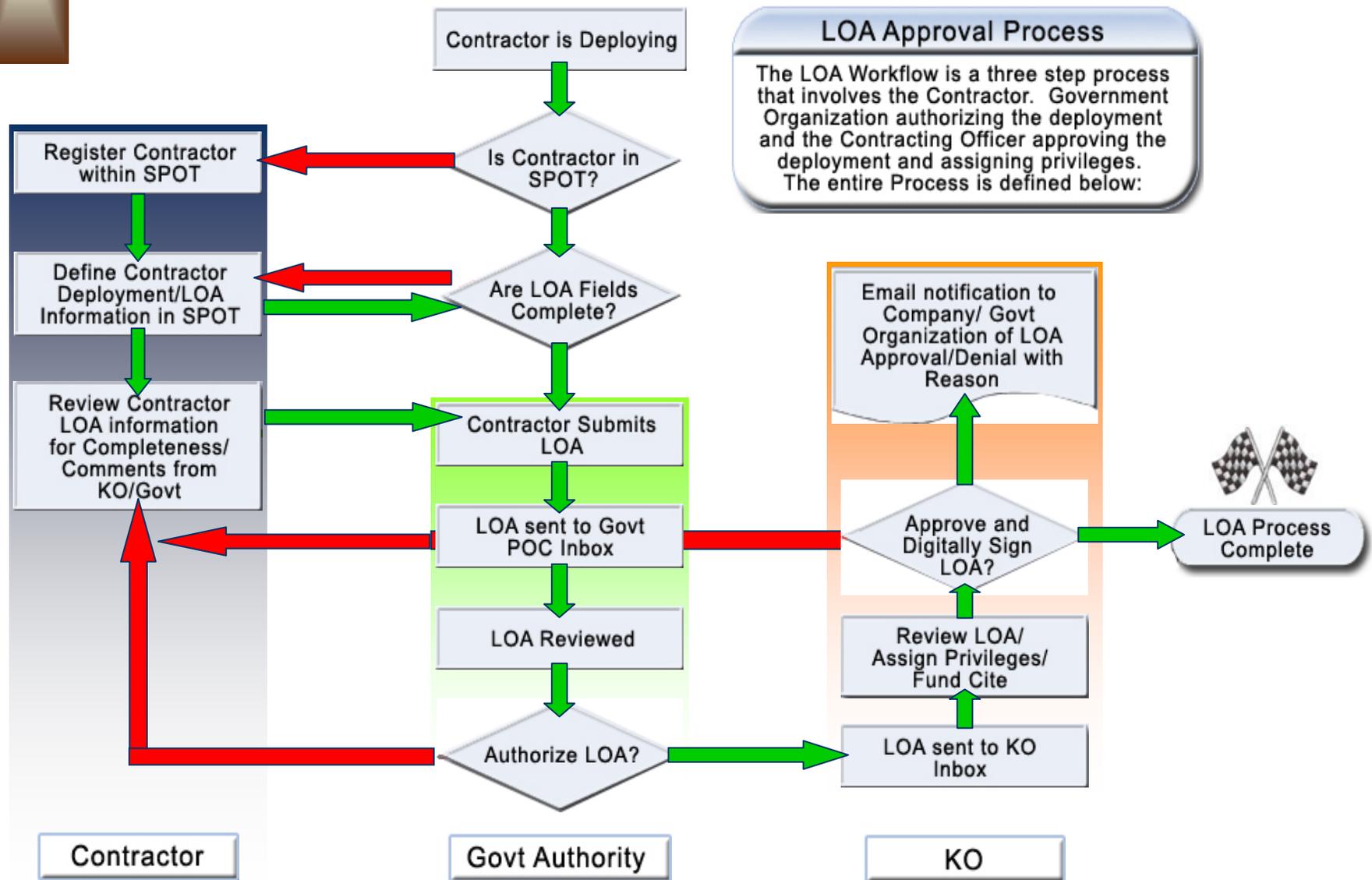
- **LOAs can have one of the following statuses in the system:**
  - ❖ **Not Requested (if the Deployment was entered without requesting an LOA)**
  - ❖ **Pending (Once submitted and it is awaiting Government Authority review)**
  - ❖ **Authorized Government; Pending (while awaiting KO approval)**
  - ❖ **KO Approved (When the KO assigns privileges and approves it)**
  - ❖ **Denied (If either the Government Authority or the KO denies the LOA Request)**
  - ❖ **Approved LOAs may only be revoked by KO**



## Letter of Authorization (LOA) Overview

- **LOA process will digitally sign and generate the LOA once it is approved by a KO**

# LOA Approval Process



# Sample LOA Form Generated by SPOT

LETTER OF AUTHORIZATION			DATE OF REQUEST
GOVT AGENCY SUPPORTING MISSION U.S. Army	GOVT AGENCY POC Mr. James Andrews	GOVT AGENCY POC PHONE 777-777-7777	GOVT AGENCY POC EMAIL
NAME (Last, First, Middle Initial)	SSN	DATE OF BIRTH 7/13/1969	PLACE OF BIRTH Duck, NC
HOME ADDRESS 1945 Victory Road Suite 17B McLean VA 22192		CITIZENSHIP 7/13/1969	PASSPORT # / EXPIRATION
AKO EMAIL		DEPLOYMENT PERIOD START Sunday, July 01, 2007	DEPLOYMENT PERIOD END Thursday, November 15, 2007
		THEATER EMAIL	
CLEARANCE LEVEL w/ AGENCY	CLEARANCE DATE (MM/DD/YYYY) Monday, January 01, 2007	JOB TITLE Sr. Electrical Engineer	GRADE EQUIV (GS12 or GS 13) GS12
COMPANY (full name) Booz Allen Hamilton	COMPANY POC Ronald Pendergrass	COMPANY POC TELEPHONE 703-902-2222	COMPANY POC EMAIL pendergrass_ronald@bah.com
CONTRACT NUMBER / TASK ORDER AXBG-12AG5	CONTRACT PERIOD START 1/1/2006	CONTRACT PERIOD END 12/31/2008	CONTRACT ISSUING AGENCY Army Materiel Command
NEXT OF KIN (NOK) NAME Betty Smith	NOK RELATIONSHIP Wife	NOK TELEPHONE 808-888-0000	NOK ALTERNATE TELEPHONE 808-878-0707
IN-THEATER CONTACT James Hendrix		CONTACT'S PHONE 777-777-7777	CONTACT'S EMAIL
COUNTRIES TO BE VISITED Saudi Arabia, Iraq	PRIVILEGES		
PURPOSE Engineering support for power plants.	<input checked="" type="checkbox"/> BILLETING <input checked="" type="checkbox"/> PVBX <input checked="" type="checkbox"/> DFACS <input checked="" type="checkbox"/> COMMISSARY <input checked="" type="checkbox"/> MEDICAL/DENTAL <input checked="" type="checkbox"/> CAC/ID CARD <input checked="" type="checkbox"/> DEPENDANTS <input checked="" type="checkbox"/> FUEL <input checked="" type="checkbox"/> MWR <input checked="" type="checkbox"/> MIL CLOTHING <input checked="" type="checkbox"/> MIL ISSUED EQUIP <input checked="" type="checkbox"/> MIL EXCHANGE <input checked="" type="checkbox"/> APO/FFPO <input checked="" type="checkbox"/> MIL BANKING <input checked="" type="checkbox"/> TRANSPORTATION <input checked="" type="checkbox"/> EXCESS BAGGAGE <input checked="" type="checkbox"/> MILAIR		
FUND CITE w/ BILLING ADDRESS  This is where we put the fund cite.			

The government organization specified above, in its mission support capacity under the contract, authorizes the individual employee identified herein, to proceed to the location(s) listed for the designated deployment period set forth above. Non-supervisory positions shall be rated GS-12 or equivalent. Supervisory / Managerial positions shall be rated as GS-13 or equivalent. Upon completion of the mission, the employee will return to the point of origin. Travel being performed is necessary and in the public's service. Travel is in accordance with FAR 31.205-36 and the maximum per diem allowable under the appropriate travel regulations (Joint Travel Regulation for AK, HI and outlying areas of the United States and US possessions), Federal Travel Regulation for CONUS and US Territories, and Dept of State's Standardized Regulations for OCONUS Foreign Areas designated by DOS).

Emergency medical support will be determined by the appropriate supported commander. Contractor authorization aboard military aircraft will be determined by the supported commander. Necessary identification badges will be determined and provided by the supported command.

This Contractor is considered as "Key Personnel, Government Civilian" in connection with "Non-Combatant Evacuation Orders" at the civil service grade indicated above.



REMARKS

Contracting Officer

Signature \_\_\_\_\_

Print Name \_\_\_\_\_

Email \_\_\_\_\_

Phone \_\_\_\_\_



# Training and Outreach

## ➤ Training

- ❖ Weekly classes for all three user communities
- ❖ WebEx, instructor led, and as requested
- ❖ Training workbooks
- ❖ Contractor Company training video
- ❖ Website



## Training and Outreach

### ➤ **Outreach**

- ❖ **Strategic communications plan**
- ❖ **SPOT Conference**
- ❖ **Symposiums**
- ❖ **Websites**

# SPOT Contact Information

## ➤ Outreach, Training & Education

❖ [spot.outreach@us.army.mil](mailto:spot.outreach@us.army.mil)

## ➤ Technical Support:

❖ Phone: 717-506-1368

❖ Toll Free Connection from theater DSN-Now Available

❖ Email: [spot@technisource.com](mailto:spot@technisource.com)

❖ Web Chat: <http://chat.intellimark-it.com/spot/spot.htm>

## ➤ Customer Feedback:

<http://www.boozallen.com/spotbetafeedback>



## Small Business Concerns

- The definition of small business as provided by the Small Business Administration does not exist beyond the United States and therefore contracts performed outside of the United States are not subject to small and small disadvantaged set aside requirements, pursuant to FAR 19.000(b).

## Small Business Concerns

- However it is the policy of USACE to afford small businesses the opportunity to compete whenever possible and therefore large firms will be requested to submit subcontracting plans. To further nation building in Iraq and Afghanistan, USACE also encourages the use of local national firms, the majority of which would be considered small businesses in the US. The subcontracting plans should reflect this data as well as it is of Congressional interest



**US Army Corps  
of Engineers**  
Transatlantic Programs Center

# Summary of Comments

Ted Kunzog  
Cost/Price Analyst  
Contracting



*The U.S. Army  
Corps of Engineers –  
Relevant Ready Responsive Reliable*

*Questions?*