

*Presentation  
at the*

***Army Procuring  
Contracting Officer  
Training Symposium***

*by*

***Brigadier General  
Robert Crear***

*President-designee, Mississippi River Commission  
Commander, Mississippi Valley Division  
U S Army Corps of Engineers*

*July 11, 2006*



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# Briefing Outline

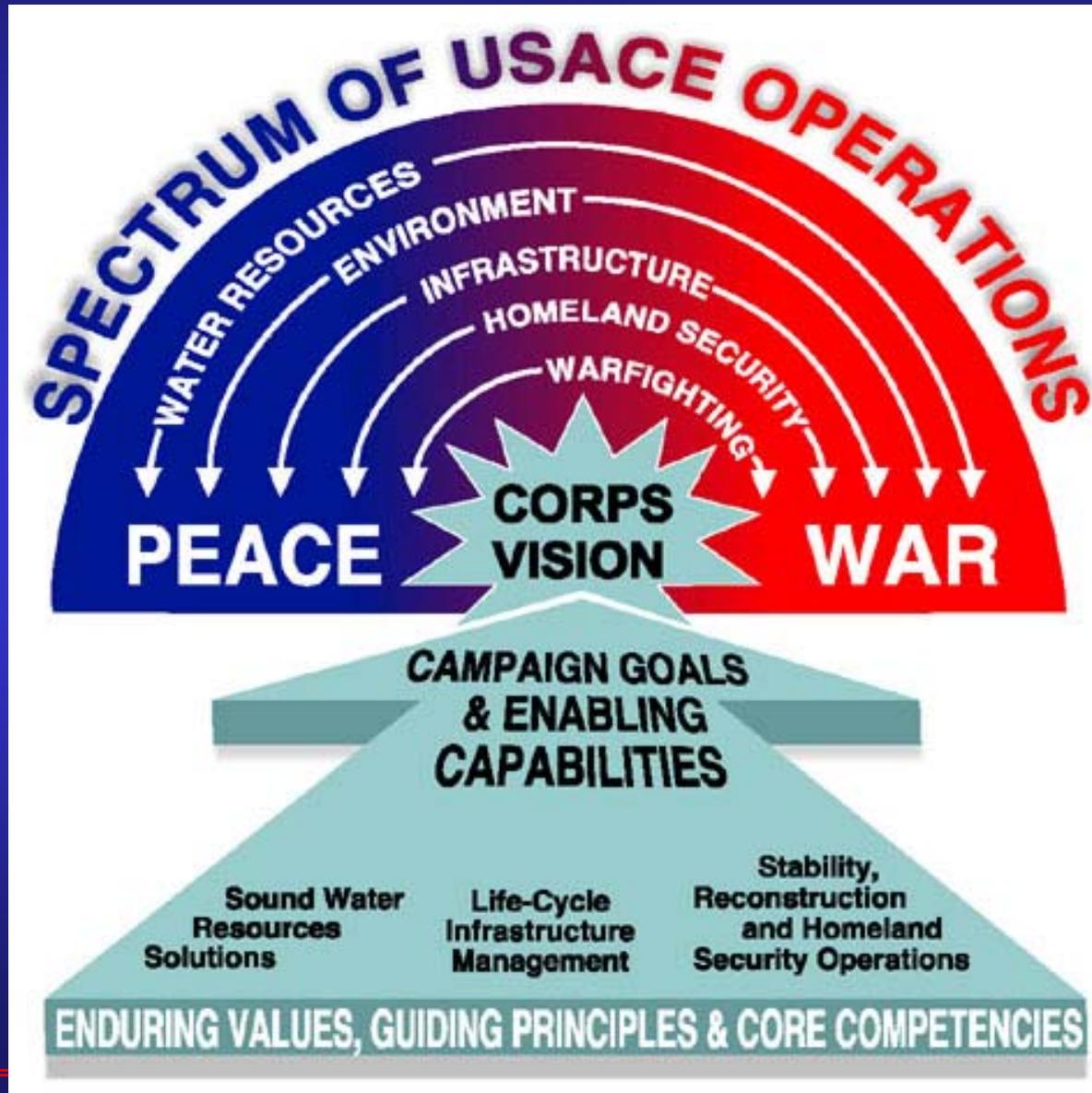


- **USACE Mission**
- **Civil Works Boundary**
- **MVD Civil Works Mission Areas**
- **MVD Obligation Trends**
- **Task Force Restore Iraqi Oil**
- **Task Force Hope**



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# USACE Mission





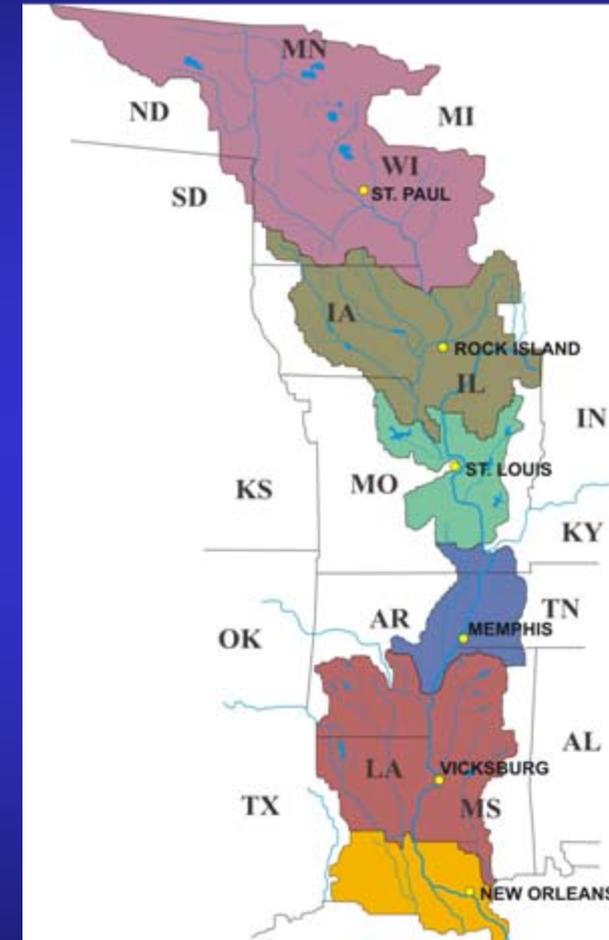
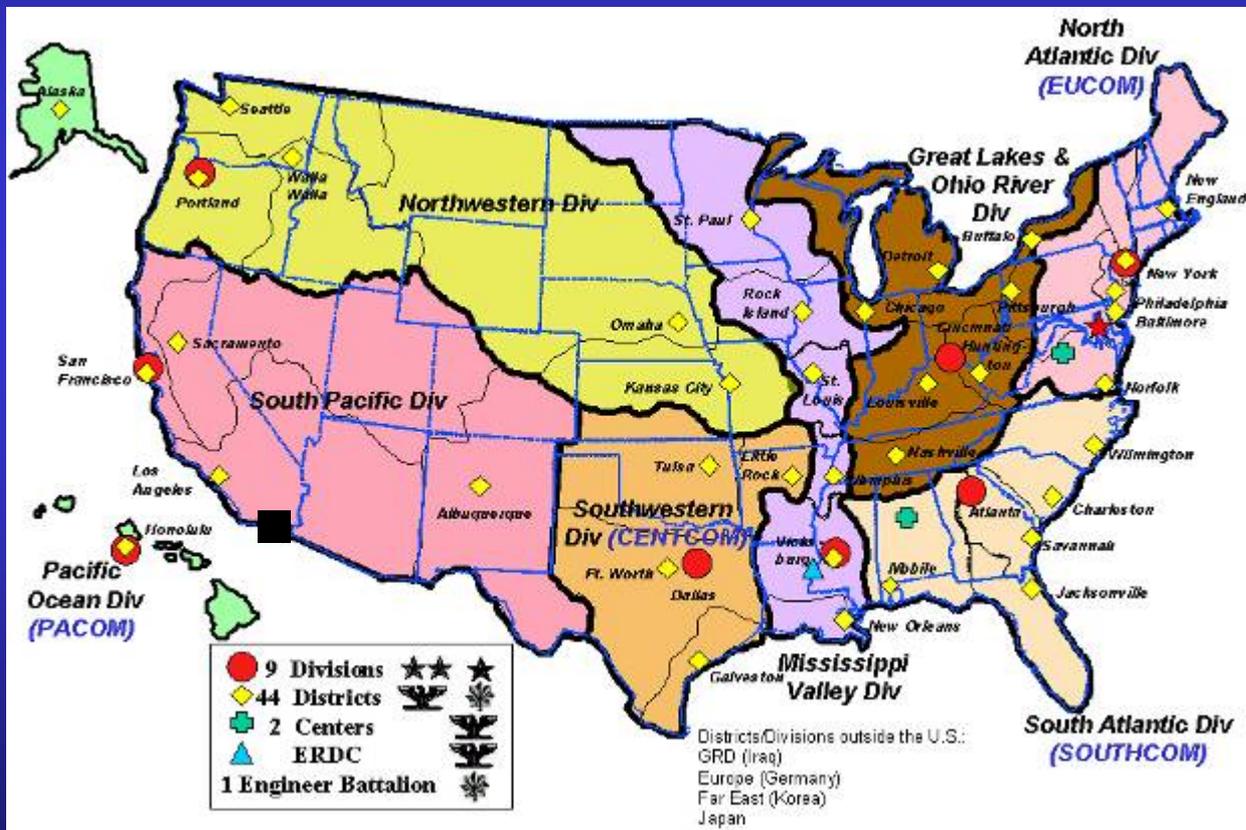
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# Civil Works Boundary



## ■ People:

- Corps wide - 35,000
- Civil Works - 25,000
- MVD - 5,000



**One Team: Relevant, Ready, Responsive, Reliable**

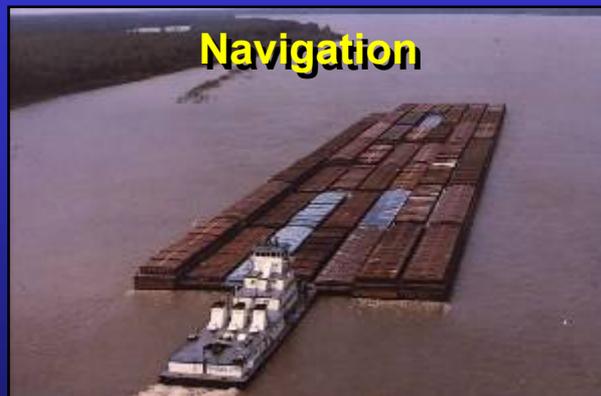


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# Mississippi Valley Division



## Civil Works mission areas



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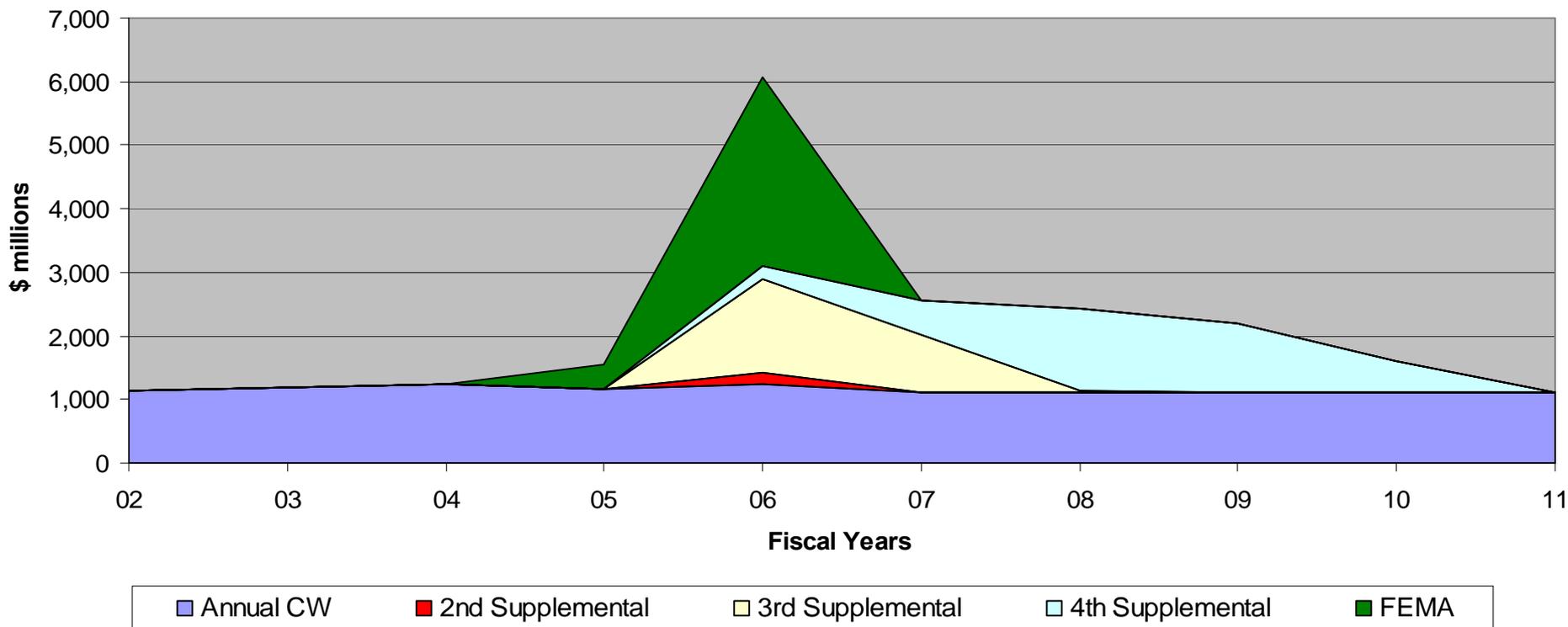


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# MVD Obligation Trends



MVD Total Program Obligations



An industrial oil refinery scene with a large fire burning in the background. The fire is bright orange and yellow, with thick black smoke rising into the sky. In the foreground, there are various pieces of industrial equipment, including pipes, valves, and a large vertical tank on the right side. The sky is a clear, pale blue.

# Task Force Restore Iraqi Oil

*Together with the Iraqi people, Task Force RIO's mission was to safely and effectively restore the oil infrastructure of Iraq to ensure the economic recovery of Iraq.*



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# Iraq - Overview



- **World's 2<sup>nd</sup> largest known oil reserves**
- **Nation the size of California**
- **95% of nation's income from oil**



- **Oil Fields Geographically separated**
  - 40% in north (Kirkuk)
  - 60% in south (Basra)
  - Largest refineries in Bayji, Baghdad, and Basra





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# Diversity of Forces



- **USACE military (Active Duty and Reservists)**
- **Oil Subject-matter experts**
- **Government civilians (DA and others)**
- **Iraqi sub-contractors**
- **Third country nationals**
- **General contractors**
  - **KBR and Parsons**
- **Coalition Forces**
- **60,000 Iraqi oil workers**





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# Initial Situation



- **Anticipated \$7-13 billion in damages**
- **ROM identified \$1.4 billion total damages**
- **\$940 million of total due to looting**
  - **75%+ of all damage**
- **Refining capability hampered - unable to meet domestic needs**
- **Ongoing requirement for escorts, security**
- **Initial contract signed March 2003**
  - **10 Task Orders**
  - **\$2,408 million total**
  - **\$823 million, 34% OMA Funds**
  - **\$1,585 million, 66% Iraqi Funds**



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# Milestones



- 13 April 03: All oil well fires extinguished**
- Mid-April 03 Stood up NOC and SOC**
- 22/26 April 03: 1<sup>st</sup> oil South/North**
- 3 May 03: MOO Director General Appointed**
- 24 May 03: UN lifted oil export sanctions**
- 28 June 03: 1<sup>st</sup> crude loaded via MABOT Terminal**
- 18 October 03: 2,000,000+ barrels per day**
- 31 December 03: 2,300,000+ barrels per day**
- 27 February 04: 2,500,000 barrels per day**

***One Team: Relevant, Ready, Responsive, Reliable***



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# Restore Iraqi Oil Contingency Contracting

- **\$4.4 billion**
  - **\$1.45 billion – import of fuel**
  - **\$ 2.95 billion – oil infrastructure**
- **1<sup>st</sup> contract was awarded as a Cost Plus Award Fee contract to KBR on a non-competitive basis**
- **Follow-on contracts were awarded as Cost Plus Award Fee contracts on a competitive basis**
  - **Parsons – Southern oil fields, NTE \$800 million**
  - **KBR – Northern oil fields, NTE \$1.2 billion**



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# United States Funded Tasks



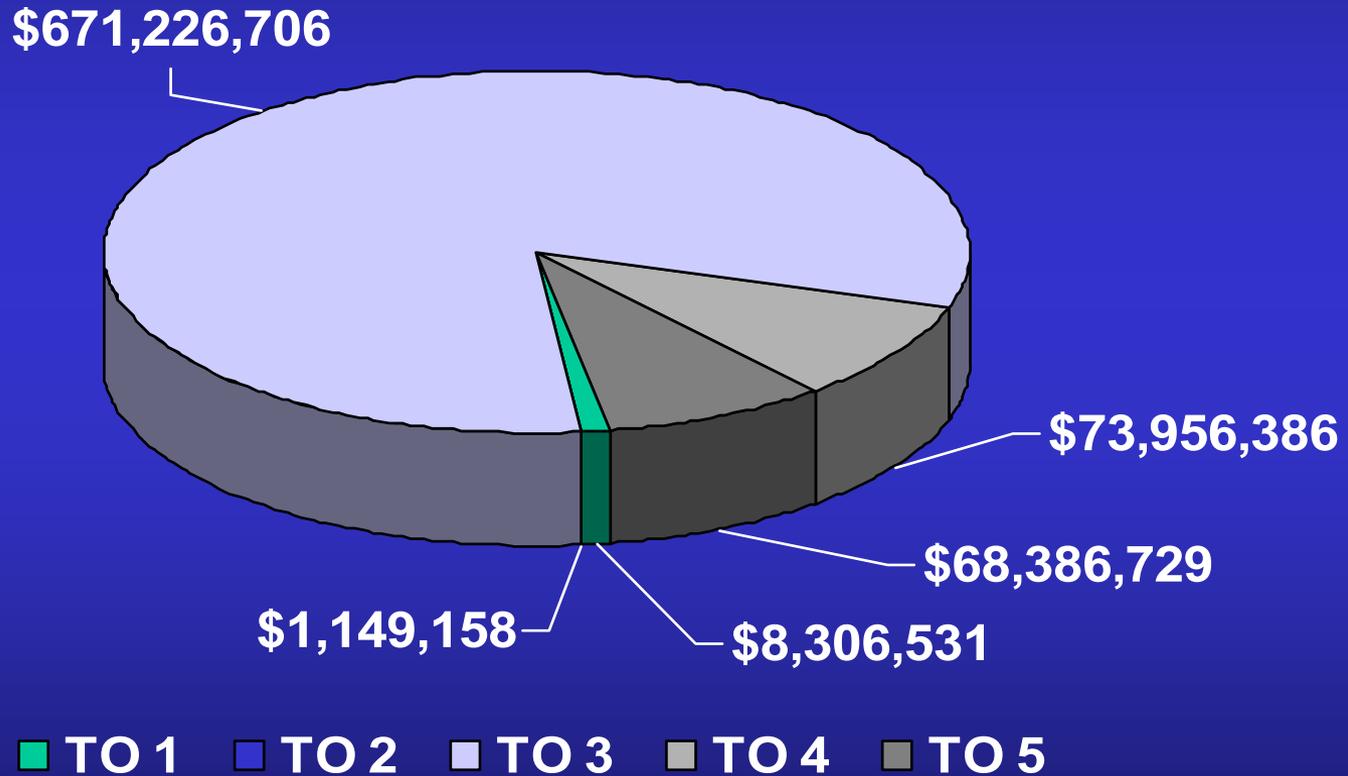
- **Task Order 1: Provide for pre-positioning of equipment and personnel in Kuwait and for training of troops by subject matter experts to safely shut down oil infrastructure.**
- **Task Order 2: Provide preliminary design work for major pieces of oil field infrastructure in the event of catastrophic damage.**
- **Task Order 3: Provide basic oil infrastructure assessments, purchase necessary equipment, and make essential repairs.**
- **Task Order 4: Provide life support services for both RIO and KBRS personnel.**
- **Task Order 5: Provide support for Iraq oil restoration and for fuel distribution.**
  - **Repair fuel products distribution systems**
  - **Procure, import, and distribute refined liquid and gas products to meet domestic demand within Iraq.**



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# United States Appropriated Funds



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# Iraqi Funded Tasks



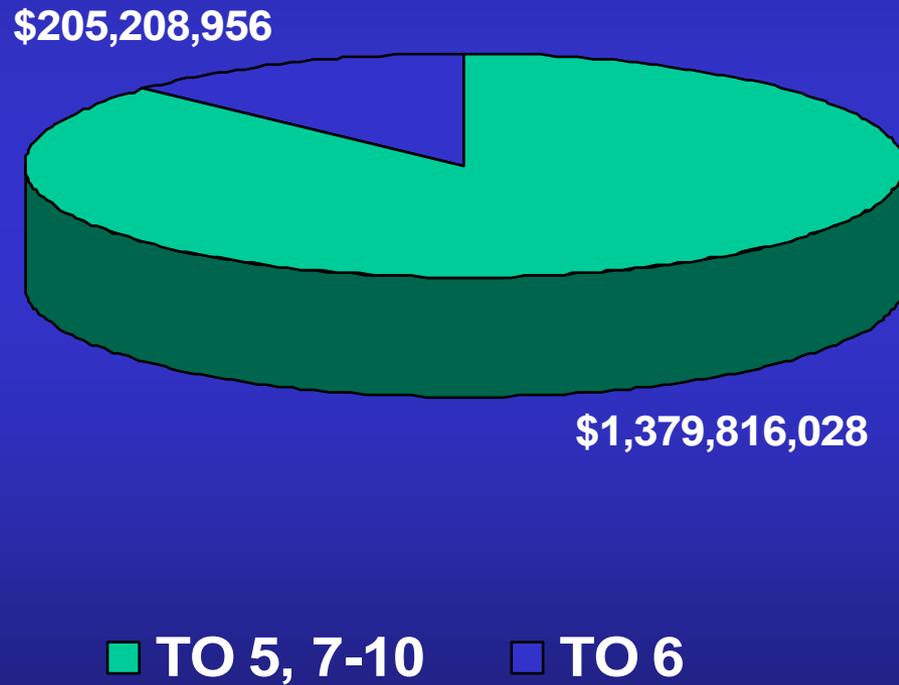
- **Task Orders 5, 7, 8, 9 and 10: Provide support for Iraq oil restoration and for fuel distribution.**
  - **Repair fuel products distribution systems**
  - **Procure, import, and distribute refined liquid and gas products to meet domestic demand within Iraq.**
  
- **Task Order 6: Provide for the restoration of essential oil infrastructure.**
  - **Restore pipeline crossing the Tigris River**
  - **Assist Iraqi Ministry of Oil with installation of 50 km pipeline from Kirkuk to the Tigris River**
  - **Install emergency back-up generation capability at various locations.**



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# Iraqi Funds



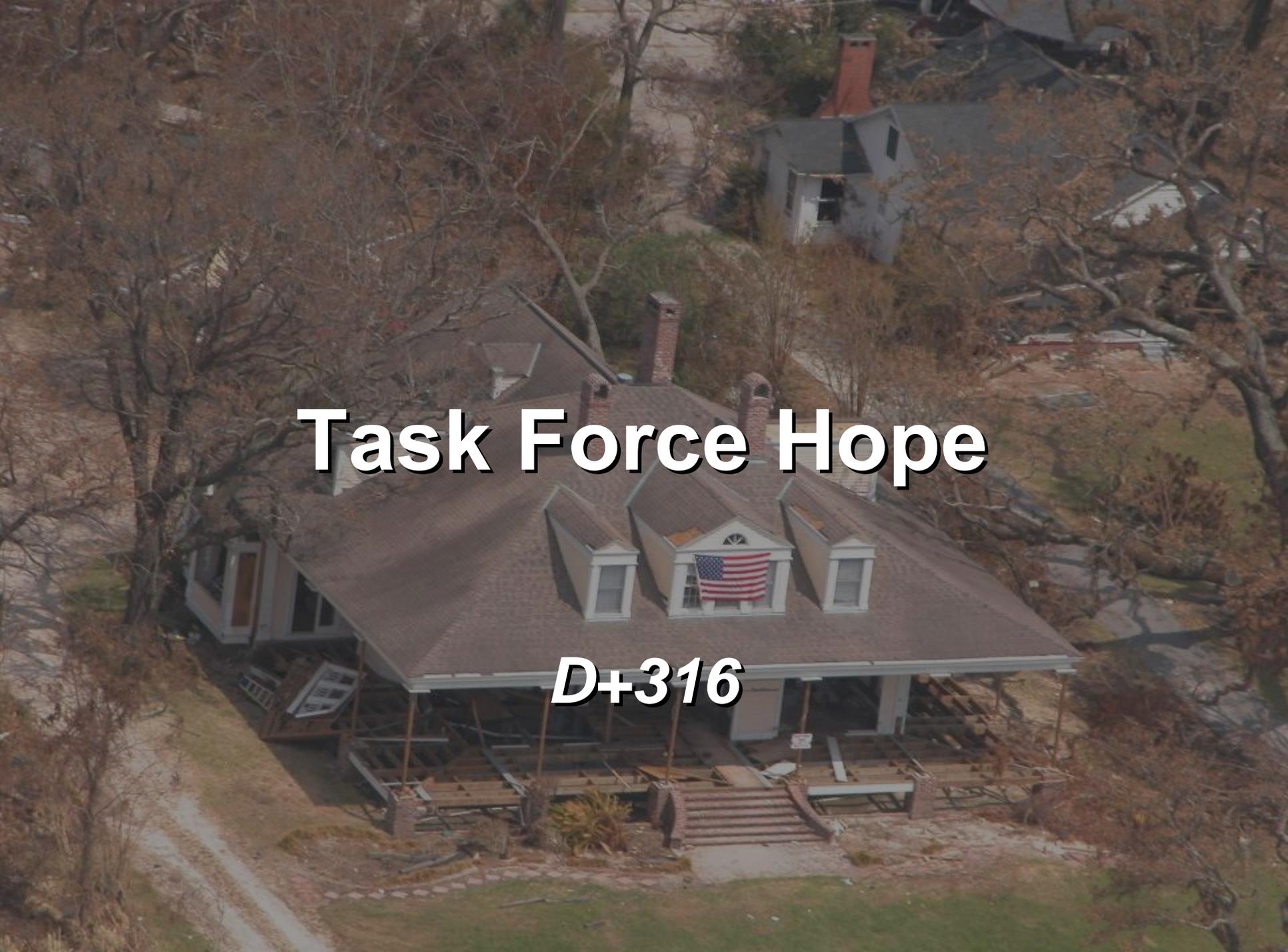


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# Lessons Learned



- **Support to the soldier is the priority**
- **Sole source and competitive**
- **Documentation**
- **Process beyond reproach**
- **AAA & DCMA imbedded**
- **Congressional testimony**
- **Integrity of the acquisition process**



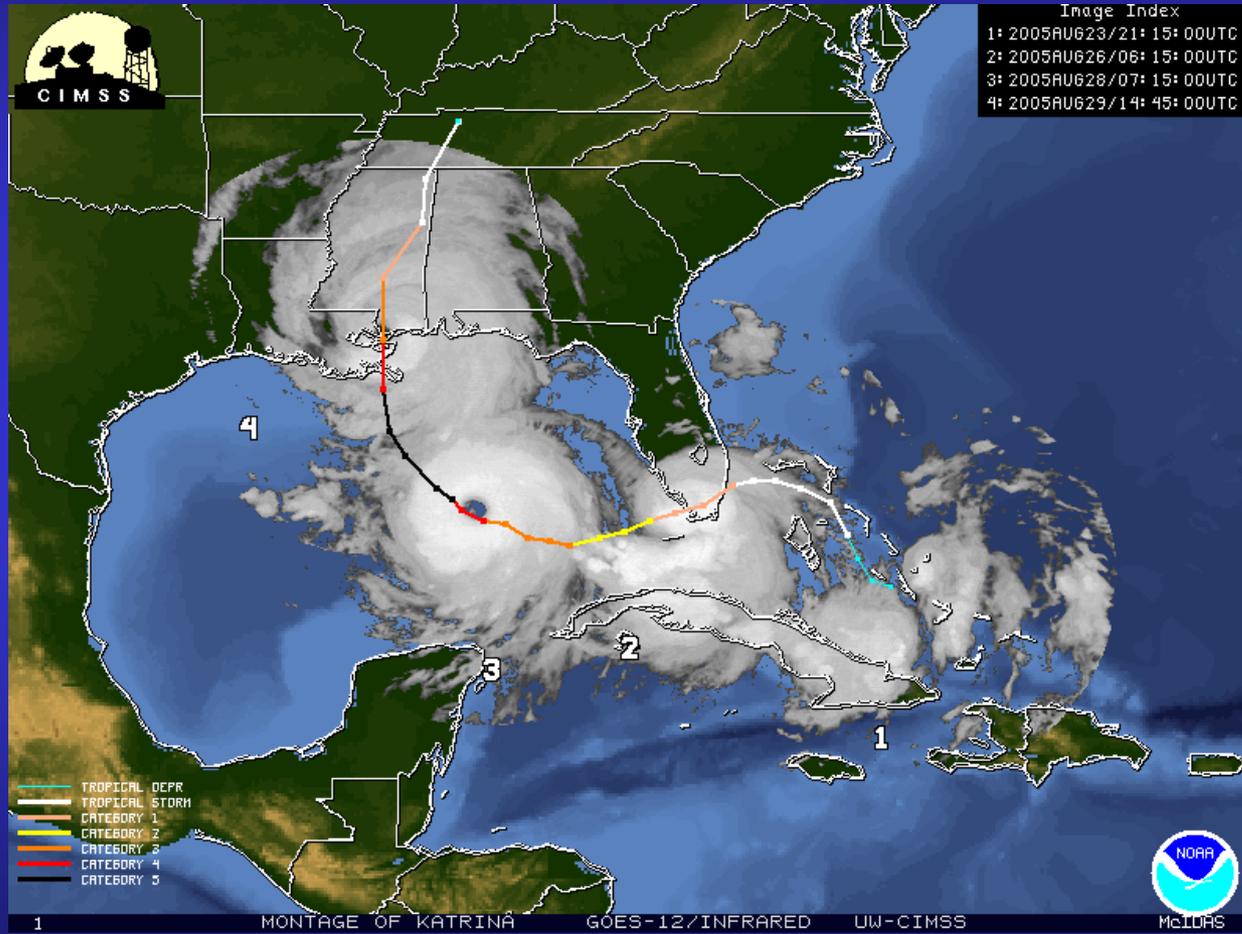
# Task Force Hope

*D+316*



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# Hurricane Katrina



- One of America's largest natural disasters
- Category 5 strength less than 12 hours before landfall
- 127 MPH wind at Louisiana landfall
- Maximum surge of 28-30 feet along Mississippi coast
- 75 percent of New Orleans flooded



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# Mission



## Task Force Hope mission areas:

- **Support Federal Emergency Management Agency**
  - Unwater New Orleans
  - Provide ice, water, power, debris removal, temporary roofing and technical assistance
- **Support Department of Defense response**
  - Support Joint Task Force Katrina
- **Continue inherent Corps of Engineers missions**
  - Flood control
  - Navigation
  - Civil works projects
- **Reconstitute New Orleans District**

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# Commander's Intent

- **PURPOSE**: Save lives, sustain life, and set conditions for recovery
  
- **METHOD**
  - Aggressively execute FEMA and PL 84-99 missions
  - Operate on three fronts
  - Focus on unwatering to set conditions for recovery
  - **Aggressively mobilize Corps and contractor resources**
  - Work closely with federal, state, local and international partners
  - Maintain sense of urgency – citizens need our assistance
  - Emphasize safety, integrity, and care of people daily
  - Continue to execute other missions within the MVD AOR
  
- **ENDSTATE**: State and local officials able to handle government service and functions, New Orleans District fully operational, and all MVD and USACE personnel safely re-deployed

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# Organization



**USACE TF**  
*MG Riley*  
*BG Grisoli*

**TF Hope**  
*BG Crear*

**TF Hope Main**  
*COL Bleakley*

**TF Hope Forward**  
*Dan Hitchings*

**Rock Island District**  
*COL Gapinski*  
*TF Unwater*

**New Orleans District**  
*COL Wagenaar*  
*N.O. Response*  
*Reconstitution*

**Vicksburg District**  
*COL Vesay*  
*MS RFO*

**Memphis District**  
*COL Smithers*  
*LA RFO*

**St. Louis District**  
*COL Setliff*  
*CW Mission*  
*TF Guardian*

**St. Paul District**  
*Housing Mission*  
*LTC Kunkle*

**EFO-W**  
**SWD-SWT**  
**LTC**

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# Enablers



- Willingness to help
- District Engineers and District employees
- Mississippi Valley Division and District hurricane contingency response plans
- New Orleans District un-watering plan
- Rehearsals and site visits months before hurricane season began
- G-III....Motor Vessel Mississippi....mat sinking unit
- U. S. Army Corps hired labor crews and equipment





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# FEMA Mission Status



## Hurricane Katrina

<i>Mission</i>	<i>Louisiana</i>	<i>Mississippi</i>	<i>Complete</i>
Ice	<b>1,533 trucks</b>	<b>1,300 trucks</b>	<b>100%</b>
Water	<b>2,178 trucks</b>	<b>939 trucks</b>	<b>100%</b>
Power			
<b>Assessed</b>	<b>871</b>	<b>466</b>	<b>100%</b>
<b>Installed</b>	<b>268</b>	<b>150</b>	<b>100%</b>
Roofing	<b>81,318</b>	<b>49,892</b>	<b>100%</b>
Structures	<b>280</b>	<b>726</b>	<b>95%</b>
Debris	<b>23.1 million cy</b>	<b>20.1 million cy</b>	<b>89%</b>
Funding			
<b>Allocated</b>	<b>\$2.13 billion</b>	<b>\$1.31 billion</b>	
<b>Obligated</b>	<b>\$1.78 billion</b>	<b>\$1.18 billion</b>	<b>87%</b>



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# Southeast Louisiana Hurricane Protection



- **REPAIR**: Return pre-Katrina protection to hurricane-damaged components by 1 June 2006 (**Mission Accomplished**)
- **RESTORE**:
  - Restore undamaged levees/floodwalls to originally authorized heights by 1 Sep 2007
  - Correct Floodwall Deficiencies
- **COMPLETE**: Accelerated completion of unconstructed portions of authorized projects by Sep 2007
- **IMPROVE**: Make improvements to optimize the performance of the existing system
- **CERTIFY**: Raise system to provide 100 year level of protection by 2010
- **EVALUATE HIGHER LEVELS OF PROTECTION**: Louisiana Coastal Protection and Restoration Report - preliminary report due June 2006, final December 2007



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# Estimated Total Cost



Previously Appropriated Funds	\$2.06 billion
4th Supplemental Bill	\$3.65 billion
<b>Total Funds Provided / Requested</b>	<b>\$5.71 billion</b>

## 4<sup>th</sup> Supplemental Work:

Outfall canal closures and pump stations	\$530 M
Improvements to IHNC	\$350 M
Selective armoring of levees and floodwalls	\$170 M
Storm proofing pump stations	\$250 M
Repair non-Federal levees in Terrebonne Parish	\$30 M
Incorporate non-Federal levees in Plaquemines Parish	\$215 M
'Jump Start' ecosystem restoration	\$20 M
I-Wall replacement	\$1,584 M
MRGO Study	\$3 M
100-year flood protection	\$495 M
<b>TOTAL 4<sup>th</sup> Supplemental</b>	<b>\$3,647 M</b>



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# Task Force Guardian



## MISSION:

- Hurricane Protection
- Restored to pre-Katrina levels by 1 June

## DAMAGE:

- 169 miles levee/floodwalls
- 4 gated structures
- 66 pump stations

## PROGRAM COST:

- \$801M

## KEY INITIATIVES:

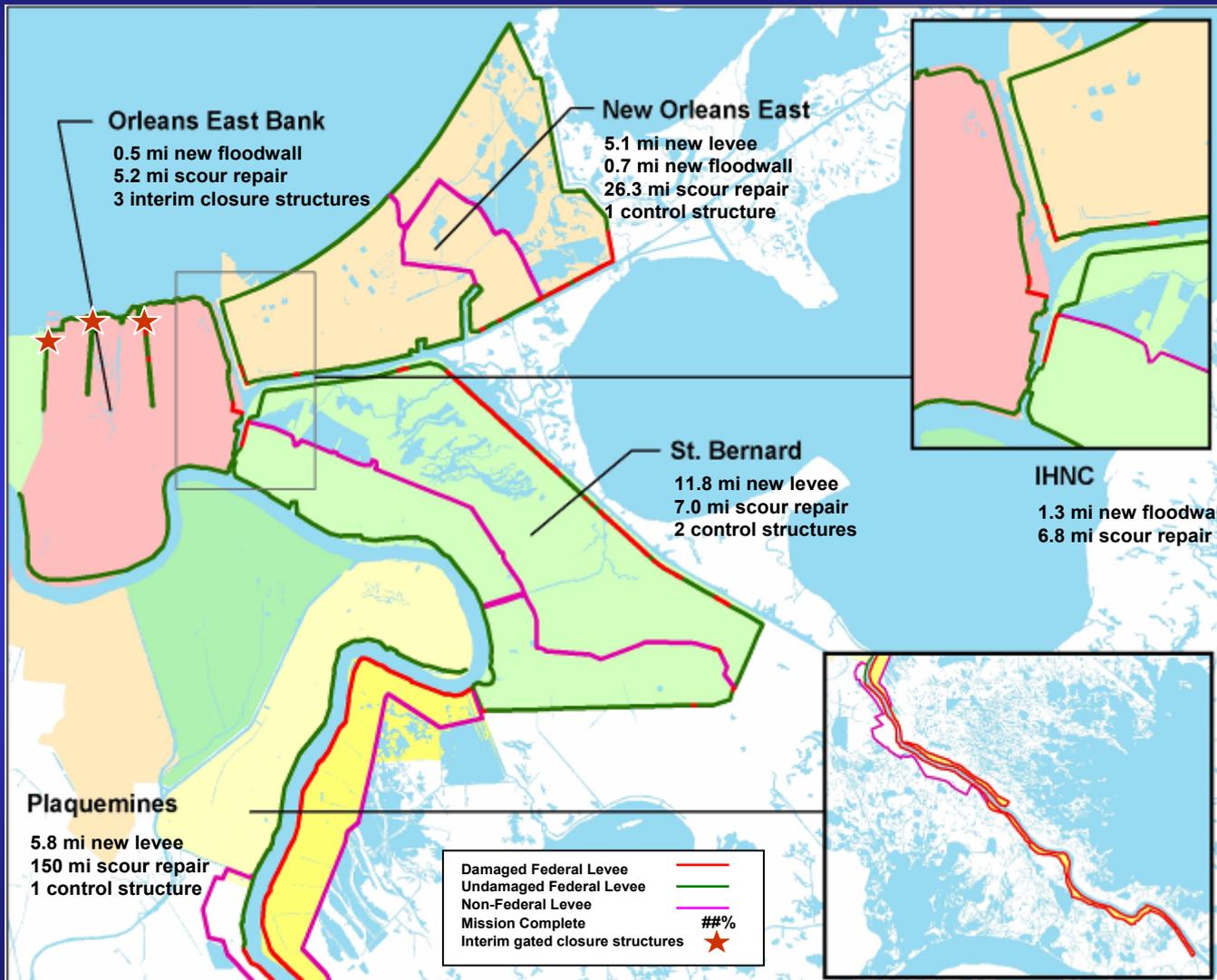
- Interim gated closure structures
- Improved designs
- Soils
- Incorporate lessons learned

## STATUS:

- Protection restored

## ITEMS OF INTEREST:

- All 59 contracts awarded
- 54 to local business (92%)
- 36 to small business (61%)





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# Hurricanes Katrina and Rita Emergency Response Contracting

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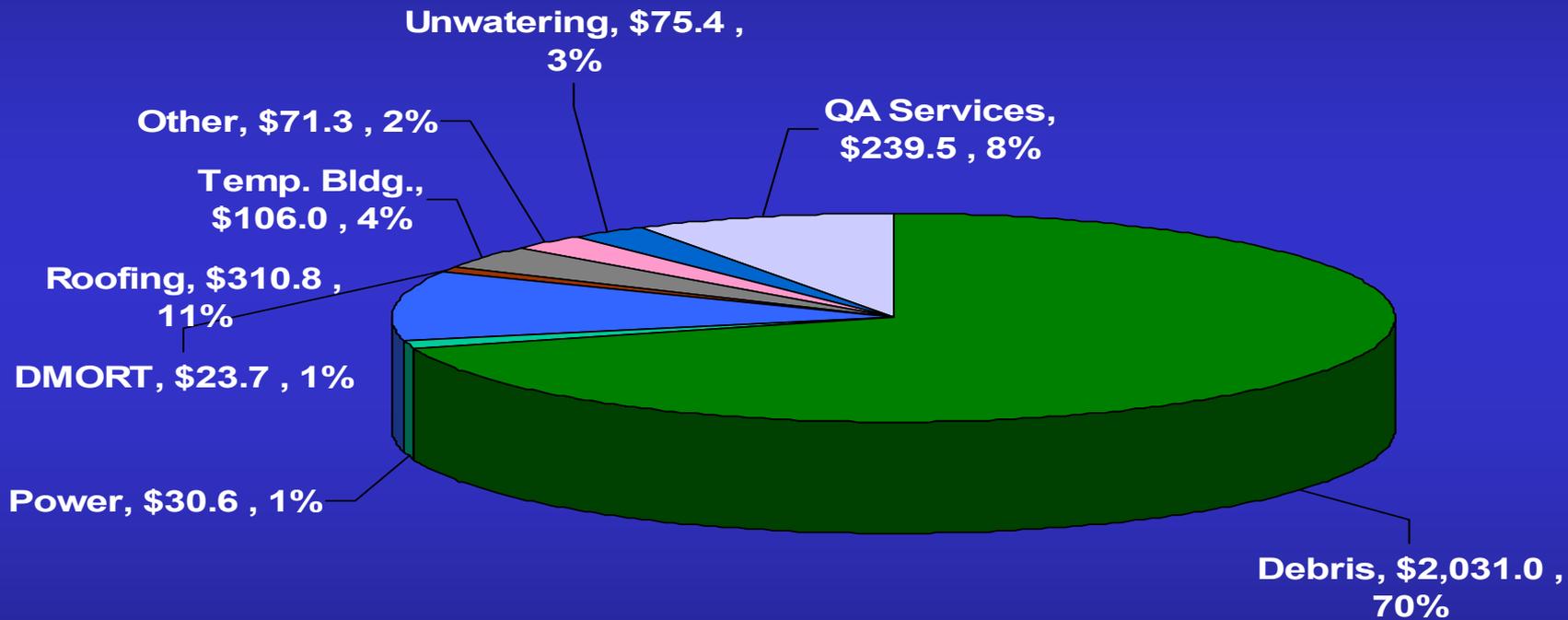
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# Total ESF Contract Obligations by Mission (\$M)



**Total Obligations: \$2,888.3 million**  
**Total Contract Actions: 1,393**

As of 6 July 06

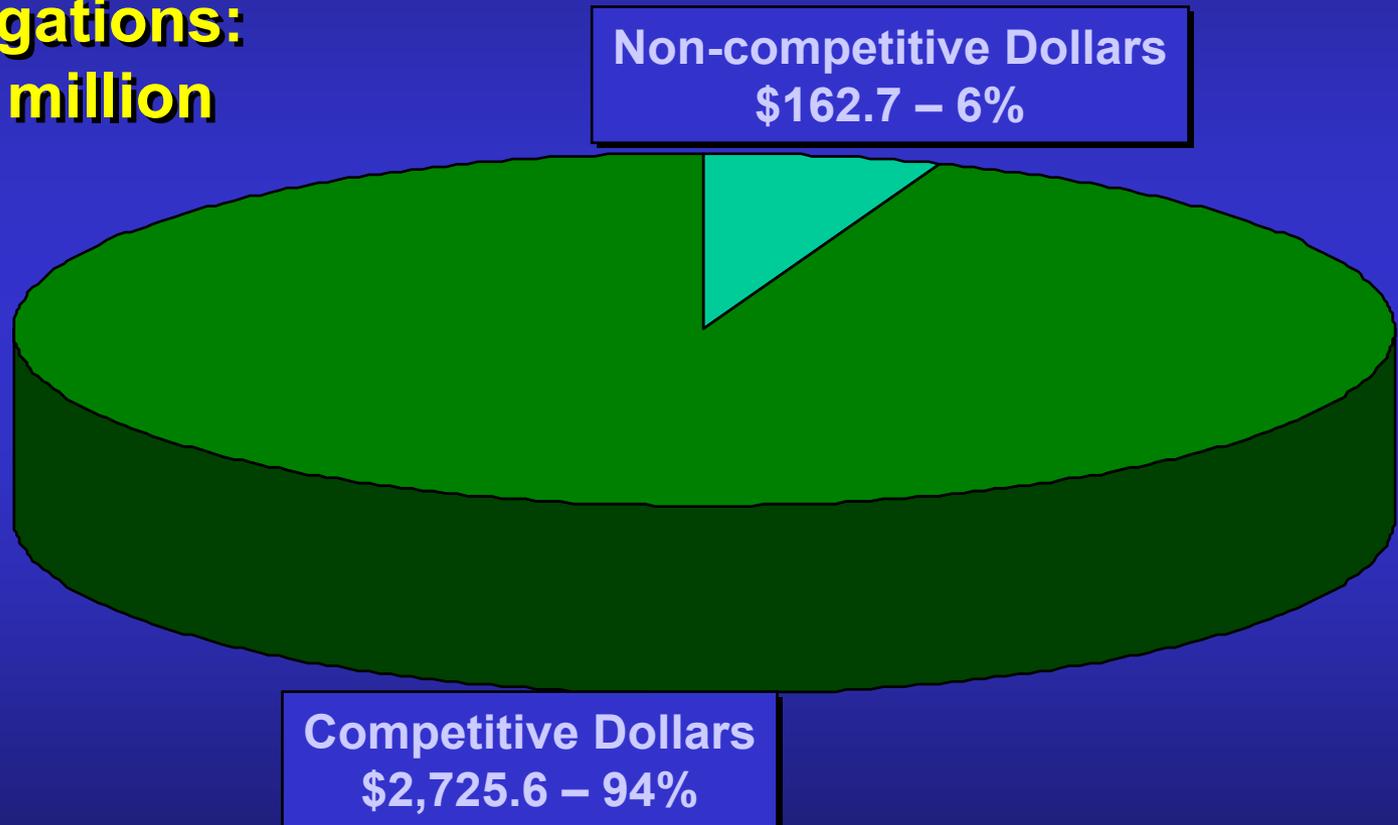


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# ESF Contract Awards Competed (\$M)



**Total obligations:  
\$2,888.3 million**



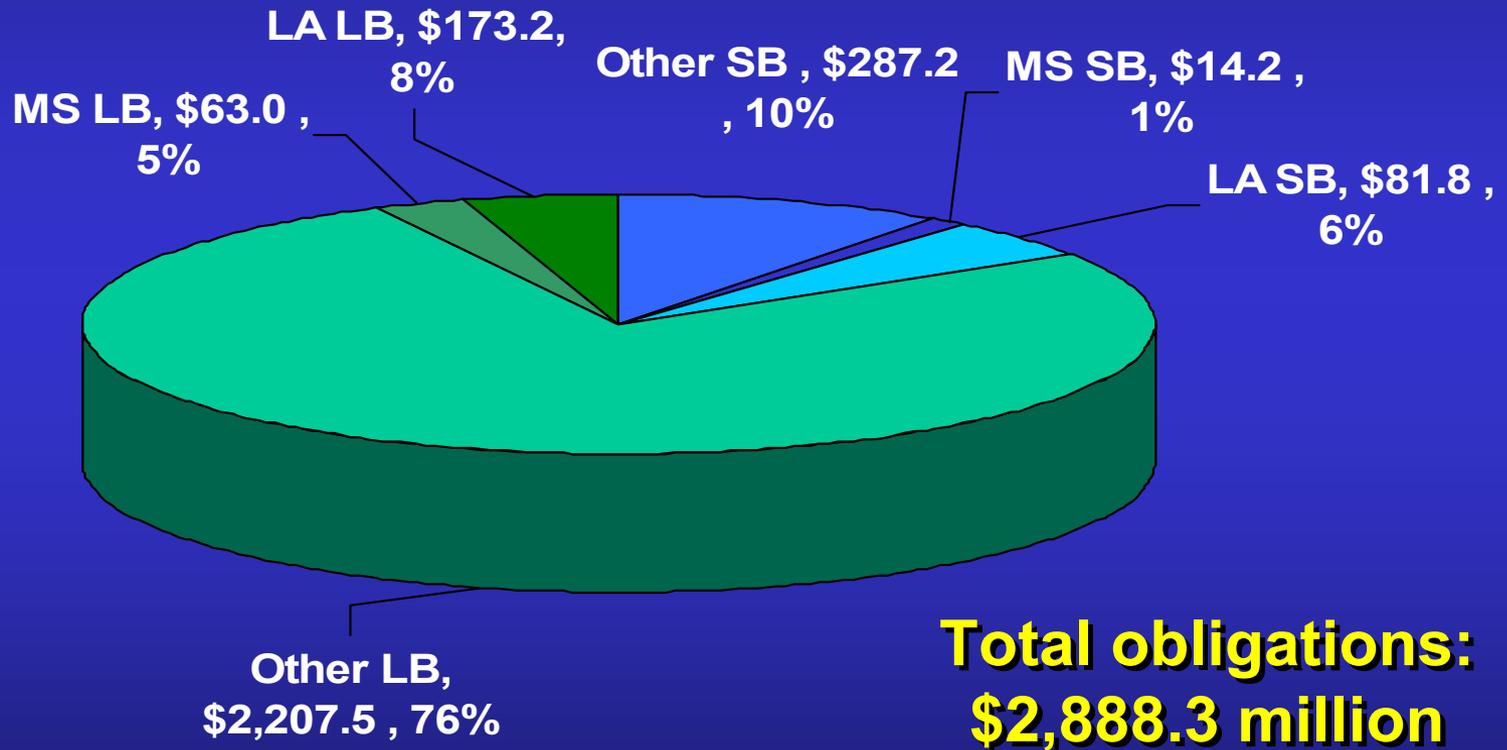
As of 6 July 06



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# Contract Obligations to LA & MS Firms (\$M)



As of 6 July 06



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# General Information



- **53 - Maximum number of personnel working in Contracting during operational peak**
- **10 - Maximum number of Contracting Officers working during operational peak**
- **All personnel worked a minimum of 12 hours a day 7 days a week**
- **Personnel were deployed for a minimum of 30 days**
- **Letter contracts were used for initial response on unwatering New Orleans**



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# Lessons Learned

- **Expanded Small Business Subcontracting Clause:**
  - Weekly submission of report on subcontract awards
  - Early identification of prime issues impacting utilization
- **Direct 8(a) awards for disaster-affiliated SB industries:**
  - Roofing
  - Temporary public structures
- **Utilize existing 8(a) engineering services contracts:**
  - Leverage existing contracts
  - Provides immediate relief



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# Lessons Learned

*(continued)*



- **Acquisition planning critical:**
  - **Deploy Contracting Officers early to assist with planning**
  - **Deploy SADBUS with Task Force**
  - **Task Force Guardian for levee reconstruction**
  - **Utilize price competition in addition to technical elements**
  
- **Utilize existing local firms:**
  - **Task Force Guardian: 90% utilization of Louisiana companies**
  - **Infuse capital into the local economy early**
  - **Small projects add up to big \$'s**



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# Lessons Learned

*(continued)*



- **Stafford Act issues:**
  - **Early development and approval of J&A**
  - **Lesson Learned: Do not combine unrestricted procurements and set-asides in the same solicitation**
  - **Protest management: separate solicitations provide small bulls-eye for litigation**
- **Metrics:**
  - **Choose metrics of success that are finite \$'s not %'s**
  - **Targeted metrics build quick good news story**



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# Lessons Learned

*(continued)*



- **Technology Support:**
  - Quick creation of website
  - Provide links with specific POC information
- **Media Management:**
  - Provide fast visibility of good news stories early
  - Draw from initiatives identified above to display:
    - ◆ We moved fast
    - ◆ We used local firms to the max
    - ◆ We competed price to protect taxpayer/constituents
    - ◆ We leveraged contracts in-place to pump funds to local economy first



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**Army Contracting Professionals...  
they are our credentials.**

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# HOOAH!



**HOOAH (Who-a) adj. [slang used by soldiers] referring to or meaning anything and everything except "no."**

- 1.** what to say when at a loss for words.
- 2.** good copy, solid copy, roger, good, great, message received, understood.
- 3.** glad to meet you, welcome.
- 4.** I don't have the answer -- but will check on it; I haven't the vaguest idea.
- 5.** I am not listening.
- 6.** that's enough of your drivel -- sit down.
- 7.** stop sniveling.
- 8.** oh no way! you've got to be kidding!
- 9.** yes.
- 10.** thank you.
- 11.** go to the next slide.
- 12.** you've taken the correct action.
- 13.** I don't know what that means, but I am too embarrassed to ask for clarification.
- 14.** Amen.