

(b) (6) HQ02

From: (b) (6) SWD
Sent: Thursday, April 10, 2003 8:19 AM
To: (b) (6) HQ02
Subject: FW: Hit the ground running

(b) (6)

I am copying you on this crap since I honestly believe the competitive procurement will never happen.

(b) (6)

-----Original Message-----

From: (b) (6) SWD
Sent: Wednesday, April 09, 2003 5:10 PM
To: Schultz, Michael L COL SWD; (b) (6) SWF; (b) (6) SWD; (b) (6) SWD;
(b) (6) SWD; (b) (6) SWT
Subject: RE: Hit the ground running

Just so everyone knows: On 5 April, I sent (b) (6) an e-mail citing the excerpts from the supplemental legislation and expressing our concerns for our scope of mission. As BG Crear has mentioned below, I specifically indicated to her that we did not provide the \$489,300,000 budget figure (it was submitted by administration for our mission) that was submitted for the new Natural Resources Restoration Risk Fund and requested her clarifying guidance as to the scope of work that dollar figure envisioned for our work. (b) (6) responded on 7 April that she had passed the questions and concerns on to OSD comptroller and fiscal lawyers to see if they had better information than "what I can get from media coverage of Congressional debate and Administration's position." I have received nothing further. Scary when OSD staff has to watch C-Span..... or even better CNN! I knew CNN stood for Congressional News Network or is it CIA News Network??? DA

-----Original Message-----

From: Schultz, Michael L COL SWD
Sent: Wednesday, April 09, 2003 4:05 PM
To: (b) (6) SWD; (b) (6) SWF; (b) (6) SWD; (b) (6) SWD;
(b) (6) SWD; (b) (6) SWT
Subject: FW: Hit the ground running

For your info. S.

-----Original Message-----

From: Crear, Robert BG CFLCC-USACE SWD FEST [mailto:Robert.Crear@kuwait.army.mil]
Sent: Wednesday, April 09, 2003 3:14 PM
To: Col Mike Schultz (E-mail)
Cc: (b) (6) (E-mail); (b) (6) (E-mail); (b) (6) SWD (b) (6) (E-mail); (b) (6) (E-mail); (b) (6) James (E-mail)
Subject: Hit the ground running

Mike,

Our new crew arrived here safely and have moved in and are making contributions already. Today was an exciting day here as coalition forces are tightening their grip. It's after 2300 hrs and we, to include the contractor, are still going strong making plans for tomorrow and the future. We know that it won't be long before all eyes will be on us (OIL). Will have our folks contact (b) (6) soon ref budget projections. What will the 489 million in the daft supplemental language get us. We understand (b) (6) will not be here early, but will have to come back with the rest of the folks. Talk to you later.

CE523

RC

ROBERT CREAR
BG, US ARMY
Commanding General

US Army Engineer Division
Southwestern
Dallas, Texas

(b) (6) HQ02

From: (b) (6) SWD
: Wednesday, April 23, 2003 11:48 AM
Cc: (b) (6) SAALT; (b) (6) SWD
(b) (6) SWD; (b) (6) HQ02; (b) (6) HQ02; (b) (6)
Subject: SWT
RE: ACA comments

(b) (6)

Why don't you Army people understand we administer our own contracts? Your bunch mentions DCMA administration of the contract everytime we meet/talk. Is there a hidden agenda that we should be made aware of? If not, please explain your (ASAALT) reluctance for us to administer our own contracts? Wasn't cradle to grave the latest "fad" you all were pushing last time I read your webpages?

Thank you in advance for you answers,

(b) (6)

-----Original Message-----

From: (b) (6) SAALT [mailto:(b) (6)@us.army.mil]
Sent: Wednesday, April 23, 2003 10:16 AM
To: (b) (6) SWD
Cc: (b) (6) SWD; (b) (6) HQ02; (b) (6) SWD
Subject: ACA comments

<< File: COE project ACA comments.pdf >>

CE 555



REPLY TO
ATTENTION OF:

DEPARTMENT OF THE ARMY
HEADQUARTERS
SOUTHWESTERN DIVISION FORWARD ENGINEER SUPPORT
TEAM -MAIN (RIO)
CAMP DOHA, KUWAIT APO AE 09889

CFLCC-USACE-SWD-FEST-M

04 Aug 2003

MEMORANDUM FOR RECORD

SUBJECT: Standard Operating Process for Transferring Contractor Acquired Property (CAP) to Ministry of Oil (MOO)

1. Effective immediately the attached process will be used for transferring CAP to MOO.
2. The attached flow chart (Enclosure 1) provides the linked steps for transferring property. In support of the flow chart, the Standard Operating Procedures (SOP) (Enclosure 2) assigns internal and external roles. In addition the SOP defines relational responsibilities.
3. Adherence to this process by all Task Force RIO team members will ensure that the property transfer between the contractor (Kellogg, Brown and Root) and the MOO is timely. Application of this process will also strengthen accountability and decrease risk.
4. POC for this action is (b) (6), (b) (3) 438-3769.

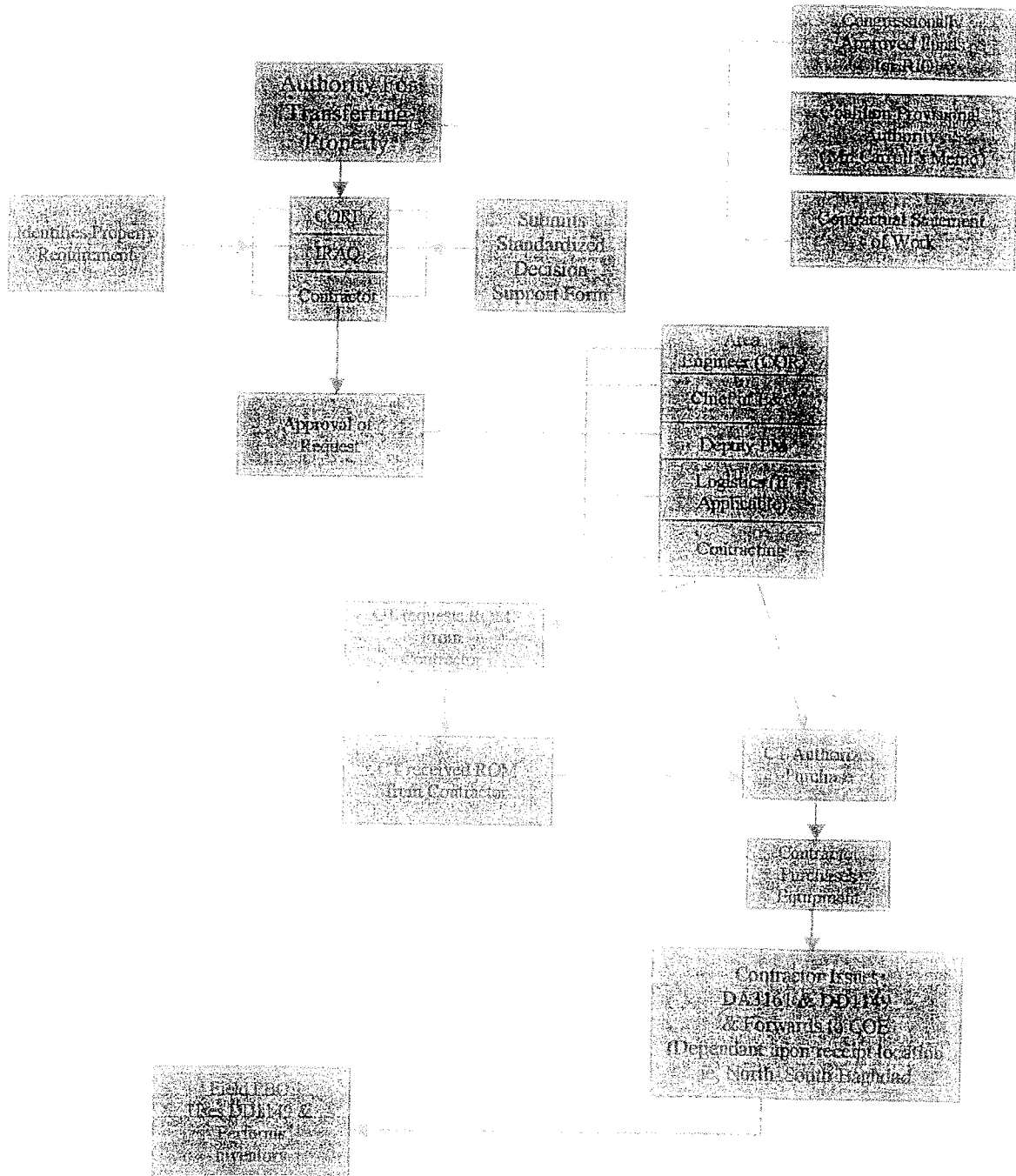
(b) (6), (b) (3)

Chief of Staff

See Enclosures

CF 587

TRANSFER OF PROPERTY TO IRAQ MINISTRY OF OIL (MOO) (DACA63 03-D-0005)



CE 581

PROPERTY HANDOVER
STANDARD OPERATING PROCEDURE
CONTRACT DACA63-03-D-0005
(1 August 2003)

1. Reference:

- a. Letter, Coalition Provisional Authority, Oil Directorate, dated June 16, 2003, Subject: Equipment, Supplies and Material for the Iraqi Oil Ministry.
- b. Message (E-mail), Loew, Gary CIV CFLCC-C7, dated June 20, 2003, Subject: Equipment Policy Letter.
- c. Message (E-mail), Eileen, Grant N CIV CFLCC-USACE SWD FEST, dated June 25, 2003, Subject: Instructions for transferring equipment, supplies and materials for the Iraqi Oil Ministry (IOM)...

2. Purpose:

Ensure proper transfer of Contractor Acquired Property (CAP) from KBR Team RIO to the Iraqi Oil Ministry.

3. Responsibilities:

a. USACE Team RIO:

Identifies property requirement through input from internal staff, KBR and IOM. Submits and approves standardized Decision Support form to ACO. ACO requests ROM from KBR and upon validation of request approves KBR's purchase of the equipment. Existing Army owned equipment may be considered for transfer from other locations to fill the need.

b. KBR Team RIO Leads, Supervisors and Managers:

Upon receipt of identified property transfer requirements, consolidates site specific lists of CAP to be turned over to the IOM, validates the accuracy of the lists, and passes them to the KBR Team RIO Property Manager on Excel spreadsheets, in the format to be provided. The list must include a full description (i.e. vehicle- make, model serial number, \$ value, color, Tag#).

c. KBR Team RIO Property Manager:

- 1. Initiate a permanent lateral transfer from KBR Team RIO to the USACE Field Property Book Officer (PBO) .
- 2. Prepare DD Form 1149 – Government's Requisition and Invoice/Shipping Document. Annotate with the information provided in the site-specific lists to include

the cost of each item and the total dollar amount. The form must be completed in its entirety.

3. Prepare DA Form 3161 – Request for Issue Or Turn-In by completing:

- (a) Block 1 - Send to (where items are to be shipped to), checking the issue box (placing X in the box), place the number of sheets in the NO. Sheets box.
- (b) Block 2 - Request From (annotate this block with Iraqi Oil Ministry)
- (c) Block 3 - Request No. (annotate this block with FEST-M (RIO)-CT correspondence number that initiated the request, i.e., FEST-M (RIO)-CT-03-03-45 dated June 24, 2003 is the letter authorizing the purchase of 33-25 passenger Buses, 40 Pajero's and 75 Small Pickups for the North Oil Company).
- (d) Block 4 - Voucher No. (annotate this block with the purchase order number or subcontract number in which the items were purchased under).
- (e) Block 5 - Dated Material Required (annotate this block with the date the material is required).
- (f) Block 12 - (annotate this block with the blanket statement: "The equipment listed on the attached DD Form 1149, _____ pages is Contractor Acquired Property that was purchased for the use on Contract Number DACA63-03-D-0005, Task Order Number _____ Restore Iraqi Oil Infrastructure, as approved by the Administrative Contracting Officer letter dated _____ and is hereby transferred for use by the Iraqi Oil Ministry as directed by the Director Oil Policy, Coalition Authority letter dated 16 June 2003".

Type Signature Authority Block in the bottom right hand side of Block 12 as follows:

Approved for transfer Date

- (g) Block 13 - (KBR Property Manager dates and signs).

4. Upon completion of DA Form 3161 and DD Form 1149 through Step 3 (g), KBR Team Rio Property Manager will forward the completed documents to the USACE Field Property Book Officer.

d. USACE Field Property Book Officer:

- (a) Upon receipt of completed DD Form 1149 and DA Form 3161, conducts inventory of property to be transferred.
- (b) Upon completion and accountability validation of the property, the Field Property Officer will forward the DD1149 and DA Form 3161 to the COR.

e. USACE COR:

- (a) Will review the DD 1149 and the DA Form 3161 and sign and date the DA Form 3161 as the Government's official approval (Block 14).

- (b) Upon signature, the COR will forward the two documents to the KBR Property Manager.

f. KBR Team RIO Property Manager:

- (a) Will transfer equipment to MOO with the USACE approved DA Form 3161 and DD 1149.
- (b) MOO will accept the equipment and sign and date the DA3161 or DD 1149 (Block 15).
- (c) Upon acceptance by MOO, KBR will generate a transmittal cover letter and deliver the signed and completed DA 3161 and DD 1149 to the USACE RIO Main Office ACO for the official contracting file.
- (d) Upon delivery and acceptance of the Government property by MOO, annotate property transfer in the KBR Team RIO Government Property database.

NOTE: A permanent lateral transfer means that this equipment will vest to the Iraqi Government, and KBR Team RIO will no longer manage the materials and assets as Government Property (GP) under the contract. KBR Team RIO will no longer have full use, control, accountability, or maintenance of the materials and assets, and acceptance by the IOM as authorized in CPA letter dated 16 June 2003 constitutes disposition under the terms of the contract.

g. USACE ACO:

- (a) Upon receipt of the completed DD 1149 and DA 3161, the ACO will place a copy of the completed transfer documents in the official contracting file.
- (b) ACO will also provide the USACE Team RIO Area Engineer a copy of the completed transfer documents (DA 3161 and DD 1149).

MAY -14 US (WED) 16:19

SASC-MAJORITY

TEL: 202 228 1387

P 002/002

JOHN WARNER, VIRGINIA, CHAIRMAN

JOHN MCCART, ARIZONA
JAMES M. INHOFE, OKLAHOMA
PAT ROBERTS, KANSAS
WAYNE ALLARD, COLORADO
JEFF SESSIONS, ALABAMA
SUSAN M. COLLINS, MAINE
JOHN INGRAN, NEVADA
JAMES M. TALANT, MISSOURI
SAMMY CHAMULISS, GEORGIA
LINDSEY O. GRAHAM, SOUTH CAROLINA
ELIZABETH DOLE, NORTH CAROLINA
JOHN CORNYN, TEXAS

GAIL LEVIN, MICHIGAN
EDWARD M. KENNEDY, MASSACHUSETTS
ROBERT C. BYRD, WEST VIRGINIA
JOSEPH I. LIBERMAN, CONNECTICUT
JACK REED, RHODE ISLAND
DANIEL K. AKAKA, HAWAII
BILL NELSON, FLORIDA
E. BENJAMIN NELSON, NEBRASKA
MAYN DAYTON, MINNESOTA
EVAN UAYH, INDIANA
HILARY RODHAM CLINTON, NEW YORK
MARK PRYOR, ARKANSAS

JUDITH A. ANSLEY, STAFF DIRECTOR
RICHARD D. DISBORES, DEMOCRATIC STAFF DIRECTOR

United States Senate

COMMITTEE ON ARMED SERVICES
WASHINGTON, DC 20510-6050

May 14, 2003

Lt. Gen. Robert B. Flowers, USA
Chief of Engineers
Army Corps of Engineers
441 G Street, N.W.
Washington, D.C.

Dear General Flowers:

Earlier this year, the Department of Defense awarded a sole-source contract to KBR (formerly Kellogg, Brown and Root) for the reconstruction of the Iraqi oil industry. I understand that this contract was awarded as a short-term "bridge" contract, with the expectation that a follow-on contract will be awarded later this year on the basis of full and open competition.

I would appreciate additional information on the "bridge" contract awarded to KBR. In particular, I would like copies of both the contract itself and each of the work orders issued under the contract to date. This material should be provided to Peter Levine of the Armed Services Committee staff.

I understand that the material that I am requesting is classified. I would appreciate if you would make arrangements in advance with Cindy Pearson, Committee's Security Manager, to ensure that the material is handled in an appropriate manner. Ms. Pearson can be reached on 202-224-8628.

Thank you for your assistance in this matter.

Sincerely,



Carl Levin
Ranking Member

CE 3720

HQ02

LEX 6

From:

[REDACTED] HQ02
Thursday, May 15, 2003 4:44 PM
[REDACTED]@HQDA.Army.Mil'

Cc:

Cheatham, James A MG HQ02; [REDACTED] HQ02; [REDACTED]
HQ02; [REDACTED] HQ02; [REDACTED] HQ02; [REDACTED] HQ02
Subject: READ AHEAD:SUPPORT CONTRACTS IN IRAQ (OUSA, FRI, 16 MAY, 1630-1730)

LTC Edens - attached please find the Cover Sheet and the Briefing for the USA for tomorrow.
Please confirm receipt. Thanks.



USA Brief Cover
Sheet.doc



BrownleeBrief-Iraq-
16May03.ppt...

LEX 5

50 pages
with held

Iraq Program Manager
HQUSACE

CE 2539

READ AHEAD COVER SHEET

SUBJECT: Support Contracts in Iraq

Date / Time / Location Prep Session:
N/A

Date / Time / Location of Event:
16 May 03 / 1630-1730 / 3E732

Action Officer: (b) (6)

ECC POC: (b) (6) 695-2183

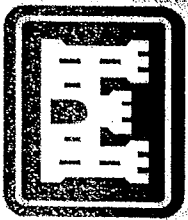
TEL Number: (202) 761 5644

E-Mail Address: (b) (6) @usace.army.mil

1. **PURPOSE:** U.S. Army Corps of Engineers update the USA on the current status of USACE contracting in Iraq
2. **BRIEFER(S) / ATTENDEES:** MG James Cheatham, (b) (6)
(b) (6) (briefer), (b) (6), (b) (6)
3. **ORIGINATOR / COORDINATION:** USA Office
4. **AGENDAS / OBJECTIVES:** Insure that the USA thoroughly understands the status of current contract support administered by USACE in Iraq.
5. **What are *The Army's* objectives / desired outcomes?** Insure USACE support to CENTCOM and the Office of Reconstruction and Humanitarian Assistance efforts in Iraq.
6. **How does the SA / CSA / USA / VCSA help to achieve *The Army's* objectives?**
No actions required.

APPROVED BY: MG James A. Cheatham

CF3540



U.S. Army Corps
of Engineers

Directorate of Military Programs

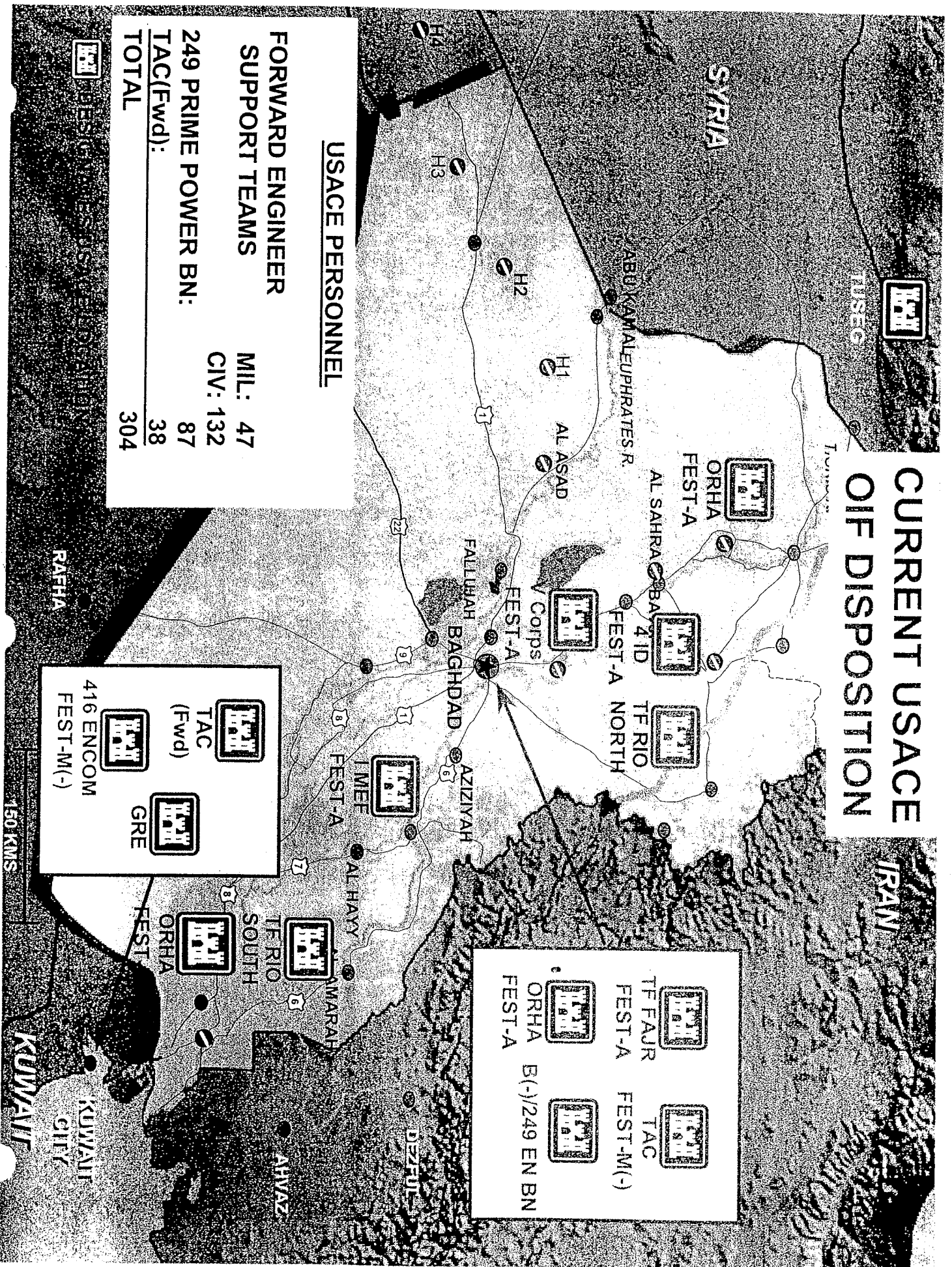
USACE SUPPORT TO IRAQ

Briefing for Mr. Brownlee

16 May 2003

CE 2541

CURRENT USACE OIF DISPOSITION



USACE PERSONNEL

FORWARD ENGINEER SUPPORT TEAMS	MIL: 47 CIV: 132
249 PRIME POWER BN:	87
TAC(Fwd):	38
TOTAL	304

TF FAJR
FEST-A
TAC
FEST-M(-)
ORHA
B(-)/249 EN BN
FEST-A

416 ENCOM
FEST-M(-)
TAC
(Fwd)
GRE

CE 2542



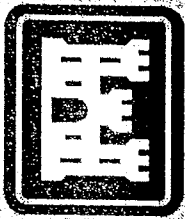
U.S. Army Corps
of Engineers

Directorate of Military Programs

USACE Support to Iraq

- Support to U.S. Forces
- Oil Mission
- USAID Support
- Other Support to the Office of Reconstruction and Humanitarian Assistance (ORHA)

CE 2543



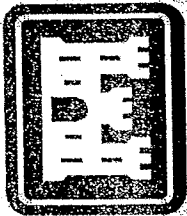
U.S. Army Corps
of Engineers

Support to U.S. Forces Overview

Directorate of Military Programs

- Support preparatory tasks for attack and redeployment
- Technical assistance to tactical units in mil ops
- Support defense agencies
- Support site selection for beddown of Army forces

7752 2544

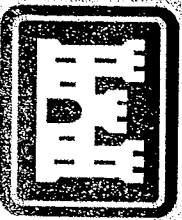


U.S. Army Corps
of Engineers

Directorate of Military Programs

U.S. SUPPORT TO REPAIR AND CONTINUITY OF OPERATIONS IN IRAQI OIL INFRASTRUCTURE

CE 2545



U.S. Army Corps
of Engineers

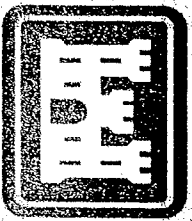
Directorate of Military Programs

Army Logistics Civil Augmentation Program (LOGCAP)

CE 2546

Army Joint Munitions Command

- Task Order for Planning Effort
(Contingency Support Plan) -
11 Nov 02 - \$1.9M to Kellogg, Brown and Root
(KBR)
- Letter Contract
 - Prepositioning Material and Equipment, and
Training -
14 Feb 03 - \$37.5M to KBR



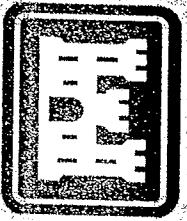
U.S. Army Corps
of Engineers

Delegations of Authority

Directorate of Military Programs

- Secretary of Defense designated Army as Executive Agent – 22 January 2003
- Army designated USACE as Executive Agent – 13 February 2003
- USACE designated Southwest Division for Program Management

CE-2547



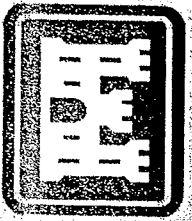
U.S. Army Corps
of Engineers

Directorate of Military Programs

Current Contract

- Sole Source Contract
- Rational – “only one responsible source”
- KBR developed the Contingency Support Plan
- Time of Essence – war imminent
- Justification and Approval
- Approved by ASA(ALT) – 28 Feb 03

CE 2548



U.S. Army Corps
of Engineers

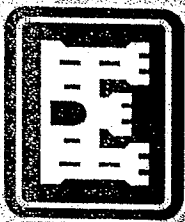
Kellogg, Brown, and Root

CE 2549

Directorate of Military Programs

- Indefinite Delivery, Indefinite Quantity
- Cost + Award Fee
- 2 years + three 1-year options
- Scope – very broad – excludes marketing and sales
- Cost not to exceed \$7B

Intent: bridge to full-and-open competition

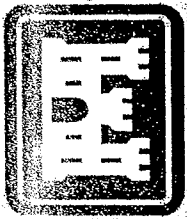


U.S. Army Corps
of Engineers

SCOPE

Directorate of Military Programs

- Firefighting
- Damage assessment
- Environmental assessment
- Design and construction
- Maintenance and operation of the oil fields
- Distribution of oil products



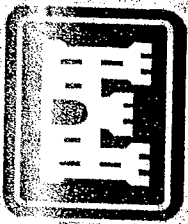
U.S. Army Corps
of Engineers

Decorate of Military Programs

KBR Contract Task Orders

CE 2551

- 5 Task Orders To Date – Total \$88.8M
- Pre Hostilities
 - Mobilize fire fighting, damage assessment, train / rehearse procedures
- Post Hostilities
 - Extinguish fires, respond to oil spills, assess damage, perform emergency repairs, provide life support facilities, domestic fuel supply



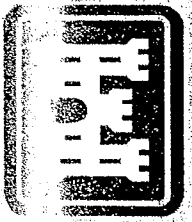
U.S. Army Corps
of Engineers

Directorate of Military Programs

Acquisition Strategy

- Currently under development
- Full and open competition
- VTCs with Acting DASA for Policy and Procurement

CE 2552



U.S. Army Corps
of Engineers

Directorate of Military Programs

Milestones

- Acquisition Strategy Approval 23 May
- Issue Solicitations 27 Jun
- Evaluation of Proposals 31 Aug
- Selection 30 Sep
- Award 15 Oct

CE 2553



U.S. Army Corps
of Engineers

Directorate of Military Programs

Support to USAID

CE 2554

- MOA status
- Task orders to be issued at theater level
- Corps to provide technical contract oversight services – Bechtel
- Reimbursable work
- Other Work Possible – geotech assessments, dam safety assessments, real estate, etc.

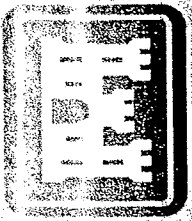


U.S. Army Corps
of Engineers

Directorate of Military Programs

OTHER SUPPORT TO OFFICE OF RECONSTRUCTION AND HUMANITARIAN ASSISTANCE

CE 2535



U.S. Army Corps
of Engineers

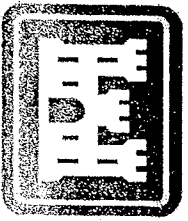
Directorate of Military Programs

ADDITIONAL

SUPPORT TO ORHA

- Support to Iraqi Ministries
- Dam assessments
- Watershed management assessment
- Facility assessments and repairs
- Countrywide GIS database

CE 2556



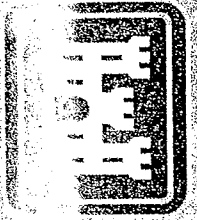
U.S. Army Corps
of Engineers

Disclosure of Military Programs

USACE TRANSATLANTIC PROGRAMS CENTER CONTRACTS

CENTCOM'S AOR

CE 2557



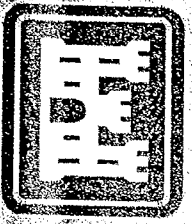
U.S. Army Corps
of Engineers

Directorate of Military Programs

Contractors

- Fluor Intercontinental, Inc
- Perini Corporation
- Washington Group

CE 2558



U.S. Army Corps
of Engineers

Contracts

Directorate of Military Programs

Each Contract – One Year

- Starting on 1 April 03
- Indefinite Delivery/Indefinite Quantity Type
- Maximum amount of each contract \$100M
- No option years

CF 2559



U.S. Army Corps
of Engineers

Directorate of Military Programs

Scope

- Design-build type task orders either fixed-price or cost-reimbursable basis
- Purely construction task order
- Orders can be competed among three contractors

CE 2560



U.S. Army Corps
of Engineers

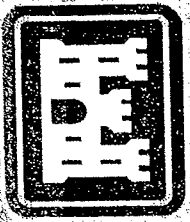
Directorate of Military Programs

Type of Work

Full Range

- New permanent and temporary construction
- Restoration/renovation/reconstruction
- Operation and maintenance
- Urgent work for preservation of human life and property
- Damage assessment surveys
- Feasibility studies

CE 2561



U.S. Army Corps
of Engineers

Directorate of Military Technology

Use

- To support U.S. military forces
- Agencies of U.S. Government
- Other friendly foreign governments

CE 2562



U.S. Army Corps
of Engineers

Potential Projects

Directorate of Military Programs

- Afghan/Tajik Bridge - \$12M
- Classified projects - \$100M
- Support in Kuwait/Afghanistan
- Contingency bed down support for U.S. military

CE 2563

(b) (6) HQ02

From: (b) (6) HQ02
Sent: Thursday, May 15, 2003 4:44 PM
To: (b) (6) @HQDA.Army.Mil
Cc: Cheatham, James A MG HQ02; (b) (6) HQ02; (b) (5)
HQ02; (b) (6) HQ02; (b) (6) HQ02; (b) (6) HQ02
Subject: READ AHEAD:SUPPORT CONTRACTS IN IRAQ (OUSA, FRI, 16 MAY, 1630-1730)

(b) (6) - attached please find the Cover Sheet and the Briefing for the USA for tomorrow.
Please confirm receipt. Thanks.



USA Brief Cover Sheet.doc BrownleeBrief-Iraq-16May03.ppt...

(b) (6)
Iraq Program Manager
HQUSACE

READ AHEAD COVER SHEET

SUBJECT: Support Contracts in Iraq

Date / Time / Location Prep Session:
N/A

Date / Time / Location of Event:
16 May 03 / 1630-1730 / 3E732

Action Officer: (b) (6)

ECC POC: (b) (6) 695-2183

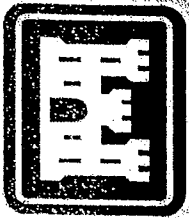
TEL Number: (202) 761 5644

E-Mail Address: (b) (6) @usace.army.mil

1. **PURPOSE:** U.S. Army Corps of Engineers update the USA on the current status of USACE contracting in Iraq
2. **BRIEFER(S) / ATTENDEES:** MG James Cheatham, (b) (6), (b) (6) (briefer), (b) (6) (b) (6)
3. **ORIGINATOR / COORDINATION:** USA Office
4. **AGENDAS / OBJECTIVES:** Insure that the USA thoroughly understands the status of current contract support administered by USACE in Iraq.
5. **What are *The Army's* objectives / desired outcomes?** Insure USACE support to CENTCOM and the Office of Reconstruction and Humanitarian Assistance efforts in Iraq.
6. **How does the SA / CSA / USA / VCSA help to achieve *The Army's* objectives?**
No actions required.

APPROVED BY: MG James A. Cheatham

CE 2565



U.S. Army Corps
of Engineers

Directorate of Military Programs

USACE SUPPORT TO IRAQ

Briefing for Mr. Brownlee

16 May 2003

CE 2566

CURRENT USACE OIF DISPOSITION



IRAN

SYRIA

TUSEC

MALEUPHATES R.

ORHA
FEST-A

AL SAHRA

TF RIO
NORTH

AL ASAD

V/Corps

FALLUJAH
BAGHDAD

FEST-A

2

9

8

7

6

5

4

3

2

1

TF FAJR
FEST-A

TAC
FEST-M(-)

ORHA

B(-)/249 EN BN

I MEF

FEST-A

AL HAVY

TF RIO

SOUTH

ORHA

FEST

416 ENCOM

FEST-M(-)

8

7

6

5

4

3

2

1

0

DEZFUL

AVHAZ

MARAH

AL HAVY

TF RIO

SOUTH

ORHA

FEST

416 ENCOM

150 KMS

KUWAIT CITY

KUWAIT

RAFHA

USACE PERSONNEL

FORWARD ENGINEER
SUPPORT TEAMS

MIL: 47
CIV: 132

249 PRIME POWER BN:

87

TAC(Fwd):

38

TOTAL

304

CE 2567



U.S. Army Corps
of Engineers

USACE Support to Iraq

Directorate of Military Programs

- Support to U.S. Forces
- Oil Mission
- USAID Support
- Other Support to the Office of Reconstruction and Humanitarian Assistance (ORHA)



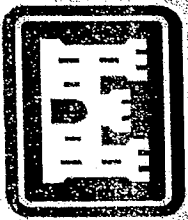
U.S. Army Corps
of Engineers

Directorate of Military Programs

Support to U.S. Forces Overview

- Support preparatory tasks for attack and redeployment
- Technical assistance to tactical units in mil ops
- Support defense agencies
- Support site selection for beddown of Army forces

CE 2569



U.S. Army Corps
of Engineers

Directorate of Military Programs

U.S. SUPPORT TO REPAIR AND CONTINUITY OF OPERATIONS IN IRAQI OIL INFRASTRUCTURE

CE 2570



U.S. Army Corps
of Engineers

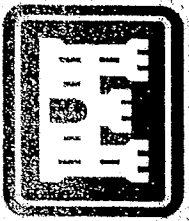
Directorate of Military Programs

Army Logistics Civil Augmentation Program (LOGCAP)

CE 2571

Army Joint Munitions Command

- Task Order for Planning Effort
(Contingency Support Plan) -
11 Nov 02 - \$1.9M to Kellogg, Brown and Root
(KBR)
- Letter Contract
 - Prepositioning Material and Equipment, and
Training -
14 Feb 03 - \$37.5M to KBR



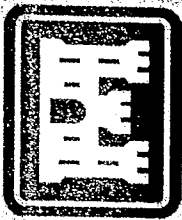
U.S. Army Corps
of Engineers

Directorate of Military Programs

Delegations of Authority

CE 2572

- Secretary of Defense designated Army as Executive Agent – 22 January 2003
- Army designated USACE as Executive Agent – 13 February 2003
- USACE designated Southwest Division for Program Management



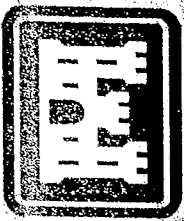
U.S. Army Corps
of Engineers

Directorate of Military Programs

Current Contract

- Sole Source Contract
- Rationale – “only one responsible source”
 - KBR developed the Contingency Support Plan
 - Time of Essence – war imminent
- Justification and Approval
 - Approved by ASA(ALT) – 28 Feb 03

CE 2573



U.S. Army Corps
of Engineers

Directorate of Military Programs

Kellogg, Brown, and Root

CE 2574

- Indefinite Delivery, Indefinite Quantity
- Cost + Award Fee
- 2 years + three 1-year options
- Scope – very broad – excludes marketing and sales
- Cost not to exceed \$7B

Intent: bridge to full-and-open competition



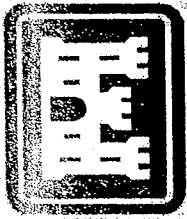
U.S. Army Corps
of Engineers

Directorate of Military Programs

SCOPE

- Firefighting
- Damage assessment
- Environmental assessment
- Design and construction
- Maintenance and operation of the oil fields
- Distribution of oil products

CE 2575



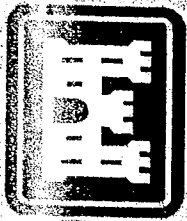
U.S. Army Corps
of Engineers

Decade of Military Programs

KBR Contract Task Orders

CE 2576

- 5 Task Orders To Date – Total \$88.8M
- Pre Hostilities
 - Mobilize fire fighting, damage assessment, train / rehearse procedures
- Post Hostilities
 - Extinguish fires, respond to oil spills, assess damage, perform emergency repairs, provide life support facilities, domestic fuel supply



U.S. Army Corps
of Engineers

Directorate of Military Programs

Acquisition Strategy

- Currently under development
- Full and open competition
- VTCs with Acting DASA for Policy and Procurement

CE 2577



U.S. Army Corps
of Engineers

Directorate of Military Programs

Milestones

- Acquisition Strategy Approval 23 May
- Issue Solicitations 27 Jun
- Evaluation of Proposals 31 Aug
- Selection 30 Sep
- Award 15 Oct

CE 2578



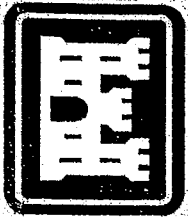
U.S. Army Corps
of Engineers

Directorate of Military Programs

Support to USAID

- MOA status
- Task orders to be issued at theater level
- Corps to provide technical contract oversight services – Bechtel
- Reimbursable work
- Other Work Possible – geotech assessments, dam safety assessments, real estate, etc.

CE 2579

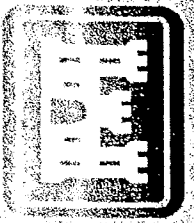


U.S. Army Corps
of Engineers

Directorate of Military Programs

OTHER SUPPORT TO OFFICE OF RECONSTRUCTION AND HUMANITARIAN ASSISTANCE

CE 2580



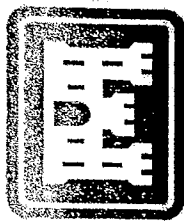
U.S. Army Corps
of Engineers

Directorate of Military Programs

ADDITIONAL SUPPORT TO ORHA

- Support to Iraqi Ministries
- Dam assessments
- Watershed management assessment
- Facility assessments and repairs
- Countrywide GIS database

CE 2581



U.S. Army Corps
of Engineers

Directorate of Military Operations

USACE TRANSATLANTIC PROGRAMS CENTER CONTRACTS

CENTCOM'S AOR



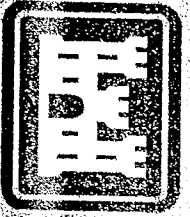
U.S. Army Corps
of Engineers

Directorate of Military Programs

Contractors

- Fluor Intercontinental, Inc
- Perini Corporation
- Washington Group

CE 2583



U.S. Army Corps
of Engineers

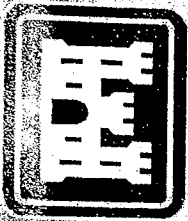
Directorate of Military Programs

Contracts

Each Contract – One Year

- Starting on 1 April 03
- Indefinite Delivery/Indefinite Quantity Type
- Maximum amount of each contract \$100M
- No option years

CE 2584



U.S. Army Corps
of Engineers

Directorate of Military Programs

Scope

- Design-build type task orders either fixed-price or cost-reimbursable basis
- Purely construction task order
- Orders can be competed among three contractors

CE 2585



U.S. Army Corps
of Engineers

Directorate of Military Programs

Type of Work

Full Range

- New permanent and temporary construction
- Restoration/renovation/reconstruction
- Operation and maintenance
- Urgent work for preservation of human life and property
- Damage assessment surveys
- Feasibility studies

CE 2586



U.S. Army Corps
of Engineers

Directorate of Military Programs

Use

- To support U.S. military forces
- Agencies of U.S. Government
- Other friendly foreign governments

CE 2587



U.S. Army Corps
of Engineers

Directorate of Military Programs

Potential Projects

- Afghan/Tajik Bridge - \$12M
- Classified projects - \$100M
- Support in Kuwait/Afghanistan
- Contingency bed down support for U.S. military

CE 2588

(b) (6) HQ02

From: (b) (6) SWD
Sent: Friday, April 18, 2003 4:04 PM
To: (b) (6) SWD; (b) (6)@dodgc.osd.mil'
Cc: (b) (6) HQ02; (b) (6) HQ02; (b) (6) SWD; (b) (6) SWD; (b) (6) SWD; Schultz, Michael L COL SWD
Subject: RE: Estimate for Import and Distribution of Refined Products within Iraq

Just talked to (b) (6), with RIO Forward. Apparently, a decision has been made that the Iraqi Oil Company South will do the distribution mission.

RIO will focus on getting the oil flowing and into the refineries.

(b) (6)
Division Counsel

-----Original Message-----

From: (b) (6) SWD
Sent: Friday, April 18, 2003 1:12 PM
To: (b) (6) SWD; (b) (6)@dodgc.osd.mil'
Cc: (b) (6) HQ02; (b) (6) HQ02; (b) (6) SWD; (b) (6) SWT;
(b) (6) SWD; Schultz, Michael L COL SWD
Subject: RE: Estimate for Import and Distribution of Refined Products within Iraq

I meant to add that we doubt it is physically possible to do this. As we discussed, it requires purchase of 2,420 trucks; 7,260 drivers. etc.

In discussions with DFSC today we were told they had trouble coming up with 20 trucks.

Nevertheless, this is our best estimate of the cost of the task we we handed.

(b) (6)
Division Counsel

-----Original Message-----

From: (b) (6) SWD
Sent: Friday, April 18, 2003 1:09 PM
To: (b) (6)@dodgc.osd.mil'
Cc: (b) (6) HQ02; (b) (6) HQ02; (b) (6) SWD; (b) (6) SWT;
(b) (6) SWD; (b) (6) SWD
Subject: FW: Estimate for Import and Distribution of Refined Products within Iraq

Here is the estimate we discussed on the phone.

(b) (6)
Division Counsel

CE 6838

(b) (6) HQ02

From: (b) (6) HQ02
Sent: Thursday, April 24, 2003 12:10 PM
To: (b) (6) HQ02; (b) (6) HQ02
Subject: FW: 60 Minutes Interview - Chief Counsel, USACE

fyi ron

-----Original Message-----

From: (b) (6) ASA-CW [mailto:(b) (6)@us.army.mil]
Sent: Thursday, April 24, 2003 11:53 AM
To: (b) (6)
Subject: FW: 60 Minutes Interview - Chief Counsel, USACE

(b) (6)

Apparently your Counsel asked more than one person to take care of this. (b) (6) has already sent (b) (6) message directly to the Vice President's office. I suppose someone might want to advise the Secretary of the Army.

(b) (6)

=====

(b) (6)
Deputy Assistant Secretary of the Army
Office of the Assistant Secretary for Civil Works
Pentagon 3E431, Washington, DC 20310-0108
Tel: (703) 695-1370
(b) (6)@hqda.army.mil

-----Original Message-----

From: (b) (6) ASA-CW
Sent: Thursday, April 24, 2003 9:20 AM
To: 'Carol.A.Sanders@HQ02.USACE.ARMY.MIL'
Cc: (b) (6) (E-mail)
Subject: RE: 60 Minutes Interview - Chief Counsel, USACE

Carol:

Many thanks for forwarding this to me. I was on travel yesterday, and did not have the occasion to use the telephone, etc. or to track down the right person, so I forwarded your message to Dana Perino, Communications Director for CEQ. She advises that she forwarded it to a Jennifer Millerwise, whom I presume is associated with Vice President Cheney

I appreciate your and (b) (6) good attention to these sensitive matters.

Kind Regards,

(b) (6)

=====

(b) (6)

Deputy Assistant Secretary of the Army

9/23/2004

CE 6871

Office of the Assistant Secretary for Civil Works
 Pentagon 3E431, Washington, DC 20310-0108
 Tel: (703) 695-1370
 (b) (6) @hqda.army.mil

-----Original Message-----

From: Carol.A.Sanders@HQ02.USACE.ARMY.MIL [mailto:Carol.A.Sanders@HQ02.USACE.ARMY.MIL]
Sent: Wednesday, April 23, 2003 8:37 AM
To: (b) (6) ASA-CW
Subject: Fw: 60 Minutes Interview - Chief Counsel, USACE

(b) (6)

Need your help please. Rob andersen asked that we get a note to the Office of the Vice President that during the 60 Minutes interview he was asked several times about connection to the Vice President and he kept reiterating that the decision was made by career civil servants. More details are below. I'm in an all day meeting but my cell is (b) (6). Do you have a way to get this to the White House? Thank you.

Carol

Sent via remote wireless technology
 Carol Sanders

-----Original Message-----

From: Sanders, Carol A HQ02 <Carol.A.Sanders@HQ02.USACE.ARMY.MIL>
To: (b) (6) (E-mail) <(b) (5) @us.army.mil>; Gaylord, Robert E. BG <Robert.Gaylord@us.army.mil>; (b) (6) HQ02 <(b) (6) @us.army.mil>; (b) (6) HQ02 <(b) (6) @USACE.ARMY.MIL>; (b) (6) HQ02 <(b) (6) @us.army.mil>; Cheatham, James A MG HQ02 <James.A.Cheatham.MG@HQ02.USACE.ARMY.MIL>; Flowers, Robert B LTG HQ02 <robert.b.flowers@us.army.mil>; Griffin, Robert H MG HQ02 <Robert.H.Griffin@us.army.mil>; (b) (6) HQ02 <(b) (6) @us.army.mil>; Strock, Carl MG HQ02 <Carl.A.Strock@us.army.mil>; Van Winkle, Hans A MG HQ02 <Hans.A.VanWinkle@US.ARMY.MIL>; (b) (6) HQ02 <(b) (6) @HQ02.USACE.ARMY.MIL>

CC: Pawlik, Eugene A LTC HQ02 <Eugene.A.Pawlik.LTC@HQ02.USACE.ARMY.MIL>; (b) (6) (E-mail) <(b) (6) @hqda.army.mil>; (b) (6) HQ02 <(b) (6) @HQ02.USACE.ARMY.MIL>; (b) (6) HQ02 <(b) (6) @HQ02.USACE.ARMY.MIL>

Sent: Tue Apr 22 18:59:59 2003

Subject: 60 Minutes Interview - Chief Counsel, USACE

Mr. Robert Andersen, Chief Counsel, USACE, participated in a 60 Minutes Interview today in New York regarding the sole source award of the oil response contract to Kellogg, Brown and Root. The interview was done by Steve Croft, and lasted about an hour. Mr Andersen answered the questions succinctly and was able to make many of the points we had planned. Mr. Croft asked a number of questions repeatedly, but Mr. Andersen's answers did not vary. (See below for more specifics. They said he was a good interview..but then they probably say that to all the guys!) CBS said the story will be aired on Sunday, 27 April. They also sent a film crew over this afternoon to get some establishing shots and shot footage of Mr. Andersen's office, the USACE Operations Center and some general office shots. Others interviewed for this story were: Halliburton VP Mr. Chuck Dominy; Congressman Waxman; Steve Schooner (GW Scholar on Federal Contract Law) and Paul Light of Brookings. Mr. Croft said they would probably also tie in the contracts that USAID awarded recently. We'll monitor the website to see what the angle of the story is as they begin promoting this week.

Vr

Carol Sanders

9/23/2004

CE 6872

I have more notes, but following are some specifics:

Mr. Andersen used several messages for the interview and was able to reiterate them a number of times:

- * The Federal procurement process is sound and is done under strict laws.
- * The sole source award to Kellogg, Brown and Root was justified given the unique circumstances and short time frame.

- * The outcome was the best possible to protect the oil assets of the Iraqi people

He also gave the interviewer an understanding of

- * the fixed price and cost plus contracts as well as how the award fee is determined
- * sole source justification
- * the time line of the award.

His bottom line message was:

We did the right thing.

Mr. Croft asked about the following:

- * Mission of the Corps:
- * How much of the Corps budget is contracted out: (We said around 70% of the 12.9 Billion budget)
- * Corps involvement in Iraq:
- * Oil fire contract with KBR, cost, who put out the fires. (Several times we made the point that the \$7 Billion was a worse case scenario. Task orders so far have totalled \$50 million.)
- * How did we decided on KBR as the contractor without competitive bidding?
- * What companies are able to do work like this?
- * Did the VP having a stake in Halliburton have anything to do with the contract award?
- * Bob Grace's company wanting to bid
- * Letter to Sen Breaux from Assistant Secretary Alan Alvarez saying "too early to speculate"
- * Payment for Boots and Coots per day

(End)

A few soundbites:

"Truth is much more bland, so much more uninteresting than what comes out of this. I'm a career public servant."

Procurement system is designed to have integrity.

There was no contact whatsoever (with the VP office.)

There no doubt are situations related to the rebuilding of Iraq in which a DPAS rating is not appropriate. An example would be the contracts for reconstruction which have been let by AID. So far as I know, AID does not have the authority to use these ratings.

The decisions on whether these responsibilities are to be executed by DOD, AID, State Department, etc., are being made at the highest levels of government. I don't know all the political considerations which could impact how those decisions are made. However, to the extent that they are assigned to DOD, it appears relatively clear that they are DOD missions and that executing them is the responsibility of DOD.

It is possible that because of sensitivities relating to the re-authorization of the Defense Production Act, a policy decision could be made that even though this is a DOD mission we don't want to use the DPAS rating system further for this contract. Those types of calls are not made at the execution level.

(b) (6)

Division Counsel

-----Original Message-----

From: (b) (6) OSD-ATL [mailto:Gary.Powell@osd.mil]

Sent: Tuesday, May 06, 2003 12:29 PM

To: (b) (6) CIV, OSD-POLICY

Cc: (b) (6) OSD-ATL; (b) (6) OSD-ATL

Subject: RE: FEST-M Contract Status

Importance: High

(b) (6)

I've talked to (b) (6); he directed me to you for additional information. He said that all of his contracts have the DPAS clause/rating (see FAR 11.604, 52.211-14, and 52.211-15). Normally, this would not be of special interest since **virtually all DoD contracts are "rated" under DPAS**. What's different here is the fact that, these contracts are not for the **direct** benefit of DoD - they're not for fighters, bombers, warships, tanks, military satellites, radars, missiles, electronics, etc. (or subsystems/components for such) for the US armed forces. Rather, they are (as I understand) for oil infrastructure refurbishment for the "government/people" of Iraq. Normally, if we use DPAS to benefit another nation, we can do so only if the USD(AT&L) determines that doing that advances the US national defense. No such approval has been sought in this case. (b) (6) indicated that he (and I believe he said his lawyers) believe he can apply DPAS ratings to these contracts because, as an occupying nation, the US has a legal and moral responsibility to rebuild Iraq. I might add that Sec Rumsfeld has issued a memo instructing all members of DoD to aid in this rebuilding; so, even if I were to conclude that special permission was not - but should have been - secured before proceeding, there would be an excellent chance that permission would be forthcoming.

Having said all of the above, during a hearing on reauthorization of the Defense Production Act (from which all DPAS authorities flow) earlier this year, several members of Congress expressed concerns about using DPAS authorities in such instances. Some were confused about what DPAS does and its relationship to sole source contracts that they inferred were issued due to "insider" connections. Others questioned how "rebuilding Iraq" could be a militarily urgent task that advanced US national defense. I am trying to gather some information to better understand what we are doing and under what authority we are doing it. If we are not careful some members (in my judgment) may seek to limit our ability to use DPAS by amending the Defense Production Act when it comes up for renewal this summer (it expires September 30, 2003).

(b) (6) indicated you would be able to help me get my arms around the issue via D&Fs, etc. for the work on-going. Hence the information that I asked for, below.

My intention is to collect pertinent information, analyze it, and discuss the implications with my boss - the Deputy Under Secretary of Defense for Industrial policy (b) (6)

(b) (6) HQ02

From: (b) (6) SWD
nt: Friday, March 14, 2003 8:26 AM
Subject: (b) (6) HQ02
Indemnity



Risk Defined2.doc

Here is KBR's response after review of the indemnity language. Note that the change is the to language they provided; not to anything we put in the document at SWD. One wonders why they provided language which they now want to change. However, I have no objection to including the changed language.

(b) (6)
Division Counsel

-----Original Message-----

From: Mary Wade [mailto:Mary.Wade@Halliburton.com]
Sent: Friday, March 14, 2003 7:22 AM
To: (b) (6) SWD; Mary Wade; Chris Heinrich
Cc: (b) (6) SWD (b) (6) SWT
Subject: RE: More on Indemnity

All - here is the change. One minor one as we felt the wording could be construed as only pertaining to oil wells and our planning certainly encompasses the entire spectrum of the oil infrastructure.

Mary Wade
Contracts Manager - LOGCAP
Brown & Root Services
Phone: 713-676-7918
Cell: (b) (6)
Fax: 713-676-3777
email: mary.wade@halliburton.com

-----Original Message-----

From: (b) (6) SWD [mailto:(b) (6)@swd02.usace.army.mil]
Sent: Thursday, March 13, 2003 1:49 PM
To: 'Mary Wade'
Cc: (b) (6) SWD; (b) (6) SWT
Subject: More on Indemnity

ached copy of Enclosure A is sanitized. Assume you have the FAR provision. Think that is all that will be needed.

CE 484

(b) (6)
Division Counsel

(b) (6) HQ02

From: (b) (6) SWD
nt: Friday, March 14, 2003 2:08 PM
J: (b) (6) HQ02; (b) (6) SWD (b) (6) @osd.mil
Cc: (b) (6) SWT
Subject: FW: Pass to Steve Lake Follow-up to telephone conversations

I have temporarily put the brakes on the effort to check into international insurance. We still are dealing with a classified project on which there has been a very limited declassification. In the opinion of our security officer an inquiry into the international insurance market on these risks is a security problem. Before this can be done, it may need to be cleared with someone in the Garner group.

(b) (6)
Division Counsel

-----Original Message-----

From: (b) (6) SWD
Sent: Friday, March 14, 2003 11:37 AM
To: (b) (6) OSD-POLICY'
Cc: (b) (6) SWD
Subject: FW: Pass to Steve Lake Follow-up to telephone conversations

-----Original Message-----

From: Mary Wade [mailto:Mary.Wade@Halliburton.com]
nt: Friday, March 14, 2003 11:35 AM
J: (b) (6) SWD; (b) (6)
Cc: (b) (6) SWD
Subject: RE: Follow-up to telephone conversations

(b) (6) - we are having the insurance department run the trap on the insurance but do not expect to have an answer back until the middle of next week. We will fax you a copy of the Kuwaiti Oil Company indemnification.

Mary Wade
Contracts Manager - LOGCAP
Brown & Root Services
Phone: 713-676-7918
Cell: (b) (6)
Fax: 713-676-3777
email: mary.wade@halliburton.com

-----Original Message-----

from: (b) (6) SWD [mailto:(b) (6) @swd02.usace.army.mil]
Sent: Friday, March 14, 2003 11:15 AM
To: 'mary.wade@halliburton.com'

Cc: (b) (6) SWD

Subject: Follow-up to telephone conversations

ary,

Per our discussion, please provide the following items via fax to 214-767-2504

1. What about insurance, have you exhausted all means obtaining same? What about int'l insurers, i.e. Lloyds?
2. Need copy of pages from your contract with Kuwait Oil Company in 1991 that address the indemnification they gave you.

(b) (6) HQ02

From: (b) (6) SWD
Sent: Friday, March 14, 2003 8:25 AM
To: (b) (6) HQ02
Cc: (b) (6) HQ02
Subject: FW: More on Indemnity

(b) (6)

(b) (6) has forwarded this change in definition to (b) (6) to be presented this morning. Please ensure (b) (6) gets it. Thanks. (b) (6)

-----Original Message-----

From: Mary Wade [mailto:Mary.Wade@Halliburton.com]
Sent: Friday, March 14, 2003 7:22 AM
To: (b) (6) SWD; Mary Wade; Chris Heinrich
Cc: (b) (6) SWD; (b) (6) SWT
Subject: RE: More on Indemnity

All - here is the change. One minor one as we felt the wording could be construed as only pertaining to oil wells and our planning certainly encompasses the entire spectrum of the oil infrastructure.

Mary Wade
Contracts Manager - LOGCAP
Brown & Root Services
Phone: 713-676-7918
Cell: (b) (6)
Fax: 713-676-3777
email: mary.wade@halliburton.com

-----Original Message-----

From: (b) (6) SWD [mailto:(b) (6)@swd02.usace.army.mil]
Sent: Thursday, March 13, 2003 1:49 PM
To: 'Mary Wade'
Cc: (b) (6) SWD; (b) (6) SWT
Subject: More on Indemnity

Attached copy of Enclosure A is sanitized. Assume you have the FAR provision. Think that is all that will be needed.

(b) (6)
Division Counsel

7/22/2004

CE 5242

ENCLOSURE A

DEFINITION OF UNUSUALLY HAZARDOUS RISKS

The definition of the unusually hazardous risks to which the contract indemnification clause will apply is as follows:

KBR has requested that the indemnity provision contain the following specific language concerning coverage of the provision:

*"Provision *****of any personnel or equipment and performance of any and all services of any kind on any well or reservoir or any surface or subsurface equipment ancillary to or in any way connected to or used in support of such well or reservoir including by way of example only but not limited to a) drilling services utilizing drilling rigs, workover rigs, and directional drilling equipment, and provision of all necessary associated supplies including drill bits and tubular goods (b) provision of drilling fluids, completion fluids and well control fluids including mud engineering services, (c) high pressure pumping services including cementing, acidizing, fracturing and well control services (d) logging and perforating services including tubing conveyed perforating well completion products and services and downhole tools (e) real time data collection services and reservoir description and analysis services (f) transportation of personnel, specialized equipment and material to and from any worksite, (g) services of any kind in, on or relating to refineries, petrochemical plants, gas plants, pipelines, gathering systems or any other facilities that form part of the hydrocarbon infrastructure."*

This includes, but is not limited to, the following risks:

1. Liability to the owners or third parties for damage to the property, both below and above the ground, and for damage to facilities or equipment at the site.
2. Liability for personal injury, illness, or death to employees and third parties.
3. Loss of oil, gas, water, or mineral substances, including damage to the reservoir or other underground damage, loss of well control, or damages resulting from a wild well.
4. Liability for environmental damage to water, land, or other resources.
5. Liability for damage caused by underground or surface damage, including loss of well bore, subsurface trespass or similar claims.
6. Liability for damage resulting from fire; explosion; subsurface pressure; radioactivity; contamination and pollution of any kind and its cleanup and control.

CE 5243

7. Liability for failure to recover or protect any tooling, equipment or instruments which are lost or lodged in the well.

8. Liability for unplanned well-control events, due to the frequent existence of unforeseen and unforeseeable circumstances related to these services.

9. Liability resulting from exposure to UXO, mines, lethal chemical agents, biological agents, or nuclear particles in the work area. The term "lethal chemical agents," for the purposes of this clause, means (i) the agents GB, VX, or mustard; (ii) any other military chemical agent encountered at the work site; or (iii) any other highly toxic, carcinogenic, mutagenic, teratogenic, or psychotropic chemical resulting from a reaction with the items listed in (i) or (ii) above.

Provided that this indemnification clause shall in no way indemnify the contractor against civil or criminal fines or penalties imposed by governmental agencies; nor shall this clause indemnify the contractor against the costs of defending, settling, or otherwise participating in such civil or criminal actions brought in or by such governmental agencies.

CE 5244

(b) (6) SWG

From: (b) (6) SWT
Sent: Friday, March 21, 2003 7:56
To: (b) (6) SWG
Subject: FW: Indemnification flowdown
fyi

-----Original Message-----

From: (b) (6) SWT
Sent: Friday, March 21, 2003 7:33 AM
To: (b) (6) AKO; (b) (6) AKO
Subject: FW: Indemnification flowdown

(b) (6) (b) (6)

this is related to info in yesterday's (20 Mar) daily report. This permits prime to show the indemnity agreement to subs.

(b) (6)

-----Original Message-----

From: (b) (6) SWD
Sent: Friday, March 21, 2003 7:28 AM
To: (b) (6) SWD; 'Mary Wade'
Cc: (b) (6) SWT; (b) (6) SWD
Subject: RE: Indemnification flowdown

We passed up the need to declassify the indemnity language last night. This morning our operations cell got a phone call from (b) (6) in our headquarters, who had discussed the issue with (b) (6) in DOD. They made a decision to allow the subcontractors to see the indemnity language and to catch the declassification paperwork up later. We passed on to (b) (6). Please control it as tightly as possible until the actual declassification occurs.

What we need for the subcontractors is something like what you sent us initially--a copy of the clauses they use in their normal commercial business and something about what role they will be playing. You already sent us the clause used by B&C in their commercial business. Gordon has to have something in the file to justify granting indemnity to the subcontractors.

(b) (6)

Division Counsel

-----Original Message-----

From: (b) (6) SWD
Sent: Friday, March 21, 2003 6:59 AM
To: 'Mary Wade'
Cc: (b) (6) SWD
Subject: RE: Indemnification flowdown

Mary,

Okay, however, I need to justify each sub-contract's indemnification. Can you please draft me something for each of them describing generically what they need it for. This will help.

(b) (6)

-----Original Message-----

3/21/2003

CE 5245

From: Mary Wade [mailto:Mary.Wade@Halliburton.com]
Sent: Thursday, March 20, 2003 6:03 PM
To: (b) (6) @usace.army.mil
Subject: Indemnification flowdown

(b) (6), here are the subcontractors we need you to approve for the indemnification flowdown. We'll tackle the nut again in the morning on declassification of the document.

Cudd Well Control, an RPC, Inc. Company

Global Pressure Control, Inc.

Halliburton Energy Services, Inc. and its 2 subcontractors:

Wild Well Control, Inc. and

Boots & Coots International Well Control, Inc.

Mary Wade

Contracts Manager - LOGCAP

Brown & Root Services

Phone: 832-

Cell (b) (6)

Fax: 713-676-3777

email: mary.wade@halliburton.com