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BUILDING STRONG®

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Small town, big business

BADAKSHAN, Afghanistan— Providing quality construction to the people of Afghanistan is part of the U.S. Army Corps of Engineer's mission. But, for some provincial towns where the roads are decrepit, security is always in question and local construction companies struggle to get steady work; maintaining quality can sometimes be an issue.

Recently, in the small province of Badakshan, Afghanistan, the U.S. Army Corps of Engineers sought to find a better solution to completing critical construction projects in support of the Afghan National Security Forces by hosting an Afghanistan Business Association conference for the owners of construction firms who live and work in Badakshan. The meeting was held in the capital city, Fayzabad in July.



Fifty-two Afghan construction company owners from the small province of Badakshan, Afghanistan, gathered in Fayzabad, Afghanistan for an Afghanistan Business Association Conference. The conference taught the company owners, representing 33 construction firms, how to submit proposals and bid for U.S. Army Corps of Engineer contracts.

Fifty-two Afghans representing 33 Afghanistan construction firms showed up. The firms were interviewed by representatives from the Afghanistan Engineer District-North contracting, quality assurance and office of council branches, respectively. The results - more than 20 construction firms were registered into the USACE Afghan First Contractor database and two

Badakshan construction companies were awarded contracts in August, making them the first Badakshan construction companies to be awarded Corps contracts since the conference.



U.S. Army Corps of Engineer representatives from the Afghanistan Engineer District -North contracting, quality assurance and office of council branches spoke one-on-one with construction company owners from Badakshan, Afghanistan about how to get registered in the USACE contracting database.

“Everything USACE does is contract related,” said Robert Winne, AED-N deputy contracting chief. “This conference allowed us to talk facts about the contracting process versus talking around the issues of contracting. It also allowed us to identify a whole new pool of contractors that weren’t registered with USACE.”

There are approximately 18 ANSF projects in Badakshan, all of which were at one point terminated due to the contractor defaulting. “After a contract is terminated we start the reprocurement process,” said

Winne. Reprocurement is a process the Corps uses to re-award the remaining portion of construction on a project that is not complete due to termination. In the past, the firms that were being awarded contracts in Badakshan were all located in Kabul, this didn’t sit right for some of the people that live in Badakshan and eventually led to problems.

After having a sit-down meeting with some of the government and locals of Badakshan, Corps leadership realized that many of the projects in the small province were having difficulties because the locals in the area felt left out. “We found that many of the locals were being hired as sub-contractors for USACE projects by Kabul construction companies, but weren’t getting hired as the primary contractor,” said Army Capt. Keith Alaniz from AED-N capacity development branch. “This made them feel angry at the Corps when the projects were terminated because they weren’t getting paid and the money was just going back to Kabul.”

To rectify the situation, AED-N decided to host a conference where construction firms in Badakshan could come and learn about the Corps contracting process to include how to write a proposal and how to bid on construction projects.

“Most of the projects in Badakshan are under one million dollars, which makes them perfect for a lot of these small companies just starting out or that don’t have all the experience to build some of our bigger projects,” said Winne.

The conference also allowed owners of construction companies to network with other construction company owners and exchange ideas and business goals. After meeting with the Corps, many of the construction companies realized that they would have a greater chance of being awarded a contract if they pooled their resources and expertise together to create one joint venture company.

“A lot of these companies have experience building small projects in the local area or working on certain aspects of a construction project, like the electrical or plumbing, but don’t necessarily have all the skills within their company to take on a single project ,” said Alaniz. “So after hearing what the Corps is looking for when we select contractors, many of these Badakshan companies decided to come together and build one company which increases their chances of winning a bid.”

For three Badakshan contractors, creating a joint venture gave them the edge they needed to be awarded a \$480,000 Afghan National Police Station Corps contract.

PUL Engineering and Construction Joint Venture won the award for the uniform police district headquarters at Keranwa Manjan in August. PUL JV is comprised of New PAMIR Construction Co., Hasam Construction Road and Construction Materials Co. and Lal Khurasan Construction & Road Building Co. All three companies are based out of Badakshan. The second construction firm to be awarded a contract is Mah-e-May Construction Co., also based out of Badakshan. Mah-e-May was awarded a \$262,650 contract for the uniformed police district headquarters at Wakhan.

The success of the business conference didn’t just give the Badakshan people a chance to earn work with the Corps, it also helped to build community relations between the provincial people, their government and the Corps and helped strengthen the partnership between the district and the province.

“Meeting with the people in small towns and provinces and listening to their concerns or problems is really the key to building a successful project and partnership,” said Alaniz. “It’s important to maintain open communications with these provinces, especially as we draw down troops. We need to be able to depend on them for security and be able to count on the local government to help resolve disputes. “In Afghanistan they say “hamkari,” it means partnership in Dari.”

Badakshan is the first province where AED-N held the business conference, but in the future, the district



U.S. Army Corps of Engineers personnel and contractors from Badakshan, Afghanistan pose during the Afghanistan Business Association Conference held in Fayzabad, Afghanistan.

hopes to grow the program so other construction firms in small towns with hard-to-reach USACE projects can be given an opportunity to bid and win Corps projects.

“This is really a business model for success,” said Winne. “The Badakshan people were very excited the Corps was there trying to promote existing projects already in their neighborhoods.”

Alaniz agreed that when possible, allowing local construction companies to build in their own neighborhood for USACE sets a good example and can only serve to help the communities in the future. “If a project costs \$700,000 to complete and we hire a local provincial construction firm, that’s money that stays in the province and can go towards goods and services for those people. It’s a win-win for everybody.”