



US Army Corps
of Engineers
Transatlantic Programs Center

News Release

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CONTACT Joan Kibler 540-665-4085
Joan.F.Kibler@tac01.usace.army.mil

U.S. Army Corps of Engineers lifts the stop work order on a logistics support contract to provide services in U.S. Army Europe's area of operations

WINCHESTER, Va. -- The U.S. Army Corps of Engineers' Transatlantic Programs Center has lifted the stop work order on a logistics services contract to support the operational readiness of U.S. forces deployed to the Balkans and other areas, as needed, within the U.S. Army Europe (USAREUR) area of operations. The decision was announced July 26, 2006.

The contract, called the USAREUR Support Contract, had been awarded to Kellogg Brown & Root Services, Inc. of Arlington, Virginia, on June 21, 2005. One of the unsuccessful offerors protested the contract award, and the protest was sustained by the Government Accountability Office, which recommended the government take corrective action. The GAO did not recommend termination of the contract with KBRS unless warranted by a new source selection decision resulting from the Government's reevaluation. The Transatlantic Programs Center's corrective action included revising its government estimate taking into account the current projected workload, amending the request for proposal documents, obtaining and reevaluating revised proposals, conducting discussions with the offerors, and making a new source selection decision based on the reevaluation.

The government selected this contractor based on the best value tradeoff process delineated in the Federal Acquisition Regulation, which is used to select the most advantageous offer by evaluating and comparing technical factors in addition to cost. Kellogg Brown & Root Services, Inc. offered the most advantageous proposal overall for providing logistics services to the Army in the USAREUR area of operations.

The USAREUR Support Contract is an indefinite delivery/indefinite quantity contract, which does not specify a firm quantity of services, other than a minimum and a maximum quantity. It allows the government to issue task orders for work as it determines its requirements. Task orders under this contract may be fixed price or cost reimbursement, depending on whether the requirement can be completely and accurately defined at the outset or can only be generally described.

The minimum guarantee for the USAREUR Support Contract is \$5 million for the first year and \$1 million for each of the four option periods, if exercised. Over the potential

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five-year life of this contract, the government may order up to \$1.25 billion in services, which is the contract's maximum quantity.

For the first year of the contract, the cost to provide logistical and support services for U.S. forces in the Balkans is expected to be \$54 million. The projected cost of services for current Balkans requirements, over the five-year period of the contract, is \$211 million. Given the dynamic nature of USAREUR's Balkans mission, the cost for services in the Balkans could change. Logistics support requirements outside of the Balkans region are unknown at this time.

The government followed formal source selection practices for a major procurement. It formed a Source Selection Evaluation Board comprised of 28 personnel from six federal agencies to thoroughly and independently review and analyze the revised proposals. Three committees were formed to evaluate the offerors' proposals based on the evaluation factors contained in the government's request for proposal: business, management and technical approach; past performance; and price and cost. This labor-intensive process required individual evaluations, committee consensus, and cross checking of documents and findings between the committees. During this process, multiple rounds of discussions and evaluations were conducted with the offerors to obtain information and clarifications about their proposals.

In addition, a Source Selection Advisory Council oversaw the Source Selection Evaluation Board during the evaluation process and acted in an advisory capacity to the Source Selection Authority. The Source Selection Authority then made a best value decision as to which offeror's proposal represented the best value to the government, based on the factors set forth in the request for proposal and the results from the Source Selection Evaluation Board committees.

The USAREUR Support Contract replaces the Balkans Support Contract, which has been used since May 1999. Full performance will begin under the USAREUR Support Contract after a two-month transition period between contracts, at which time the Balkans Support Contract will no longer be used.

For more information on this contract, see the press release issued June 21, 2005, by the U.S. Army Corps of Engineers at <http://www.tac.usace.army.mil/News/june2105.pdf>.

Additional information can be found at

http://www.tac.usace.army.mil/Contracting/BSC/balkans_support.html.

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For additional information about the Transatlantic Programs Center, please visit our web site, www.tac.usace.army.mil.