



# NEWS RELEASE

U.S. ARMY CORPS OF ENGINEERS

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For Immediate Release:  
July 26, 2011

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## Sealed bidding expedites contract awards for AED-South

KANDAHAR AIRFIELD, Afghanistan – The U.S. Army Corps of Engineers Afghanistan Engineer District-South resurrected an infrequently used procurement method and a decades-old tool from the contracting toolkit to expediently award contracts for large Afghan National Army projects.

Sealed bidding employs competitive bids, public opening of bids, and a prompt contract award to the offeror with the lowest priced, responsive bid.

The process isn't a rubberstamp for awarding a contract to the lowest bidder. Contractors must meet all requirements in the government's invitation for bid, and government contracting officers must determine that the contractor is responsible and can perform the work.

AED-South hosted public bid openings June 18 and 22 at Forward Operating Base Lindsey near Kandahar Airfield for expansions of garrison facilities for the 207th Afghan Army Corps, Camp Zafar, in Herat province and for the 215th Afghan Army Corps, Delaram, in Nimruz province.

Through the sealed bidding contracting method, the district awarded contracts to two firms that previously had not bid on these types of ANA projects in southern and western Afghanistan. The Herat contract went to Contract International Inc. for \$44.3 million, and the Delaram contract went to Lakeshore TolTest JV LLC for \$71.5 million.

The two contracts were pilot projects to determine if sealed bidding was feasible for the district. The Transatlantic Division approved the trial.

An AED-South project team pursued use of this procurement method for two primary reasons: sealed bidding is faster than negotiated procurements, providing a mechanism to quickly award a half billion dollars in contracts this fiscal year, and its use allows the district to expand the pool of responsible contractors.

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*Steven Belmore and Jefferey Ball open bids at a public bid opening on June 22 for expansion of garrison facilities for the 215th ANA Corps, Delaram. (Photo by Joan Kibler)*

According to the Federal Acquisition Regulation, sealed bidding may be used when four conditions permit: time is sufficient for the use of sealed bids; the award is based on price and price-related factors; it is not necessary to conduct discussions with the offerors; and there is an expectation of receiving more than one sealed bid.

“Sealed bidding has worked well for many large military construction projects on bases in the United States,” said Hank Iarrusso, district counsel. “Our ANA projects are comparable with base construction because of the standard types of facilities (e.g., barracks, dining halls and recreation facilities).”

“Additionally, these ANA projects are 90 to 95 percent designed and just need to be site adapted,” said Steven Belmore, ANA project manager. “The work is not complex, and many of the buildings will be constructed using rolled steel.”

Once the pilot was approved, the district’s next step was to establish its processes for awarding sealed bid contracts. “Fortunately, our contracting officer – Mark Jones – had prior experience with sealed bidding. Mark established the internal procedures for use here, and he guided the team,” Belmore said.

As the project team explored using sealed bidding, it also reviewed the FAR requirement for bonding, which had previously been waived for USACE contracts in Afghanistan. Research determined that circumstances had changed, and contractors could get bid bonds for 30 percent of the contract value.

Bonds provide financial protection against potential losses or failure by the offeror. In obtaining bonds, companies undergo an underwriting process that further reduces risk to the government of awarding a contract to a financially weak or historically underperforming company, according to Iarrusso. Contractors must submit bonding documents with their bids.

Bid openings follow a specific schedule and format. Contract specialists begin the official bid opening at the prescribed time. Contractors must submit their bids before the bid opening or they will not be considered.

Contractors do not have to be present for bid openings. At a public bid opening, attendees sign in, are provided a bid worksheet for recording the bids as they are read, and are advised not to talk during the proceedings. At the end of the process,

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*Contractors may record the bids as the USACE contract specialist opens them, checks for mandatory documents and announces the bids. (Photo by Joan Kibler)*

everyone present knows the apparent low bidder.

“Contractors are required to submit their bid schedule, the bid guarantee (bonding document) and a signed Standard Form 1442 (Solicitation, Offer and Award) with all amendments,” said Jefferey Ball, contract specialist. “We then open each package to determine if the bidders included the required documents. If they do not, they are considered nonresponsive.”

After the bids are opened and recorded, the contract specialist announces the government estimate and asks that a representative of the low bidder remain, if present.

For the garrison at Herat, AED-South received 13 bid proposals; representatives from seven firms attended the bid opening. For the garrison at Delaram, the district received five bids; representatives from three firms attended the bid opening.

Before awarding a contract, the contracting officer requests information from the contractors for the “responsibility determination.” According to the FAR, contractors must have adequate financial resources, satisfactory past performance, and a satisfactory record of integrity and business ethics. The contractor must also be able to meet the performance schedule; have the necessary organizational structure, controls and skills; have the necessary equipment and facilities; and be qualified and eligible to receive an award under applicable laws and regulations.

“We are pleased with the results of our pilot projects,” Belmore said. “We learned that sealed bidding works in this environment and for certain types of projects; we can attract new contractors; and contractors can get bonded. The sealed bidding process helps to diversify our acquisition strategies, and we are now approved to use it for upcoming Afghan Army project awards.”