



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 awards 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 awarded 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 contract, called the USAREUR Support Contract, was awarded June 21, 2005, to Kellogg Brown & Root Services, Inc., of Arlington, Virginia. The contract has a two-month phase-in period and a one-year base performance period. The contract also has four option periods, each of which can be exercised at the government's discretion. The total contract period is five years.

Awarded on behalf of USAREUR, headquartered in Heidelberg, Germany, the contract will provide logistics support, temporary construction, and associated services to U.S. forces deployed for peacekeeping operations in the Balkans and for future contingency operations within that command's area of operations. USAREUR will determine when this contract will be used to support military contingency operations and military training exercises. USAREUR is responsible for Army operations in more than 90 countries in the European theater, which includes all of Europe, most of Africa, Russia and Israel.

The USAREUR Support Contract is an indefinite delivery/indefinite quantity contract, which is a type of contract authorized under the Federal Acquisition Regulation. This type of contract does not specify a firm quantity of services, other than a minimum and a maximum quantity. It provides for the issuance of individual task orders for work during the period of the contract as the government determines its requirements. Under the USAREUR Support Contract, task orders may be fixed price or cost reimbursable, 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 five-year life of this contract, the government may order up to \$1.25 billion in services, which is the contract's maximum capacity.

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 \$68 million. The projected cost of services for current Balkans requirements, over the five-year period of the contract, is \$234 million. Given the dynamic nature of USAREUR's

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—2—

Balkans mission, the cost for services in this region could change. Logistics support requirements outside of the Balkans are unknown at this time.

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 based on price and non-pricing factors. The government selected this contractor because it had the most advantageous proposal for providing logistics services to the Army in the USAREUR area of operations, thus increasing the likelihood of successful contract performance.

Specifically, the types of services that could be provided under this contract include:

- Life support services, such as food service, laundry, water production and distribution, latrines, and showers.
- Transportation and maintenance services, such as shuttle services, hauling, cargo handling, mail delivery, road repair and maintenance, and non-tactical and tactical vehicle and equipment maintenance.
- Other logistical services, such as fuel distribution, supply support, firefighting, hazardous waste management, railhead operations, and airfield and air terminal operations.
- Erecting, operating and maintaining temporary troop housing and facilities, including utilities, and any subsequent disassembly of such structures when they are no longer needed.

This competitively awarded contract was first announced on the Federal Business Opportunities website on May 2, 2003. The Request for Proposal was issued September 29, 2003. Originally scheduled for award in Summer 2004, the contract award was delayed because of changes in the force structure and mission requirements, the complexity of the acquisition, and an extended evaluation period.

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 phase-in period, at which time the Balkans Support Contract will no longer be used.

The Transatlantic Programs Center is part of a multi-agency federal team that will provide oversight of and monitor work under this service contract. In addition to USAREUR, the team includes the Corps' Europe District, the Defense Contract Management Agency, the Defense Contract Audit Agency, and Army units deployed in the USAREUR area of operations.

— 30 —

For additional information about the USAREUR Support Contract, see http://www.tac.usace.army.mil/extranet/Contracting/BSC/balkans_support.asp.