

COALITION PROVISIONAL AUTHORITY

BAGHDAD

3

CFO

6 November 2003

MEMORANDUM FOR RECORD

SUBJECT: Payment of Invoices to Custer Battles, LLC Related to Contract #DABV01-03-C-0013 for Support of the Currency Exchange Operation

1. On 5 Nov 03, (b)(6),(b)(7)(C) of the Ministry of Finance, who serves as the Contracting Officer's Representative (COR) for the subject contract, and (b)(6) of the Defense Criminal Investigative Service (DCIS) advised me of potential irregularities in the attached invoice submitted by Custer Battles for payment from the Development Fund for Iraq.

2. After consultation with (b)(6),(b)(7)(C) (Director, OMB, CPA), BG (Ret) Hugh Tant, (Director of the Currency Exchange Program), and LTC (b)(6),(b)(7)(C) (Office of the General Counsel, CPA), the decision was made to proceed with payment of the attached invoice for \$3,929,682.00. All were in agreement with the decision based on the following factors:

a. DCIS advised that additional time and investigation activity is necessary to obtain further evidence concerning potential fraudulent activities of the contractor in billing the CPA.

b. Termination of work by Custer Battles or their failure to deliver essential materials (primarily cabins to provide life support of personnel involved in currency exchange operations) would have a disastrous impact on the success of the currency exchange program. The successful continuation of the program is of vital importance to the economic development of Iraq and to the overall progress of the Iraq Relief and Reconstruction Program.

c. To date invoices submitted for payment against the \$15M contract total \$7,929,682.00. The amounts of two advance payments (one for \$3,000,000.00 paid out of seized funds and one for \$1,000,000.00 paid out of the Development Fund for Iraq) are being deducted from the total of \$7,929,682.00.

3. While investigation of the contractor continues, the Director, Currency Exchange Program, the COR, the CPA Comptroller, and the DFI account manager will ensure sufficient offsets are made against future invoices submitted by the contractor for payment to fully recover amounts determined to be potentially fraudulent.

(b)(6),(b)(7)(C)

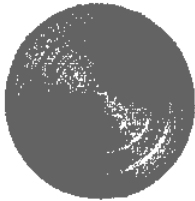
Chief Financial Officer  
Coalition Provisional Authority

01-F-0577

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01139



COALITION PROVISIONAL AUTHORITY  
BAGHDAD

7 November 2003

FOR: [REDACTED] Chief Financial Officer

FROM: E. Scott Castle, CPA General Counsel

SUBJECT: Payment of Invoices to Custer Battles, LLC, Related to Contract DABV01-03-C-0013 for Support of the Currency Exchange Operation

I have reviewed your Memorandum for Record of 6 November 2003 concerning the above subject. [REDACTED]



UNCLASSIFIED

2. CONTRACT NUMBER: DABV01-03-C-0016  
 3. SOLICITATION NUMBER: \_\_\_\_\_  
 4. TYPE OF SOLICITATION:  SEALED BID (IFB)  NEGOTIATED (RFP)  
 5. DATE ISSUED: \_\_\_\_\_  
 6. REQUISITION/PURCHASE NUMBER: \_\_\_\_\_

7. ISSUED BY: CPA - Contracting Activity  
 Republican Presidential Compound  
 Baghdad, Iraq, APO AE 09335  
 CODE: \_\_\_\_\_  
 8. ADDRESS OFFER TO (if other than item 7): \_\_\_\_\_

NOTE: In sealed bids solicitations "offer" and "offeror" mean "bid" and "bidder".  
**SOLICITATION**

9. Sealed offers in original and \_\_\_\_\_ copies for furnishing the supplies or services in the Schedule will be received at the place specified in item 8, or if hand-carried, in the depository located in \_\_\_\_\_ until \_\_\_\_\_ local time \_\_\_\_\_ (Date)

CAUTION - LATE Submissions, Modifications, and Withdrawals: See Section L, Provision No. 52.214-7 or 52.215-1. All offers are subject to all terms and conditions contained in this solicitation.

10. FOR INFORMATION CALL: \_\_\_\_\_  
 A. NAME: \_\_\_\_\_  
 B. TELEPHONE (NO COLLECT CALLS): AREA CODE \_\_\_\_\_ NUMBER \_\_\_\_\_ EXT. \_\_\_\_\_  
 C. E-MAIL ADDRESS: \_\_\_\_\_

11. TABLE OF CONTENTS

IX	SEC.	DESCRIPTION	PAGE(S)	XI	SEC.	DESCRIPTION	PAGE
PART I - THE SCHEDULE				PART II - CONTRACT CLAUSES			
X	A	SOLICITATION/CONTRACT FORM		X	I	CONTRACT CLAUSES	
X	B	SUPPLIES OR SERVICES AND PRICES/COSTS		PART III - LIST OF DOCUMENTS, EXHIBITS AND OTHER ATTACH.			
X	C	DESCRIPTION/SPECS./WORK STATEMENT		J		LIST OF ATTACHMENTS	
	D	PACKAGING AND MARKING		PART IV - REPRESENTATIONS AND INSTRUCTIONS			
	E	INSPECTION AND ACCEPTANCE		K		REPRESENTATIONS, CERTIFICATIONS AND OTHER STATEMENTS OF OFFERORS	
	F	DELIVERIES OR PERFORMANCE		L		INSTRS., CONDS., AND NOTICES TO OFFERORS	
	G	CONTRACT ADMINISTRATION DATA		M		EVALUATION FACTORS FOR AWARD	
	H	SPECIAL CONTRACT REQUIREMENTS					

OFFER (Must be fully completed by offeror)  
 NOTE: Item 12 does not apply if the solicitation includes the provisions at 52.214-18, Minimum Bid Acceptance Period.

12. In compliance with the above, the undersigned agrees, if this offer is accepted within \_\_\_\_\_ calendar days (60 calendar days unless a different period is inserted by the offeror) from the date for receipt of offers specified above, to furnish any or all items upon which prices are offered at the price set opposite each item, delivered at the designated point(s), within the time specified in the schedule.

13. DISCOUNT FOR PROMPT PAYMENT (See Section I, Clause No. 52.232-8)  
 10 CALENDAR DAYS (%)  20 CALENDAR DAYS (%)  30 CALENDAR DAYS (%) CALENDAR DAY: \_\_\_\_\_

14. ACKNOWLEDGMENT OF AMENDMENTS (The offeror acknowledges receipt of amendments to the SOLICITATION for offers and related documents numbered and dated):

AMENDMENT NO.	DATE	AMENDMENT NO.	DATE

15A. NAME AND ADDRESS OF OFFEROR: CUSTER BATTLES, LLC  
 3959 FENDER DR SUITE 109  
 FAIRFAX, VA 22030  
 CODE: \_\_\_\_\_ FACILITY: \_\_\_\_\_  
 16. NAME AND TITLE OF PERSON AUTHORIZED TO SIGN OFFER (Type or print): Scott Custer  
 Principal

15B. TELEPHONE NUMBER: AREA CODE 914 NUMBER 360-9223 EXT. \_\_\_\_\_  
 15C. CHECK IF REMITTANCE ADDRESS IS DIFFERENT FROM ABOVE - ENTER SUCH ADDRESS IN SCHEDULE.  
 17. SIGNATURE: [Signature]  
 18. OFFER DATE: 31 Aug 03

AWARD (To be completed by Government)

19. ACCEPTED AS TO ITEMS NUMBERED: SEE ATTACHED SCHEDULE  
 20. AMOUNT: \$16,840,000.00  
 21. ACCOUNTING AND APPROPRIATION: 21X 2089 000000 712089  
 P4200000 2516 833ATT OCPASLMD8A4623ATT 083091

22. AUTHORITY FOR USING OTHER THAN FULL AND OPEN COMPETITION:  
 10 U.S.C. 2304(c)  41 U.S.C. 253(c) ( )  
 23. SUBMIT INVOICES TO ADDRESS SHOWN IN (4 copies unless otherwise specified)  ITEM

24. ADMINISTERED BY (if other than item 7): SEE BLOCK 12  
 CODE: \_\_\_\_\_  
 25. PAYMENT WILL BE MADE BY: 336TH FINCOM  
 CAMP ARIFJAN  
 APO AE 09386  
 27. UNITED STATES OF AMERICA

26. NAME OF CONTRACTING OFFICER (Type or print): (b)(6)  
 28. AWARD DATE: 31 Aug 03

**CONTINUATION SHEET**

REFERENCE NO. OF DOCUMENT BEING CONTINUED

PAGES

DABV01-03-C-0016

2

NAME OF OFFEROR OR CONTRACTOR  
CUSTER BATTLES LLC

ITEM NO.	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
	<p>NON PERSONAL SERVICES TO PROVIDE SECURITY ALL INTERNAL AND EXTERNAL SECURITY FOR THE BAGHDAD INTERNATIONAL AIRPORT (BIAP) COMPLEX IN ACCORDANCE WITH THE ATTACHED PROPOSED STATEMENT OF WORK AS SUBMITTED BY CUSTER BATTLES DATED 24 JUN 03. SERVICES INCLUDE THE LOGGAGE SCREENING FACILITY FOR ARRIVING PASSENGERS AND A WAITING ROOM FOR DEPARTING PASSENGERS AT CHECKPOINT 1 AT BIAP. TOTAL AMOUNT OF CONTRACT IS \$16,840,000.00 LESS 3 ADVANCE PAYMENTS OF \$2,000,000 EACH DATED 1 JUL 03, 3 AUG 03 AND 31 AUG 03. REMAINING AMOUNT OF \$10,840,000 WILL BE PAID IN EQUAL MONTHLY INSTRLMENTS FOR THE DURATION OF THE INITIAL CONTRACT PERIOD. PERIOD OF PERFORMANCE IS 1 JUL 03 THROUGH 30 JUN 04 WITH 1 ONE-YR OPTION PERIOD, PRICE TO BE NEGOTIATED PRIOR TO EXERCISE OF OPTION.</p>				
0001	SECURITY SERVICES IN ACCORDANCE WITH STATEMENT OF WORK FOR 10 MONTHS.	10	MO	1,084,000.00	10,840,
0002	OPTION PERIOD 1 JUL 04 THROUGH 30 JUN 05.	12	MO		

**SECURITY MANAGEMENT  
OF  
BAGHDAD INTERNATIONAL AIRPORT (BIAP) COMPLEX  
PROPOSAL**

**BY CUSTER BATTLES, LLC  
JUNE 24, 2003**

**SECURITY MANAGEMENT OF BAGHDAD INTERNATIONAL AIRPORT (BIAP)  
PROPOSAL**

**Project Title** : SECURITY MANAGEMENT OF BAGHDAD INTERNATIONAL AIRPORT

**Location** : Baghdad, Iraq

**Cost** : \$13,640,832  
(\$12,716,032 Direct Costs/Fee + \$924,800 Equipment)

**Project Goal** : Design, implement and manage an integrated security framework and armed security force to provide comprehensive security coverage for commercial and cargo aviation operations at BIAP.

**Project Team Members** : Custer Battles, LLC  
McNeil Technologies, Inc  
Strategic Management Services  
DRC, Inc  
International Security Defense Systems

**Contact Person** : Michael Battles, Principal, Custer Battles, LLC  
39599 Pender Drive, Suite 109, Fairfax, VA 22030  
703-385-1121  
battles@custerbattles.com

**Date Submitted** : June 24, 2003

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## EXECUTIVE SUMMARY

### OVERVIEW

Custer Battles, LLC if selected by OCPA will provide all internal and external security for the Baghdad International Airport (BIAP) Complex in a professional manner and with the highest caliber of expertise. The Custer Battles team will establish, implement and maintain a comprehensive security framework to ensure the successful operations of BIAP without major incident or disruption. The Custer Battles team understands the unique requirements of this effort and has tailored its team to ensure the rapid implementation of effective security systems to allow commercial operations to begin on July 15<sup>th</sup> or some date thereafter as determined by OCPA. Custer Battles also will expand and provide security for the eventual cargo operations at BIAP once OCPA permits such operations.

### THE CUSTER BATTLES TEAM

Custer Battles is a leading international risk management firm with extensive experience assisting large organizations reduce and manage risk in extremely volatile environments. With offices in Washington DC, New York City, Newport, Las Vegas, Amman and Kuwait City, Custer Battles has assembled an international team with an unparalleled level of experience, training and success in managing risk and providing specialized security solutions for our clients. Custer Battles' *Kuwait City and Amman offices* will conveniently serve as our in-theater logistical centers facilitating quick startup in Baghdad (these offices already support our operations in Um Qasr). Our team of partners are known and established experts in aviation security and together provide OCPA a security "Dream Team" *with extensive project experience in Um Qasr, Nigeria, Afghanistan, and the United States with TSA.*

McNell Technologies is one of only 3 companies that have current Transportation Security Administration (TSA) contracts to provide personnel and baggage screening services in the United States. Their personnel are all trained, experienced and certified by the TSA to current TSA and ICAO standards.

Strategic Management Solutions has been operating in Kuwait since February 2003, in Iraq since April, and is currently providing comprehensive security officer training to the Port of Um Qasr.

International Security Defense Systems (ISDS) is one of the world's foremost companies in providing aviation security management services in extraordinary, remote environments such as Nigeria and Afghanistan.

DRC, Inc is a leading provider of post-conflict management services, with considerable experience and contacts throughout the Middle East.

The Custer Battles team personnel will consist of a variety of "coalition of the willing" nationalities to include American, British, Polish and Spanish. No Iraqi nationals will be utilized initially for this contract.

We understand from the RFP that eventual training will take place of local Iraqis once OCPA deems this necessary and the security situation has matured to allow this to happen. With OCPA approval and vetting, some administrative local translators/assistants will be brought in from Lebanon. All Custer Battles personnel have been previously vetted.



Security Management of Baghdad International Airport (BIAP)

All key personnel for this effort have already been identified and Custer Battles has already proactively recruitment the highest quality candidates and CAN meet you short timeframe. All management personnel have current U.S. security clearances, are proven experts in their field, and all technical and screening personnel are certified by the TSA. Additionally, Custer Battles will surge short-term technical assistance of the highest caliber to support the on-site Technical Support Unit with all maintenance, installation, and specialty training.

Please note that we understand the current extensive use of Gurkhas by DoD in Iraq. Given the limited availability of Gurkhas (there are only 6 British-trained Gurkha units in existence), and the project's requirement over 100 personnel, Custer Battles has teamed with area experts to maximize the effectiveness, efficiency, professionalism, and expediency of a US/UK/Polish expat security force. *We believe with the excessive employment of Gurkhas, it will be very difficult to find any Gurkhas remaining that will meet the standards we established for our team.*

**OUR APPROACH**

The Custer Battles team fully understands the range of tasks required to fulfill this engagement and is prepared to implement operations immediately to ensure the success of this effort.

Working in close coordination with OCPA, TSA, Skylink and military counterparts, the Custer Battles team will design and implement a comprehensive security framework to support secure cargo and commercial operations at BIAP in accordance with the strategic vision of OCPA. Custer Battles has organized its team into a Management/Operations Unit, Security Force, Screening Force, Police Force and Technical Support Unit. This organization will allow Custer Battles to provide flexible, comprehensive coverage of all security functions throughout BIAP, and to be able to provide immediate, robust response where required. The goal of the Custer Battles security framework is to deter adversaries from targeting BIAP, to protect critical assets of airport operations, and to respond and mitigate incidents should they occur.

In addition to maintaining complete security coverage to support cargo and commercial operations, Custer Battles has built in significant resources to ensure security system standardization, ongoing training for existing and new personnel (as required with BIAP service expansion) in all security functions, and monitoring and evaluation of security practices.

**OUR LEADERS****Jack Donovan - Program Manager**

John Donovan is a senior consultant with Custer Battles, LLC and has extensive aviation security and program management experience. Immediately after the events of September 11, Mr. Donovan was appointed to lead the Federal Air Marshal program. In this capacity, he developed and implemented an entirely new strategy for protecting commercial aviation throughout the United States. Mr. Donovan went on to direct all general aviation security matters for the newly created Transportation Security Administration. As a retired senior Army officer, Mr. Donovan has extensive experience coordinating efforts inside a Joint and Coalition environment. As the senior military planner for the Joint Staff office for Central and Eastern Europe, he managed 9

**Security Management of Baghdad International Airport (BIAP)**

senior military analysts, and was responsible to the Chairman, Joint Chiefs of Staff for all related activities of eleven countries from the Baltics to the Balkans. He served as the Military Assistant to the President's Special Emissary for Dayton Accords Implementation during his trips to Bosnia and Croatia and was the designated representative of the Chairman in the U.S. delegation at the Kosovo Peace Talks. Mr. Donovan also has extensive experience designing, implementing and overseeing major training programs, as reflected in his position as the commander of the Operations Group at the Joint Readiness Training Center.

**Ed Levy - Project Manager**

Mr. Levy is a retired senior U.S. Army officer with over 21 years of military police experience managing projects in dynamic environments. He served as the director of the Anti-Terrorism/Force Protection Branch for U.S. Army Europe, as well as the Provost Marshal for Task Force Hawk in Albania. As the former chief of the military science branch at the U.S. Military Academy, he has extensive experience designing and implementing training programs. He has considerable experience managing security and law enforcement efforts, having served as the Deputy Provost Marshal for law enforcement and security operations for the largest warfighting unit in Europe, over 42,000 soldiers and civilians.

**COST**

Custer Battles is proposing to provide this professionally comprehensive, flexible security management and services of BIAP for a firm-fixed price of \$13,640,832. This total includes \$12,716,032 for all direct costs plus \$924,800 for estimated equipment (Annex B)

We have accounted for all required personnel insurance costs as outlined by the Defense Base Act. These figures are standard figures established by the U.S. Government and are applicable to all U.S. government contract personnel (U.S. or foreign national) working overseas.

Bank guarantee is in place and ready for activation upon signing of contract with OCPA.

We have taken into account the fluid situation at BIAP and Iraq, and firmly believe that a fixed fee contract is workable but forces us to err on the high side to ensure we cover all unforeseen cost. Additionally, given the difficulty of providing a full equipment assessment without physical inspection together with TSA of the site, and assuming that medical response is covered by CPA/US Army, Custer Battles is able to source and competitively price additional equipment as needed for BIAP operations. See Annex B which is included in our price. If this is not required to be purchased by us our price should be adjusted accordingly.

## 1. PROJECT APPROACH

Custer Battles, LLC proposes to provide all internal and external security for the Baghdad International Airport (BIAP) Complex. The Custer Battles team will establish, implement and maintain a comprehensive security framework to ensure the successful operations of BIAP without major incident or disruption.

### 1.1 Tailoring to CPA's Unique Requirements

The Custer Battles team understands the unique requirements of this effort and has tailored its team to ensure the rapid implementation of effective security systems to allow commercial and eventual cargo operations at BIAP to begin no later than mid-to-late July 2003. Cargo operations will be added and implemented in accordance with the OCPA plan. Working in Iraq and other similar environments is not new to the Custer Battles team, and as a group of small companies we have the unique capacity to fit the exact needs of the OCPA in reestablishing operations at BIAP. Unlike some firms who may endeavor to hire the best available people and build a new organization upon award of contract, Custer Battles has formed a team of companies that are the existing experts in aviation security. The management structures are already in place, allowing us to focus our efforts in tailoring to assisting OCPA to secure and prepare BIAP for commercial operations as soon as possible.

### 1.2 Immediate Responsiveness

Custer Battles is prepared to initiate activity on this effort immediately. Within 72 hours of award notification, Custer Battles will have an advance team in Baghdad to lay the foundation for implementing the full spectrum of security services together with TSA, OCPA, CAA, US Military and Skylink. Within 10 days of award, Custer Battles will have an initial security and screening team on the ground in Baghdad. Within 14 days of award Custer Battles will have a full security and screening team in Baghdad for passenger service. This initial team will be able to handle the intended three flights per day. Custer Battles will provide additional personnel for cargo screening to secure full commercial and cargo fourteen days prior to the OCPA determined start date for full cargo operations.

### 1.3 Quality, Quality, Quality

While the timeliness of implementing security to allow BIAP to commence operations is critical, the quality of the security framework provided by the Custer Battles team will remain of paramount importance at all times. Custer Battles has built a solid reputation of providing only the highest quality service regardless of obstacles, and the continued quality and effectiveness of the Custer Battles team will be the single-most important effort for the entire company. While opening BIAP will create a necessary lifeline and transportation hub for the post-Saddam Iraq, the true success of BIAP's opening is the reintegration of Iraq into the modern world after liberation by the United States and coalition partners. Consequently, the reputational impact of continued safe and secure airport operations cannot be overstated; and Custer Battles is committed to enhancing OCPA endeavor to reopen the airport through the provision of the highest quality airport security force.

## 2. SCOPE OF WORK

The Custer Battles team fully understands the range of tasks required to fulfill this engagement and is prepared to implement operations immediately to ensure the success of this effort.

### 2.1 Technical Approach

#### 2.1.1 Threat Assessment

Upon contract award, Custer Battles will dispatch a five-person Security Action Team to arrive in Baghdad within 72 hours. These individuals, all subject-matter experts in various aviation security disciplines, will conduct a thorough threat assessment for BIAP. This assessment will identify the most immediate and most dangerous threats in order to ensure the BIAP security framework is effective and appropriate given the current situation. Simultaneously, the team will conduct a thorough evaluation of existing and required security control measures for BIAP.

#### 2.1.2 Security Framework Design

Based upon the initial assessment and evaluation, the Security Action Team will begin the initial design of the security framework for BIAP. Working in close coordination with OCPA, TSA, Skylink and military counterparts, the Security Action Team will outline a comprehensive security framework to support secure cargo and commercial operations at BIAP in accordance with the strategic vision of OCPA. This framework will be built around the concept of concentric rings, beginning inside the terminal and extending out to a Secure Identification Display Area (SIDA) inclusive of the support buildings and apron outside the terminal, and finally out to the full perimeter of the BIAP complex (see Figure 2-1).

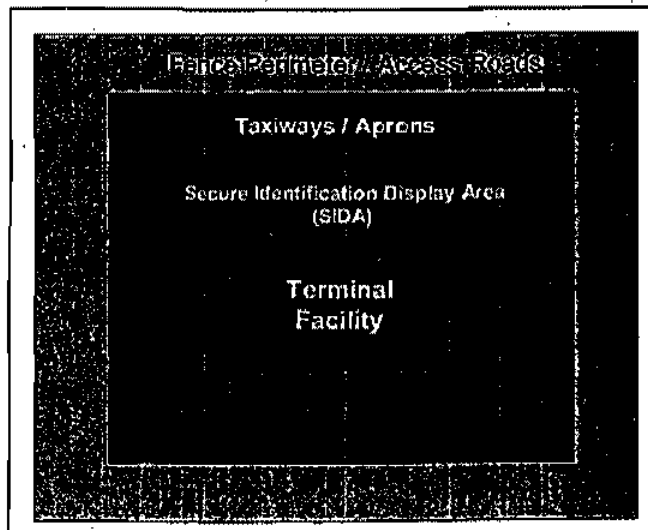


Figure 2-1: Security Framework Concept

Security Management of Baghdad International Airport (BIAP)

2.1.2 Security Framework Implementation

Once the framework is designed and approved, Custer Battles will then prioritize and apply all available human, electronic and materiel resources to implementing this framework across the complex. The security framework will include:

- Operational procedures and systems to maintain security and safety during commercial, cargo and general aviation operations.
- Access and transit control systems using doors, signage, guard stations, monitoring and patrols.
- Static and roving internal and external patrols of an armed security force.
- Personnel and baggage screening system to ensure the integrity of all personnel and baggage entering and transiting the terminal.
- Integration with CPA and Coalition Forces for guidance, intelligence, counter-intelligence coordination and capacity building.

2.2 Establishing and Managing the Security Framework for BIAP

2.2.1 Organization

Custer Battles has built a tailored team of aviation security experts to ensure the highest level of security possible for BIAP. The organization of the security apparatus for BIAP is critical, and the Custer Battles organization provides for the most coverage, flexibility, responsiveness and deterrent. Chart 2-1 outlines the organization of the security apparatus for BIAP.

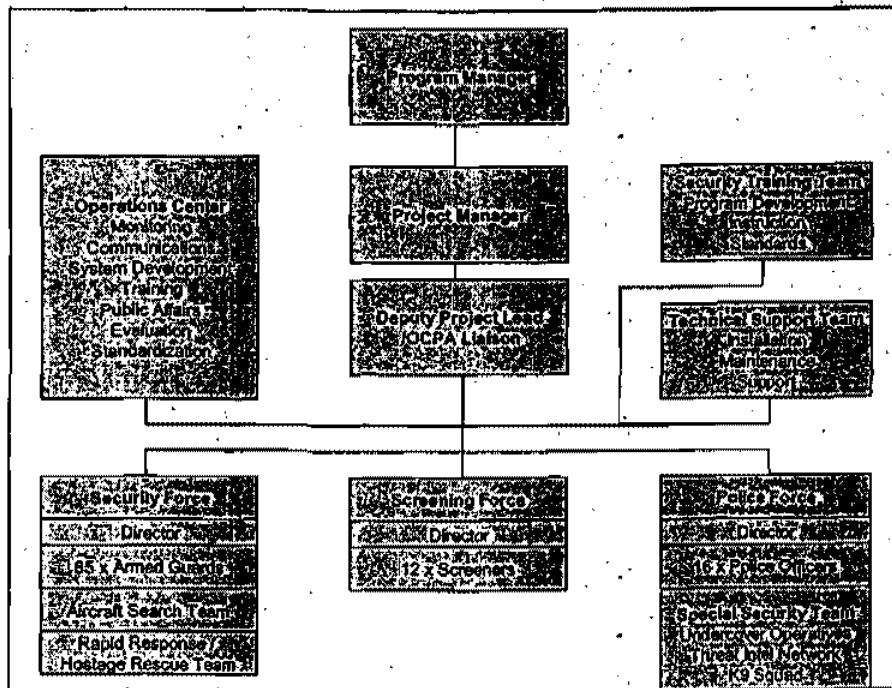


Figure 2-2 – Organization

**Security Management of Baghdad International Airport (BIAP)**

The following provide descriptions of each sub-group within the team's organization:

**Management Group**

The Management Group consists of the Program Manager, Project Manager and Deputy Project Manager/ CPA Liaison. This team will be responsible for the overall management of security at BIAP as well as coordination with TSA, Customs, OCPA and other external agencies. The Management Group will remain heavily involved in the airport security committee to ensure that the terms of reference for aviation system defense are taken from the national plan and applied locally. The following tasks will be completed by the Management Group:

- Establish, implement and maintain a quality control program including security inspections and audits, security surveys, and security tests.
- Establish recruitment, selection, training and certification of security staff at OCPA and TSA discretion.
- Maintain liaison and coordination with OCPA with authorization to respond to OCPA and take actions requested by OCPA.
- Prepare the civil aviation security system to be successfully inspected by a Transportation Security Administration assessment team.
- Coordinate with the airport management and OCPA to determine an Approving Authority for granting access to controlled areas.

**Operations Center**

The Operations Center is responsible for coordinating all efforts of the project under the direction of the Management Group. The Operations Center will be staffed by experienced operations professionals, each with a unique area of expertise such as communications, surveillance monitoring and public relations, and will run continuous 24-hour operations throughout the contract period. The following tasks will be completed by the Operations Center:

- Developing and monitoring an airport surveillance system using both human resources and Electronic Security Systems (ESS) consisting of CCTV, Access Control Systems, and Electronic Perimeter Protection/Intrusion Detection Systems.
- Identify the components of an airport and a national security communications system and maintain the equipment
- Develop an aviation security training program for all levels and functional elements.
- Establish, implement and maintain sufficient administrative support.
- Establish, implement and maintain an on-site Technical Assistance Unit to keep all equipment operating.
- Update and revise airport security, contingency and emergency response plans to meet OCPA approval.
- Maintain liaison with OCPA and Coalition forces.
- Establish a robust public affairs and strategic media campaign to promote the deterrence effect of a robust security system.
- Implement and conduct evaluation and standardization processes to ensure security framework meets and exceeds all standards at all times.

Security Management of Baghdad International Airport (BIAP)Security Force

The Security Force is responsible for the internal and external security of the BIAP complex. Consisting of 85 experienced security professionals, the Security Force will conduct armed patrols, man armed checkpoints and stations, control access, maintain security and provide a rapid reaction capability to deter threats, protect assets and respond to incidents on a 24-hour basis throughout the period of the contract. The Screening Force will also have integral sub-units consisting of an Aircraft Search/Security team responsible for the security of all commercial aircraft at BIAP, as well as a specially trained Rapid Reaction Team to provide robust response to critical incidents. The following tasks will be completed by the Security Force:

- Using interior and exterior patrols and guards to properly secure the airport.
- Creating and managing a Secure Identification Display Area (SIDA) through the use of secure doors, electronic access points, guard stations and patrols to secure the airport terminal.
- Establish, implement and maintain security for aircraft catering and supplies; loading dock and delivery; control of aircraft access and security; and procedures for aircraft search and incident response.
- Operate checkpoints and police entire airport area.
- Establish lighting, channelling and other control measures to enhance visibility and control transit of personnel and vehicles.
- Interface with Coalition military and security forces in the area.
- Maintain a hostage rescue capability to respond to immediate threats in the terminal and aircraft on the apron. Support Coalition special operations forces as required in this capacity.
- Train local unarmed guards to support security operations.
- Support Police Force as required for crisis response and riot control.

Screening Force

The Screening Force is responsible for the screening of passengers and searching of all baggage for cargo and commercial operations. Staffed by TSA-trained and certified professionals, the Screening Force will ensure the safety and integrity of all flights leaving BIAP. The Screening Force will be robust and professional to deter threats and will meet all ICAO requirements and standards. The following tasks will be completed by the Screening Force:

- Establishing screening checkpoints at the entrance to the sterile hold area to screen employees, passengers and flight crews to include:
  - Establish queuing space with blast protection
  - Reduce glass in the area
  - Set-up a bin pass-through
  - Use working x-ray machines
  - Establish a personnel item retrieval area
  - Set-up and use trace detection equipment
  - Set-up a personnel search area
  - Establish barriers
  - Set up a private search room
  - Set up a private security room

**Security Management of Baghdad International Airport (BIAP)**

- o Set up procedures for allowing secure use of wheelchairs
- o Establish a luggage cart path and exit lanes
- o Use walk-through and hand-held metal detectors
- o Establish silent duress alarms
- Developing and implementing a hold baggage screening system including protection once screened.
- Developing and implementing procedures to screen concession personnel and deliveries.
- Establish, implement and maintain proper baggage and personnel screening procedures to control passenger flow, confirm passenger identity, and create a positive passenger bag match system.

**Police Force**

The BIAP Police Force is responsible for deterring and responding to all criminal activity within the BIAP terminal and surrounding areas. While the Security Force is focused mainly on protecting physical assets, the Police Force will focus on monitoring passengers, employees and other personnel throughout the complex to ensure the security and safety of personnel, facilities and assets. The Police Force will be sufficient to meet all ICAO and TSA requirements and will be able to respond to terrorist, criminal and civil disorder events. The following tasks will be completed by the Police Force:

- Provide criminal deterrence, crisis response and riot control.
- Establish and manage a K-9 detection and deterrence unit consisting of dogs and handlers to work with TSA and Customs officials in Baghdad.
- Interface with Coalition and Iraqi police authorities for coordination and support.

**Training Support Team**

While Custer Battles team personnel are all experienced, trained professionals, critical to the success of this project will be the ability to build effective, reliable capability at the local level. While the viability of Iraqis security BIAP remains uncertain, it is important to begin designing the future security framework and establishing a process for integrating Iraqi personnel into the security framework. Waiting until after the first year to address this issue will add significant difficulties to the security of BIAP, and Custer Battles is committed to working closely with OCPA to address this issue from the early stages. Additionally, there will be considerable numbers of personnel (Iraqi and other nationalities) who will be working at the airport in some capacity that must receive proper training to ensure all security standards are met. The Training Support Team will work closely with OCPA to design and implement training programs for selected personnel, to vet students to ensure the integrity of information, and to enforce standards across all security operations.

**Technical Support Team**

As reliance on baggage screening equipment and ESS systems such as CCTV will play a critical role in the security framework, Custer Battles has assembled experts in all types of security screening and ESS equipment maintenance and repair. The initial Security Action Team will have a member capable of assessing the status of current BIAP equipment, and will be able to triage existing screening/ESS systems to identify what will



**Security Management of Baghdad International Airport (BIAP)**

work, what can be repaired, what needs to be replaced, and what is required for augmentation. Our technical support team will be able to procure, install, repair and manage all screening/ESS systems employed at BIAP.

**2.2.2 Recruitment, Selection and Mobilization**

Custer Battles will recruit, select and mobilize a complete security force for BIAP within 14 days of contract award. All key personnel for this effort have already been identified and Custer Battles has already proactively initiated recruitment efforts to ensure the highest quality candidates in the shortest possible timeframe. Selected candidates will have proven experience providing security in remote environments, proficiency in expected security tasks, and commitment to the ideals of this effort. Once selected, candidates will be assembled in Washington DC for precursor briefings and training prior to traveling to Iraq.

**2.2.3 Managing the Physical Security for the BIAP Complex**

The initial step in establishing a security framework for BIAP is to assume the tasks of providing physical security for the interior of the complex, to include all the terminals, runways and aprons and perimeter areas. Once the Custer Battles team has assumed full control of the security of these areas, the Security Force will then push out to assume control of the entire airport complex to include perimeter fencing and access roads. At this point, the security of the entire BIAP complex will be in full control of the Custer Battles team and will remain so for the duration of the contract. In addition to physical presence and patrolling of armed guards, Custer Battles will make extensive use of CCTV and other electronic surveillance equipment. The turnover of security operations from present military units to Custer Battles will be planned and executed in close concert with the coalition forces presently securing BIAP.

**2.2.4 Establishing Systems, Controls and Procedures**

Prior to commencing airport operations, it is critical to develop and implement standardized procedures, policies and control measures. Now that the physical security of the airport is firmly managed, the next phase consists of implementing all of the necessary procedures and systems to allow for secure airport operations. The Operations Center, Security Force and Screening Force will work together to manipulate the physical structure of the airport terminal to optimize the security of passenger and baggage flow and to maintain the highest level of control over the interior functioning of the terminal. Standard procedures and policies will be established, approved by OCPA, and briefed to all airport personnel to include airline staff, concession personnel and others.

**2.2.5 Managing the Security for Airport Operations**

Upon establishment of approved procedures and control measures, the next phase is the implementation and management of these procedures upon commencement of cargo and commercial operations. The Operations Center will monitor and maintain a CCTV system to monitor activities throughout the airport and provide early detection of incidents and violations of the security framework. The Security and Police Force will operate from static and roving positions throughout the terminal, SIDA, and passenger and cargo loading/unloading areas. Internally, the Screening Force will supervise the flow of passengers and their baggage, efficiently screening and searching in accordance with established standards. At all times, a robust rapid reaction force will remain on stand-by to respond to incidents that might occur to

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include armed assault, terrorist attack, bomb threat, and civil disturbance to name a few. Additionally, an even more robust crisis response force consisting of off-duty personnel will be maintained on a 30-minute stand-by to respond to incidents of a greater magnitude than can be handled by the rapid reaction force.

**2.2.6 Building and Managing the Institutional Framework**

Once secure airport operations are underway, the Custer Battles team will work towards building up the security and operational capacity of BIAP. Working closely with OCPA and the airport management team, Custer Battles will place significant emphasis on building additional institutional capability for continued operations at BIAP. The policies and procedures used by the Custer Battles team will form the bedrock for establishing formal standards to be used in airport operations throughout Iraq. The team will work closely with the airport security committee to ensure an effective and lasting institutional framework is emplaced at BIAP.

**2.2.7 Improving the BIAP Complex**

An implied task of improving security operations is the enhancement of physical security aspects of BIAP. Once initial operations have commenced, Custer Battles will work to improve the efficiency and effectiveness of security throughout the airport.

**3. QUALIFICATION AND EXPERIENCE****3.1 Project Team**

Custer Battles, McNeil Technologies, Strategic Management Services (SMS), DRC, Inc and International Security Defense Systems (ISDS) have joined together to provide the best qualified team to complete all tasks outlined in the CPA request for proposals. Additionally, Custer Battles has established an exclusive resource pool of qualified personnel to include experienced armed guards, TSA-trained and certified screeners, ESS and screening equipment technical specialists and others needed to complete this effort.

**3.2 Company Overview****3.2.1 Custer Battles, LLC**

Custer Battles is a 100% Veteran Owned Small Business (VSOB) providing objective risk management and security consultancy of the highest quality and within an ethical framework. With offices in Washington DC, New York City, Newport, Las Vegas and Kuwait City, Custer Battles has assembled an international team with an unparalleled level of experience, training and success in managing risk and providing specialized security solutions for our clients. Our integrated and holistic approach is enhanced by our unwavering commitment to enhancing our clients' reputation and improving their operations.

Custer Battles key personnel, all former U.S. military special operations officers, have managed or assisted in security in over 40 countries on five continents. As one of the first security firms into Kabul, Afghanistan in December 2001, Custer Battles was integral in assisting the Ministry of Civil Aviation and Ariana Airlines understand their changing security environment and develop a strategic plan to implement commercial operations at Kabul Airport. Custer Battles staff also worked closely with the ICAO team in Kabul in early 2002 to establish minimum security standards for the airport.

Security Management of Baghdad International Airport (BIAP)**3.2.2 McNeil Technologies**

McNeil is a minority-owned business that has been providing security-related services to Federal and state clients since 1985. They provide access control/security screening services at various Federal and state facilities across the U.S. McNeil offers extensive experience in providing continuous protection to highly sensitive intelligence operations facilities. They currently provide security access control to the National Imagery Intelligence Agency (NIMA) and the Defense Threat Reduction Agency (DTRA) in the Washington Metro area. McNeil was one of three (3) commercial contractors selected to participate in a Transportation Security Administration (TSA) pilot program case to evaluate the ability of commercial contractors to execute airport screening operations. McNeil currently provides Airport Passenger and Baggage Screening Services for Rochester International Airport, Rochester, NY.

**3.2.3 Strategic Management Services (SMS)**

SMS, a minority veteran owned small business, is a specialty provider of security services throughout the Middle East and Persian Gulf Region. SMS is currently operating a security training school for security officers that will be employed at the port of Um Qasar. SMS is providing each local Iraqi security officer with 240 hours of Basic Law Enforcement Training (BLET) and certifying them in all critical areas minus weapons training and defensive driving. Additionally, SMS currently provides security vehicle escorts into high-risk areas throughout Iraq.

**3.2.4 DRC, Inc**

DRC, Inc. and its associated companies have extensive experience in disaster management, disaster relief services, debris management, security and force protection, project management, temporary workforce housing, life support, construction, construction management, demolition, medical and hazardous waste remediation and disposal, landfill management, civil, heavy and vertical construction amassed over the past many years. DRC was incorporated in 1989 and initially worked in the southern states of North America. The corporate group expanded in February 1991 by establishing offices in Saudi Arabia and Kuwait in the aftermath of the liberation of Kuwait from Iraqi occupation. DRC has since undertaken major reconstruction projects, civil engineering works, vertical construction, heavy road and infrastructure construction, and established numerous work camps throughout the world and performed manpower and equipment leasing and landfill management businesses, in addition to hazardous and medical waste remediation and disposal services. DRC has provided project management, security, explosives removal administration and life support services in addition to the above to a wide range of clients, as part of the Kuwait, Somalia, Honduras and Kosovo Reconstruction Programs. DRC has supported NATO and Department of Defense clients in Europe and in the Balkans with project management, construction, and construction management.

**3.2.5 International Security Defense Systems, LLC (ISDS)**

ISDS a security consulting firm specializing in a broad spectrum of security solutions. Services include security procedures and program development, regulatory compliance, threat and vulnerability assessments, physical infrastructure assessments, training, equipment procurement and implementation. ISDS is comprised of a team of consultants with extensive experience in Europe, North America, South America, the Caribbean, the Middle East, Africa and Asia. ISDS

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is heavily involved in aviation security in extraordinary environments, and has successfully managed aviation security projects in high-risk environments such as Nigeria, Afghanistan and Colombia.

**3.3 Relevant Experience****3.3.1 Custer Battles, LLC**

Custer Battles has extensive experience managing security programs in remote, high-risk environments. Our team of consultants has participated in securing high-value infrastructure and building capacity in places such as Afghanistan, the Persian Gulf, the Balkans and sub-Saharan Africa.

**Project:** Security Assessment and Strategic Planning

**Client:** Afghanistan Ministry of Civil Aviation and Ariana Airlines

In January 2002, Custer Battles assisted the Minister of Civil Aviation and the President of Ariana Airlines conduct a threat and vulnerability assessment of Kabul International Airport. The Custer Battles team conducted a thorough physical assessment of the airport, interviewed key security and operational staff, and produced an assessment of likely threats as well as recommendations to reduce vulnerabilities. Prior to the assassination of the Minister of Civil Aviation, the Custer Battles team provided strategic guidance on reestablishing commercial and cargo operations given the dynamic security environment.

**Project:** Aviation Support and Assistance in Afghanistan

**Clients:** Tyumen Aviatrans Aviation (TAT) & Volga-Dnepr Airlines

Custer Battles assisted TAT and Volga-Dnepr establish and expand operations in Afghanistan throughout 2002. Custer Battles provided liaison with Afghan ministries, coordination of all logistics and operations, and provided close protection escort for senior TAT and Volga executives during their assessment visits throughout Afghanistan. Additionally, Custer Battles conducted numerous site assessments for both clients in order to provide accurate evaluation to support emergency and contingency operations.

**Project:** Counter-Terrorism Assistance for Public Utilities

**Client:** States of Nevada, Rhode Island, Maine and New Hampshire

Custer Battles was contracted by the States of Nevada, Rhode Island, Maine and New Hampshire to provide 18 comprehensive training courses to over 1500 small and medium community water systems throughout the four states. These courses are designed to train utility staff to conduct comprehensive vulnerability and risk assessments in support of the Bioterrorism Act of 2002. Additionally, Custer Battles is conducting site visits with many of the utilities in each state to assist them to conduct a thorough Vulnerability Assessment and complete their Emergency Response Plan.

**3.3.2 McNeil Technologies**

McNeil Technologies is one of the leading firms in aviation security in the United States. As one of only three firms selected by the TSA to lead the effort to privatize baggage and passenger screening in the United States, McNeil has a large pool of trained, qualified airport security personnel.

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**Project:** Passenger Screening and Baggage Search Services – Greater Rochester International Airport

**Client:** Transportation Security Administration (TSA)

As part of the Aviation and Transportation Security Act of 2001, McNeil has been selected to participate in a pilot program to determine the feasibility of using private contractors to provide screening services. Primary effort is to provide airport passenger screening and baggage search services to the Greater Rochester International Airport. McNeil manages the full range of passenger screening services and the baggage screening and search operations to include infrastructure support requirements such as X-ray screening devices. We currently have a workforce of 240 personnel, 130 security professionals are conducting passenger screening; and 110 are doing baggage screening. McNeil has cross-trained our workforce in all screening positions, and successfully met all federally mandated dates to staff and operate the security function at GRIA.

**Project:** Physical Security and Access Control

**Client:** National Imagery and Mapping Agency (NIMA)

McNeil provides all security related services to NIMA as a subcontractor to NIMA's Base Operations Support Contractor (Chugach Management Services, Inc. – CMSI). We operate several personnel screening/access control operations for facilities throughout NIMA HQ. We provide these services on a 24/7 basis to include the following:

- Control of access/entry to key sites;
- Escort related services to uncleared personnel conducting vendor/construction services at secure facilities
- Visual inspection of all personnel entering the checkpoints;
- Physical inspection of unusual packages; and
- Conduct area patrols to assure physical security at facilities.

### 3.3.3 Strategic Management Services (SMS)

SMS has been operating in Kuwait since February 2003, and in Iraq since mid-April 2003. They have extensive experience training local and expatriate security staff, and are currently supporting security operations at the Port of Um Qasar. Additionally, SMS has a technical staff with extensive experience operating and maintaining specialized security equipment of the type used at BIAP.

**Project:** Security Officer Training for Port of Um Qasar

**Client:** Port of Um Qasar

SMS was contracted to train all local security officers to support operations at the Port of Um Qasar in southern Iraq. SMS is providing each local Iraqi security officer with 240 hours of Basic Law Enforcement Training (BLET) and certifying them in all critical areas minus weapons training and defensive driving.

### 3.3.4 International Security Defense Systems (ISDS)

ISDS is unique experiences managing airport security in high-risk, remote locations that have proven too difficult to operate for many firms. ISDS staff have unequaled experience in U.S.

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commercial aviation security having worked many years for some of the major airlines, the company is focused on establishing quality standards and providing comprehensive, flexible security coverage to aviation facilities in extraordinary locations.

**Project: Airport Security Management -- Lagos, Nigeria**

**Client: World Airways**

ISDS task in Lagos, Nigeria was to assemble and train and manage a team of security agents and to develop a security program for World Airways to comply with mandated FAA/TSA regulations and at the same time comply with the Nigerian National Aviation Security Program (NASP). ISDS objectives are to provide and manage professional screeners with the ability to detect terrorists, drug smugglers and fraudulent travel documentation. To date no immigration fines or TSA violations had been imposed on any World Airways flights. No other airline has ever inaugurated service to this station with this level of success (Virgin Atlantic, KLM, Lufthansa, Air France, British Airways, etc) given that Nigeria is recognized around the world as having the most cases of documentation forgery/impostors and a significant drug smuggling problem. For these reasons, World Airways is the first US airline in over 60 to operate to this destination.

**Project: Airport Security Management -- Nassau, The Bahamas**

**Client: Airport Authority, The Bahamas**

ISDS was initially hired to conduct a security assessment of the local international airport and to present recommendations for improving security to world-class security standards. Subsequently, ISDS was selected to implement the assessment's findings and train all relevant airport personnel. During the project, ISDS significantly impacted narcotics smuggling problems, brought the airport into compliance with local and ICAO standards, and created a new era of security performance in this airport. The project focused on site assessments, training, train-the-trainer qualifications, management training, and administration and quality assurance audits. Working together with the TSA's regional office, the British DfT and US customs, ISDS achieved or exceeded all of the client's defined requirements. ISDS is currently negotiating a long-term contract with the Bahamian Civil Aviation Authorities to maintain the high level of security at their airports.

### 3.3.5 DRC, Inc

DRC has extensive experience responding to and supporting natural and man-made disasters throughout the world. Founded in 1989, DRC has provided invaluable support to domestic infrastructure in the immediate aftermath of hurricanes and tornadoes across the United States. Additionally, DRC has unique and extensive experience supporting U.S. military and diplomatic operations in places such as Somalia, Kosovo and Albania.

**Project: Balkans Support**

**Client: U.S. Dept. of Defense and NATO**

DRC responded to Albania at the initiation of the hostilities involved in the invasion of Kosovo by the Republic of Serbia. DRC entered Kosovo immediately after the cessation of bombing and performed work for NATO and various other military organizations, including the U.S., Italian and British Armies throughout the Balkans. DRC built

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helicopter landing pads, remote observation posts and temporary housing; provided logistical services; hazardous and liquid waste removal services; constructed roads, temporary buildings, security and force protection project as well as office complexes. DRC performed very substantial road-building contracts in Kosovo for the British military and installed the first operating traffic signals at a major intersection in the post-liberation Kosovo.

**Project: Somalia Infrastructure Support****Client: U.S. Dept of State**

DRC mobilized into Somalia within three (3) days of the first U.S. troops landing in December 1993. DRC cleared and restored the U.S. Embassy Compound and nineteen (19) buildings therein, including the primary Embassy building, certain national defense facilities and removed several designated and undesignated graveyards. DRC supplied, built and managed housing for thousands of workers and soldiers, supplied thousands of meals per day, provided and serviced toilets, laundry facilities, ice, water and generators. DRC drilled water wells; hauled garbage; purchased, shipped and supplied shiploads of bottled water and other perishable food items; supplied and built four (4) 300-man offices; designed and built numerous mortar protection screens for various highly sensitive facilities; provided construction and reconstruction services, including detailed electrical services and telecommunications systems; provided heavy equipment; and built and operated the first U.S. approved landfill in Somalia.

**Project: Hurricane Support****Client: States of Florida, North Carolina and South Carolina**

In 1999, in the aftermath of Hurricane Floyd, DRC performed simultaneously numerous contracts throughout Florida, North and South Carolina and mobilized the majority of these contracts within 6-72 hours. These contracts included a 24-hour per day flood fight utilizing prison laborers and sandbags constructing man-made levies in South Carolina to protect major infrastructures; hazardous waste and field containment in the flooded rivers in Lenoir County, North Carolina, and the clean-up of polluted streams and rivers in the vicinity; debris removal throughout all states; beach and sand nourishment; dune walkovers; road repairs and landfill management. In Florida, DRC performed the removal of fish kills in freshwater lakes near the ocean and removal of sand clogging various stormwater drainage systems. DRC also performed demolition services for various homes in flood zones, and technical services for many of the clients.

**4. PERSONNEL****Jack Donovan - Program Manager**

John Donovan is a senior consultant with Custer Battles, LLC and has extensive aviation security and program management experience. Immediately after the events of September 11, Mr. Donovan was appointed to lead the Federal Air Marshal program. In this capacity, he developed and implemented an entirely new strategy for protecting commercial aviation throughout the United States. Mr. Donovan went on to direct all general aviation security matters for the newly created Transportation Security Administration. As a retired senior Army officer, Mr. Donovan

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has extensive experience coordinating efforts inside a Joint and Coalition environment. As the senior military planner for the Joint Staff office for Central and Eastern Europe, he managed 9 senior military analysts, and was responsible to the Chairman, Joint Chiefs of Staff for all related activities of eleven countries from the Baltics to the Balkans. He served as the Military Assistant to the President's Special Emissary for Dayton Accords Implementation during his trips to Bosnia and Croatia and was the designated representative of the Chairman in the U.S. delegation at the Kosovo Peace Talks. Mr. Donovan also has extensive experience designing, implementing and overseeing major training programs, as reflected in his position as the commander of the Operations Group at the Joint Readiness Training Center.

**Scott Custer -- Deputy Program Manager**

Scott Custer is a founding principal of Custer Battles, LLC and has over twelve years of experience planning and managing the security for operations in conflict and post-conflict environments. His military and humanitarian experience provides a unique insight into the challenges of working in high-risk environments, and he has successfully assisted non-governmental organization (NGO) and corporations operate successfully in dangerous environments on five continents. Mr. Custer currently supervises the Custer Battles team of security consultants and analysts working with clients in over 75 countries.

Mr. Custer has extensive experience working throughout the Middle East and the Persian Gulf, having served a joint and coalition planner in Kuwait for U.S. Central Command. As a U.S. Army officer attached serving in several rapid deployment force units, Mr. Custer served as an air operations officer responsible for assessing and managing airfields and flight operating procedures. In this capacity he worked with representatives of many commercial and military airports throughout the world. Since leaving the military, Mr. Custer has conducted numerous security and functional assessments for public infrastructure throughout the world, to include the Kabul International Airport.

**Charles Baumann -- Senior Advisor to the Management Group**

Mr. Bauman is a retired General Officer of the U.S. Army with over 35 years of experience managing projects and building teams in remote, hostile and volatile environments. Since retiring from the Army in 1995, Mr. Bauman has served as the program manager for multi-million dollar projects supporting U.S. government national security objectives in Colombia and Nigeria. He has extensive experience managing projects in extreme environments, having served for several years as both the General Manager of one of the largest commercial operators in Liberia as well as President of International Registries, a premier service provider with a staff of over 200 personnel of various nationalities. Mr. Baumann is one of the world's premier unit trainers, having served as the commander of the 7<sup>th</sup> Army Training Command in Europe, the Assistant Division Commander for the 101<sup>st</sup> Airborne Division, and as the senior mentor to the Battle Command Training Program.

**Ed Levy - Project Manager**

Mr. Levy is a retired senior U.S. Army officer with over 21 years of military police experience managing projects in dynamic environments. He served as the director of the Anti-Terrorism/Force Protection Branch for U.S. Army Europe, as well as the Provost Marshal for



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Task Force Hawk in Albania. As the former chief of the military science branch at the U.S. Military Academy, he has extensive experience designing and implementing training programs. He has considerable experience managing security and law enforcement efforts, having served as the Deputy Provost Marshal for law enforcement and security operations for the largest warfighting unit in Europe, over 42,000 soldiers and civilians.

**Charles Morashian - Deputy Project Manager / CPO Liaison**

Mr. Morashian is a retired senior U.S. Army officer with extensive experience in managing major programs, designing and implementing training programs, as well as considerable experience working in the Middle East. Mr. Morashian spent more than five years as the lead Task Force trainer for the Leadership Training Program at the National Training Center. Additionally, he served for three years as the advisor to the Chief of Operations, Saudi Arabian Ministry of Defense and Aviation.

**Danilo Nunez - Director - Security Force**

Dan is a 23 year veteran of the US Special Forces, having served in every capacity of special operations and intelligence, on every corner of the globe. After leaving the army, Dan has eight years of experience in planning, physical security, counter-terrorist protective measures, security training, access control, crisis management, nuclear safeguards, and security contract management. From 1999-2000 he served as the chief of physical security for Camp Doha, Kuwait. He also has extensive experience managing and training armed guard forces, having served for several years as the chief national trainer for Burns Nuclear Security Services. In 2002, he served as the chief of physical security for Hamid Karzai's Presidential Palace in Kabul, Afghanistan. He has been working in Kuwait since February 2003, and has recently been managing the security training for the security officers at the Port of Um Qasar.

**Eugene Sticco - Director - Screening Force**

Mr. Sticco has extensive experience managing airport security functions, with special emphasis on passenger and baggage screening. As the Assistant Project Manager for McNeil Technologies, he is responsible for the day-to-day management of 250-person screening force operations laded by the TSA as "setting the national standard" for privatization of passenger security screening.

**5. ADMINISTRATIVE / LOGISTICS ISSUES****5.1 Procurement**

In addition to the operational and administrative equipment outlined in the budget, it is envisioned that considerable additional equipment, construction and materiel may be required to establish a comprehensive security framework for BIAP on such short notice. Custer Battles is able to procure and deliver all screening/ESS equipment, as well as to perform needed interim construction measures to ensure the timeline of opening BIAP is met with no delays.

**5.2 Bank Guarantee**

The Custer Battles team has considerable experience working in high-risk remote environments and responding to and successfully completing major projects on extremely short notice. As such, all necessary bank guarantees and letters of credit, as required in the RFP, are currently in

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place and functioning. Custer Battles is committed to the success of this effort, and has positioned its team to be able to respond to a contract award as early as 1700 on 25 June 2003.

**5.4 Insurance**

The Custer Battles team has extensive professional liability, business and health insurance coverage. As our team consists of established, existing companies as team members as opposed to the raw recruitment of unknown personnel, our existing coverage and policies are substantial and immediately transferable to this effort.

**5.5 External Support**

Custer Battles has current operations in Kuwait City and Amman from which we are strategically positioned to provide immediate and sustainable support to this project. Additionally, our network in both the U.S. and Europe always for the rapid response to all administrative, personnel and logistics support requirements as needed throughout the course of the project.

**5.6 Contact Information**

The following individuals are authorized representatives to make decisions regarding this project for the Custer Battles team:

Michael Battles, Principal, Custer Battles, LLC  
Scott Custer, Principal, Custer Battles, LLC

The following contact information is provided:

Custer Battles, LLC  
3959 Pender Drive  
Suite 109  
Fairfax, VA 22030  
703-385-1121  
703-385-2177 (fax)

Scott Custer  
401-855-0006 (cell)  
[custer@custerbattles.com](mailto:custer@custerbattles.com)

Mike Battles  
[battles@custerbattles.com](mailto:battles@custerbattles.com)

**6. COST**

Custer Battles is proposing to provide this professionally comprehensive, flexible security management and services of BIAP for a firm-fixed price of \$13,640,832. This total includes \$12,716,032 for all direct costs plus \$924,800 for estimated equipment (Annex B)

We have accounted for all required personnel insurance costs as outlined by the Defense Base Act. These figures are standard figures established by the U.S. Government and are applicable to all U.S. government contract personnel (U.S. or foreign national) working overseas.

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**Bank guarantee is in place and ready for activation upon signing of contract with OCPA.**

**We have taken into account the fluid situation at BIAP and Iraq; and firmly believe that a fixed fee contract is workable but forces us to err on the high side to ensure we cover all unforeseen cost. Additionally, given the difficulty of providing a full equipment assessment without physical inspection together with TSA of the site, and assuming that medical response is covered by CPA/US Army, Custer Battles is able to source and competitively price additional equipment as needed for BIAP operations. See Annex B which is included in our price. If this is not required to be purchased by us our price should be adjusted accordingly.**

**CONTRACT AND GRANT PROCEDURES  
APPLICABLE TO VESTED AND SEIZED IRAQI PROPERTY AND  
DEVELOPMENT FUND FOR IRAQ**

**Standard Terms and Conditions for Solicitations and Contracts in Excess of \$5,000**

**APPENDIX B**

**Solicitation Terms and Conditions**

1. **Submission of Offers.** The contractor will submit signed and dated offers to the office specified in this solicitation at or before the exact time specified in the solicitation. Offers may be submitted on letterhead stationery or as otherwise specified in the solicitation. At a minimum, offers must show:

- a. The solicitation number.
- b. The time specified in the solicitation for receipt of offers.
- c. The name, address, and telephone number of the offeror.
- d. A technical description of the items being offered in sufficient detail to evaluate compliance with the requirements in the solicitation. This may include product literature, or other documents, if necessary.
- e. Terms of any express warranty.
- f. Price and any discount terms.
- g. Payment address (if different from mailing address)
- h. Acknowledgment of solicitation amendments (if any)
- i. Past performance information, when included as an evaluation factor, to include recent and relevant contracts for the same or similar items and other references (including contract numbers, points of contact with telephone numbers, and other relevant information)
- j. A statement specifying the extent of agreement with all terms, conditions, and provisions included in the solicitation. Offers that fail to furnish required representations or information, or reject the terms and conditions of the solicitation may be excluded from consideration.

2. **Period for Acceptance of Offers.** The offeror agrees to hold the prices in its offer firm for 30 calendar days from the date specified for receipt of offers, unless another time period is specified in an addendum to the solicitation.

3. **Product Samples.** When required by the solicitation, product samples shall be submitted at or prior to the time specified for receipt of offers. Unless otherwise specified in this solicitation, these samples shall be submitted at no expense, and returned at the sender's request and expense, unless they are destroyed by preaward testing.

4. **Multiple Offers.** Offerors are encouraged to submit multiple offers presenting alternative terms and conditions or items for satisfying the requirements of this solicitation. Each offer submitted will be evaluated separately.

5. **Late Submissions, Modifications, Revisions, and Withdrawals of Offers.**

a. Offerors are responsible for submitting offers, and any modifications, revisions, or withdrawals, so as to reach the Contracting Officer designated in the solicitation by the time specified in the solicitation. If no time is specified in the solicitation, the time for receipt is 1630 hours, local time, for the designated contracting office on the date that offers or revisions are due.

b. Any offer, modification, revision, or withdrawal of an offer received at the contracting office designated in the solicitation after the exact time specified for receipt of offers is "late" and will not be considered unless it is received before award is made, the Contracting Officer determines that accepting the late offer would not unduly delay the acquisition, and

1) if it was transmitted through an electronic commerce method authorized by the solicitation, it was received at the initial point of entry to the contracting office not later than 1700 hours one working day prior to the date specified for receipt of offers, or

2) there is acceptable evidence to establish it was received at the location designated for the receipt of offers and was under government control prior to the time set for receipt of offers, or

3) if the solicitation was a request for proposals, it was the only proposal received.

c. However, a late modification of an otherwise successful offer that makes the offer's terms more favorable to the contracting organization issuing the solicitation will be considered at any time it is received and may be accepted.

d. Acceptable evidence to establish the time of receipt at the contracting office includes the time/date stamp of that installation on the offer wrapper, other documentary evidence of receipt maintained by the installation, or oral testimony or statements of contracting office personnel.

e. If an emergency or unanticipated event interrupts normal processes so that offers cannot be received at the contracting office designated for receipt of offers by the exact time specified in the solicitation, and urgent requirements preclude amendment of the solicitation or other notice of the extension of the closing date, the time specified for receipt of offers will be deemed to be extended to the same time of day specified in the solicitation on the first work day on which normal processes resume.

f. Offers may be withdrawn by written notice received at any time before the exact time set for receipt of offers. Oral offers in response to oral solicitations may be withdrawn orally. If the solicitation authorizes facsimile offers, offers may be withdrawn via facsimile received at any time before the exact time set for receipt of offers, subject to the conditions specified in the solicitation concerning facsimile offers. An offer may be withdrawn in person by an offeror or its authorized representative if, before the exact time set for receipt of offers, the identity of the person requesting withdrawal is established and the person signs a receipt for the offer.

6. **Contract Award.** The Contracting Officer intends to evaluate offers and award a contract without discussions with offerors. Therefore, the offeror's initial offer should contain the offeror's best terms from a price and technical standpoint. However, the Contracting Officer reserves the right to conduct discussions if later determined by the Contracting Officer to be necessary. The Contracting Officer may reject any or all offers if such action is in the public interest; accept other than the lowest-priced offer; and waive informalities and minor irregularities in offers received.

7. **Multiple Awards.** The Contracting Officer may accept any item or group of items of an offer, unless the offeror qualifies the offer by specific limitations. Unless otherwise provided in the schedule, offers may not be submitted for quantities less than those specified. The Contracting Officer reserves the right to make an award on any item for a quantity less than the quantity offered, at the unit prices offered, unless the offeror specifies otherwise in the offer.

8. **Evaluation.** The Contracting Officer will award a contract resulting from this solicitation to the responsible offeror whose offer conforming to the solicitation will be most advantageous to the contracting activity, price and other factors considered. The following factors shall be used to evaluate offers.

(Contracting Officer lists factors here, in order of importance)

9. **Options.** The Contracting Officer will evaluate offers for award purposes by adding the total price for all options to the total price for the basic requirement. The Contracting Officer may determine that an offer is unacceptable if the option prices are significantly unbalanced. Evaluation of options shall not obligate the Contracting Officer to exercise the option(s).

10. **Notice of Award.** A written notice of award or acceptance of an offer, mailed or otherwise furnished to the successful offeror within the time for acceptance of the offer, shall result in a binding contract without further action by either party. Before the offer's scheduled expiration time, the Contracting Officer may accept an offer (or part of an offer) whether or not there are negotiations after its receipt, unless a written notice of withdrawal is received before award.

11. **Protests.** A contractor wishing to object to the terms of a solicitation, the termination of a solicitation, the award of a contract, or the termination of the award of a contract, shall present the matter to the Contracting Officer for an initial decision. The contractor shall state to the Contracting Officer the basis for the protest. If the contractor does not agree with the Contracting Officer's initial decision, the Contractor may appeal the initial decision to the Head of Contracting Activity, CPA, for resolution. The decision of the Head of Contracting Activity, CPA, shall be the final decision in the matter.

12. **Evaluation of Foreign Currency Offers.** If the Contracting Officer receives offers in more than one currency, the Contracting Officer will evaluate offers by converting the foreign currency to United States currency using \_\_\_\_\_ rate in effect on the date specified for receipt of offers, if award is based on initial offers, or, if award is based on revised offers, on the date specified for receipt of proposal revisions.

#### Contract Terms and Conditions

13. **Inspection/Acceptance.** The Contractor shall only tender for acceptance those items that conform to the requirements of this contract. The Contracting Officer reserves the right to inspect or test any supplies or services that have been tendered for acceptance. The Contracting Officer may require repair or replacement of nonconforming supplies or reperformance of nonconforming services at no increase in contract price. The Contracting Officer must exercise the post-acceptance rights:

- a. Within a reasonable time after the defect was discovered or should have been discovered, and
  - b. Before any substantial change occurs in the condition of the item, unless the change is due to the defect in the item.
14. **Assignment.** The Contractor shall not assign, transfer, or make any other disposition of this Contract, or any part thereof, without the prior written consent of the Contracting Officer.
15. **Changes.** Changes in the terms and conditions of this contract may be made only by written agreement of the parties.
16. **Disputes.** This contract is subject to the Contract Disputes Act of 1978, as amended (41 U.S. Code, Sections 601-613). Failure of the parties to this contract to reach agreement on any request for equitable adjustment, claim, appeal, or action arising under or relating to this contract shall be a dispute to be resolved in accordance with the United States Federal Acquisition Regulation Clause 52.233-1, Disputes, which is incorporated herein by reference. The contractor shall proceed diligently with performance of this contract, pending final resolution of any dispute arising under the contract.
17. **Excusable Delays.** The Contractor shall be liable for default unless nonperformance is caused by an occurrence beyond the reasonable control of the Contractor and without its fault or negligence such as, acts of God or the public enemy, acts of the Governmental activity in either its sovereign or contractual capacity, fires, floods, epidemics, quarantine restrictions, strikes, unusually severe weather, and delays of common carriers. The Contractor shall notify the Contracting Officer in writing as soon as it is reasonably possible after the commencement of any excusable delay, setting forth the full particulars in connection therewith, shall remedy such occurrence with all reasonable dispatch, and shall promptly give written notice to the Contracting Officer of the cessation of such occurrence.
18. **Invoice.** The Contractor shall submit an original invoice and three copies (or electronic invoice if authorized) to the address designated in the contract to receive invoices. The invoice must include:
- a. Name and address of the Contractor.
  - b. Invoice date and number.
  - c. Contract number, contract line item number, and, if applicable, the order number.
  - d. Description, quantity, unit of measure, unit price, and extended price of the items delivered.
  - e. Shipping number and date of shipment, including the bill of lading number and weight of shipment if shipped on a bill of lading.
  - f. Terms of any discount for prompt payment offered.
  - g. Name, title, and phone number of person to notify in event of defective notice.
19. **Patent Indemnity.** The Contractor shall indemnify the Government agency involved in this contract and its officers, employees, and agents against liability, including costs, for actual or alleged direct or indirect contributory infringement of, or inducement to infringe, any patent, trademark, or copyright, arising out of the performance of this contract, provided the Contractor is reasonably notified of such claims and proceedings.

20. **Payment.** Payment shall be made for items accepted by the Contracting Officer that have been delivered to the delivery destinations set forth in this contract. In connection with any discount offered for early payment, time shall be computed from the date of the invoice. For the purpose of computing the discount earned, payment shall be considered to have been made on the date which appears on the payment check or the specified payment date if an electronics fund transfer payment is made.

21. **Risk of Loss.** Unless the contract specifically provides otherwise, risk of loss or damage to the supplies provided under this contract shall remain with the Contractor until, and shall pay to the Contracting Officer upon:

- a. Delivery of the supplies to a carrier, if transportation is f.o.b. origin.
- b. Delivery of the supplies to the Contracting Officer or a representative at a destination specified in the contract, if transportation is f.o.b. destination.

22. **Taxes.** The contract price includes all applicable taxes and duties.

23. **Termination for Convenience.** The Contracting Officer reserves the right to terminate this contract, or any part hereof, for the sole convenience of the Government activity. In the event of such termination, the Contractor shall immediately stop all work hereunder and shall immediately cause any and all of its suppliers and subcontractors to cease work. Subject to the terms of this contract, the Contractor shall be paid a percentage of the contract price reflecting the percentage of the work performed prior to the notice of termination, plus reasonable charges the Contractor can demonstrate to the satisfaction of the Contracting Officer using its standard record keeping system, have resulted from the termination. The Contracting Officer, upon reasonable advanced notice, may inspect the financial records relating to this Contract including the amounts paid to subcontractors and the locations where any portion of the Contractor's performance occurs. The Contracting Officer may review the Contractor's financial statements upon request.

24. **Termination for Cause.** The Contracting Officer may terminate this contract, or any part hereof, for cause in the event of any default by the Contractor, or if the Contractor fails to comply with any contract terms and conditions, or fails to provide the Contracting Officer, upon request, with adequate assurances of future performance. In the event of termination for cause, the Government agency shall not be liable to the Contractor for any amount of supplies or services not accepted, and the Contractor shall be liable for any and all rights and remedies provided by law. If it is determined that the Contracting Officer improperly terminated this contract for cause, such termination shall be deemed a termination for convenience.

25. **Title.** Unless specified elsewhere in this contract, title to items furnished under this contract shall pass to the Government agency upon acceptance, regardless of when or where the Government agency takes physical possession.

26. **Warranty.** The Contractor warrants and implies that the items delivered hereunder are merchantable and fit for use for the particular purpose described in this contract.



27. **Immunities.** Except as provided in this contract, the Government of Iraq or its agents, including the CPA or other governmental agencies, have not waived any of their privileges or immunities.
28. **Legal Status.** The Contractor is an independent contractor. The Contractor's employees will not be considered government employees for any purpose. The Contractor is solely responsible for compensation agreements with employees.
29. **Contractor's Responsibility for Employees.** The Contractor is responsible for the professional and technical competence of its employees and will select reliable individuals who will perform effectively in the implementation of this Contract, respect the local customs, and conform to a high standard of moral and ethical conduct. The Contracting Officer may require that the Contractor remove from the job employees who endanger persons or property, or whose continued employment under this contract is inconsistent with the interest of military security.
30. **Subcontracting.** Except as authorized in this contract, the Contractor may not subcontract any portion of the performance of this Contract to another without the prior written consent of the Contracting Officer. The terms of any subcontract will be subject to and conform with the provisions of this Contract.
31. **Indemnification.** The Contractor shall defend, indemnify, and hold harmless all government entities involved in this contract, together with the entities' officers, agents, and employees from and against all suits, claims, or liabilities of any kind arising out of acts or omissions of the Contractor, its employees, or the Contractor's subcontractors.
32. **Insurance.** The Contractor represents and warrants that it shall maintain appropriate insurance including general commercial liability and workers compensation coverage in an adequate amount to cover third parties claims arising from or in connection with this Contract. Upon request, the Contractor will provide satisfactory evidence of the insurance required under this article.
33. **Use of Names and Symbols.** Except as required by this Contract, the Contractor will not advertise or otherwise makes public the fact that it is a contractor to the governmental entity in this Contract, nor will the Contractor use the name or emblem of the governmental entity for commercial purposes.
34. **Limitation of Liability.** Except as otherwise provided by an express warranty, the Contractor will not be liable to the governmental entity for consequential damages resulting from any defect or deficiencies in accepted items.
35. **Inconsistency between English Version and Translation of Contract.** In the event of inconsistency between any terms of this contract and any translation into another language, the English language meaning shall control.
36. **Correspondence in English.** The Contractor shall ensure that all contract correspondence that is addressed to the governmental entity awarding this contract is submitted in English or with an English translation.

37. **Conflicts of Interest.** The Contractor warrants that no governmental official has received or will be offered by the Contractor any direct or indirect benefit in connection with or arising from the award of this contract. The Contractor agrees that any breach of this provision is a breach of an essential term of this Contract.

38. **Order of Precedence (except for Construction Contracts).** Any inconsistencies in this solicitation or contract shall be resolved by giving precedence in the following order:

- a. The schedule of supplies/services.
- b. The Assignments, Disputes, Payments, Invoice, Other Compliances clauses of this contract.
- c. Addenda to this solicitation or contract, including any license agreements for computer software.
- d. Solicitation provisions (if this is a solicitation)
- e. The other standard clauses in this contract.
- f. Other documents, exhibits, and attachments.
- g. The specification (the narrative description of the work)

39. **Other Compliances.** The Contractor shall comply with all applicable laws, rules, and regulations applicable to its performance under this contract.

40. **Source of Funds.** The obligation under this contract is made with CPA Funds, as defined in CPA Memorandum Number 411, dated 10 AUG 03. No funds, appropriated or other, of any Coalition country are or will be obligated under this contract.

41. **Option to Extend the Term of the Contract.**

a. The governmental entity awarding this contract may extend the term of this contract by written notice to the Contractor within 15 days (insert number of days) prior to the end of the term of the contract, or the end of any option period previously exercised under the contract; provided that the Government entity gives the Contractor a preliminary written notice of its intent to extend at least 30 (insert number of days) before the contract period (including option periods exercised) expires. The preliminary notice does not commit the governmental entity to an extension. If the Government exercises this option, the extended contract shall be considered to include this clause.

b. At the end of the contract period, or at the end of the final option period under this contract, whichever is later, if the governmental entity requires continued performance of services within the limits and at the rates specified in the contract, the governmental entity may extend the period of performance under this contract for an additional period not to exceed six months, by giving written notice to the Contractor at least 30 days before the end of the contract period or the end of the final option period exercised, whichever is later.

42. **Liquidated Damages.**

a. If the Contractor fails to perform within the time specified in this contract, the Contractor shall, in place of actual damages, pay to the governmental entity liquidated damages of \$ \_\_\_\_\_ per calendar day of delay.

b. If the governmental entity terminates this contract in whole or in part under the Termination for Cause clause, the Contractor is liable for liquidated damages accruing until the

governmental entity reasonably obtains similar delivery or performance. These liquidated damages are in addition to excess costs of repurchase under the Termination for Cause clause.

c. The Contractor will not be charged with liquidated damages when the delay in delivery or performance is beyond the control and without the fault or negligence of the Contractor as defined in the Excusable Delay clause.

**Construction Contract Terms and Conditions**  
**(For Construction Contracts Only)**

43. **Performance of Work by the Contractor.** The Contractor shall perform on the site, and with its own organization, work equivalent to at least \_\_\_\_\_ percent of the total amount of work to be performed under the contract. This percentage may be reduced by a supplemental agreement to this contract if, during performing the work, the Contractor requests a reduction and the Contracting Officer determines that the reduction would be to the advantage of the Government.

44. **Differing Site Conditions.**

a. The Contractor shall promptly, and before the conditions are disturbed, give a written notice to the Contracting Officer of:

(1) Subsurface or latent physical conditions at the site which differ materially from those indicated in the Contract, or

(2) Unknown physical conditions at the site, of an unusual nature, which differ materially from those ordinarily encountered and generally recognized as inhering in work of the character provided for in the contract.

b. The Contracting Officer shall investigate the site conditions promptly after receiving the notice. If the conditions do materially so differ and cause an increase or decrease in the Contractor's cost of, or the time required for, performing any part of the work under this contract, whether or not changed as a result of the conditions, an equitable adjustment shall be made under this clause and the contract modified in writing accordingly.

c. No request by the Contractor for an equitable adjustment to the contract shall be allowed, unless the Contractor has given the written notice required; provided, that the time prescribed in paragraph (a) of this clause for giving written notice may be extended by the Contracting Officer.

d. No request by the Contractor for an equitable adjustment to the contract for differing site conditions shall be allowed if made after final payment under this contract.

45. **Site Investigation and Conditions Affecting the Work.**

a. The Contractor acknowledges that it has taken steps reasonably necessary to ascertain the nature and location of the work, and that it has investigated and satisfied itself as to the general and local conditions which can affect the work or its cost, including but not limited to (1) conditions bearing upon transportation, disposal, handling, and storage of materials; (2) the availability of labor, water, electric power, and roads; (3) uncertainties of weather, river stages, tides, or similar physical conditions at the site; (4) the conformation and conditions of the ground; (5) the character of equipment and facilities needed preliminary to and during work performance. The Contractor also acknowledges that it has satisfied itself as to the character, quality, and quantity of surface and subsurface materials or obstacles to be encountered insofar

as the information is reasonably ascertainable from an inspection of the site, including all exploratory work done by the governmental agency involved, as well as from the drawing and specifications made a part of this contract. Any failure of the Contractor to take the action described and acknowledged in this paragraph will not relieve the Contractor from responsibility for estimating properly the difficulty and cost of successfully performing the work, or for proceeding to successfully perform the work without additional expense to the governmental agency involved.

b. The governmental agency involved in this contract assumes no responsibility for any conclusions or interpretations made by the Contractor based on the information made available by the Government, nor does the governmental agency assume responsibility for any understanding reached or representation made concerning conditions which can affect the work by any of its officers or agents before the execution of this contract, unless that understanding or representation is expressly stated in this contract.

**46. Material and Workmanship.**

a. All equipment, material, and articles incorporated into the work covered by this contract shall be new and of the most suitable grade for the purpose intended, unless otherwise specifically provided in this contract. References in the specifications to equipment, material, articles, or patented processes by trade name, make, or catalog number, shall be regarded as establishing a standard of quality and shall not be construed as limited competition. The Contractor may, at its option, use any equipment, material, article, or process that, in the judgment of the Contracting Officer, is equal to that named in the specifications, unless otherwise specifically provided in this contract.

b. The Contractor shall obtain the Contracting Officer's approval of the machinery and mechanical and other equipment to be incorporated into the work. When requesting approval, the Contractor shall furnish to the Contracting Officer the name of the manufacturer, the model number, and other information concerning the performance, capacity, nature, and rating of the machinery and mechanical and other equipment. When required by this contract or by the Contracting Officer, the Contractor shall also obtain the Contracting Officer's approval of the material or articles which the Contractor contemplates incorporating into the work. When requesting approval, the Contractor shall provide full information concerning the material or articles. When directed to do so, the Contractor shall submit samples for approval at the Contractor's expense, with all shipping charges prepaid. Machinery, equipment, material, and articles that do not have the required approval shall be installed or used at the risk of subsequent rejection.

c. All work under this contract shall be performed in a skillful and workmanlike manner. The Contracting Officer may require, in writing, that the Contractor remove from the work any employee the Contracting Officer deems incompetent, careless, or otherwise objectionable.

**47. Superintendence by the Contractor.** At all times during performance of this contract and until the work is completed and accepted, the Contractor shall directly superintend the work or assign and have on the worksite a competent superintendent who is satisfactory to the Contracting Officer and has authority to act for the Contractor.

**48. Permits and Responsibilities.** The Contractor shall, without additional expense to the governmental entity awarding this contract, be responsible for obtaining any necessary licenses

and permits, and for complying with any laws, codes, or regulations applicable to the performance of the work. The Contractor shall also be responsible for all damages to persons or property that occurs as a result of the Contractor's fault or negligence. The Contractor shall also be responsible for all materials delivered and work performed until completion and acceptance of the entire work, except for any completed unit of work which may have been accepted under the contract.

**49. Protection of Existing Vegetation, Structures, Equipment, Utilities, and Improvements.**

a. The Contractor shall preserve and protect all structures, equipment, and vegetation (such as trees, shrubs, and grass) on or adjacent to the work site, which are not to be removed and which do not unreasonably interfere with the work required under this contract. The Contractor shall only remove trees when specifically authorized to do so, and shall avoid damaging vegetation that will remain in place. If any limbs or branches of trees are broken during contract performance, or by the careless operation of equipment, or by workmen, the Contractor shall trim those limbs or branches with a clean cut and take such other action as the Contracting officer may direct.

b. The Contractor shall protect from damage all existing improvements and utilities (1) at or near the work site, and (2) on adjacent property of a third party, the locations of which are made known to or should be known by the Contractor. The Contractor shall repair any damage to those facilities, including those that are the property of a third party, resulting from failure to comply with the requirements of this contract or failure to exercise reasonable care in performing the work. If the Contractor fails or refuses to repair the damage promptly, the Contracting Officer may have the necessary work performed and charge the cost to the Contractor.

**50. Operations and Storage Areas.**

a. The Contractor shall confine all operations (including storage of materials) to areas authorized or approved by the Contracting Officer. The Contractor shall hold and save the government entity awarding this contract, its officers and agents, free and harmless from liability of any nature occasioned by the Contractor's performance.

b. Temporary buildings (such as storage sheds, shops, offices) and utilities may be erected by the Contractor only with the approval of the Contracting Officer and shall be built with labor and materials furnished by the Contractor without expense to the governmental entity awarding this contract. The temporary buildings and utilities shall remain the property of the Contractor and shall be removed by the Contractor at its expense upon completion of the work. With the written consent of the Contracting Officer, the buildings and utilities may be abandoned and need not be removed.

c. The Contractor shall, under rules established by the Contracting Officer, use only established roadways, or use temporary roadways constructed by the Contractor when and as authorized by the Contracting Officer. When materials are transported in prosecuting the work, vehicles shall not be loaded beyond the loading capacity recommended by the manufacturer of the vehicle or prescribed by law or regulation. When it is necessary to cross curbs and sidewalks, the Contractor shall protect them from damage. The Contractor shall repair or pay for the repair of any damaged curbs, sidewalks, or roads.

51. **Cleaning Up.** The Contractor shall at all times keep the work area, including storage areas, free from accumulations of waste materials. Before completing the work, the Contractor shall remove from the work and premises any rubbish, tools, scaffolding, equipment, and materials that are not the property of the Government. Upon completing the work, the Contractor shall leave the work area in a clean, neat, and orderly condition satisfactory to the Contracting Officer.

52. **Accident Prevention.**

a. The Contractor shall provide and maintain work environments and procedures which will:

- (1) Safeguard the public and governmental entity personnel, property, materials, supplies, and equipment exposed to Contractor operations and activities,
- (2) Avoid interruptions of governmental entity operations and delays in project completion dates, and
- (3) Control costs in the performance of this contract.

b. For these purposes on contracts for construction or dismantling, demolition, or removal of improvements, the Contractor shall:

- (1) Provide appropriate safety barricades, signs, and signal lights.
- (2) Ensure that any additional measures the Contracting Officer determines to be reasonably necessary for the purposes are taken.

c. Whenever the Contracting Officer becomes aware of any noncompliance with these requirements or any condition which poses a serious or imminent danger to the health and safety of the public or governmental entity personnel, the Contracting Officer shall notify the Contractor orally, with written confirmation, and request immediate initiation of corrective action. This notice, when delivered to the Contractor or the Contractor's representative at the work site, shall be deemed sufficient notice of the noncompliance and that corrective action is required. After receiving the notice, the Contractor shall immediately take corrective action. If the Contractor fails or refuses to promptly take corrective action, the Contracting Officer may issue an order stopping all or part of the work until satisfactory corrective action has been taken. The Contractor shall not be entitled to any equitable adjustment of the contract price or extension of the performance schedule on any stop work order issued under this clause.

d. The Contractor shall insert this clause, including this paragraph (d), with appropriate changes in the designation of the parties, in subcontracts.

53. **Schedules for Construction Contracts.**

a. The Contractor shall, within five days after the work commences on the contract or another period of time determined by the Contracting Officer, prepare and submit to the Contracting Officer for approval three copies of a practicable schedule showing the order in which the Contractor contemplates starting and completing the several salient features of the work (including acquiring materials and equipment). The schedule shall be in the form of a progress chart of suitable scale to indicate approximately the percentage of work scheduled for completion by any given date during the period. If the Contractor fails to submit a schedule within the time prescribed, the Contracting Officer may withhold approval of progress payments until the Contractor submits the required schedule.

b. The Contractor shall report progress under the schedule to the Contracting Officer as directed by the Contracting Officer. If, in the opinion of the Contracting Officer, the Contractor falls behind the approved schedule, the Contractor shall take steps necessary to

improve its progress, including those that may be required by the Contracting Officer, without additional cost to the governmental entity awarding this contract. In this circumstance, the Contracting Officer may require the Contractor to increase the number of shifts, overtime operations, days of work, and other efforts, and to submit for approval any supplementary schedule or schedules as the Contracting Officer deems necessary to demonstrate how the approved rate of progress will be regained.

c. Failure of the Contractor to comply with the requirements of the Contracting Officer under this clause shall be grounds for a determination by the Contracting Officer that the Contractor is not prosecuting the work with sufficient diligence to ensure completion within the time specified in the contract. Upon making this determination, the Contracting Officer may terminate the Contractor's right to proceed with the work, or any separable part of it, in accordance with the default terms of the contract.

**54. Specifications and Drawings for Construction.** The Contractor shall keep on the work site a copy of the drawings and specifications (the written description of the work) and shall at all times give the Contracting Officer access thereto. Anything mentioned in the specifications and not in the drawings, or shown on the drawings and not mentioned in the specifications, shall be of like effect as if shown or mentioned in both. In case of difference between drawings and specifications, the specifications shall govern. If case of difference in the figures between the drawings or in the specifications, the matter shall be promptly submitted to the Contracting Officer, who shall promptly make a determination in writing. Any adjustment by the Contractor without such a determination shall be at its own risk and expense. The Contracting Officer shall furnish from time to time such detailed drawings and other information as considered necessary, unless otherwise provided.