



DEPUTY SECRETARY OF DEFENSE

1010 DEFENSE PENTAGON
WASHINGTON, DC 20301-1010

DEC 5 2003



DETERMINATION AND FINDINGS

This Determination and Findings (D&F) applies to the 24 construction and services, and indefinite-delivery, indefinite-quantity contracts described in the attachment that are to be awarded by the Coalition Provisional Authority (CPA) and by the Department of Defense, on behalf of the CPA. It also applies to one overall program management contract to be awarded to oversee the total effort. Finally, it applies to the indefinite-delivery, indefinite-quantity contract to equip the new Iraqi army. These contracts will obligate \$18.6B in funds from the Iraq Relief and Reconstruction Fund (IRRF), which were appropriated by Public Law 108-106 for the purpose of relief and reconstruction of Iraq. These contracts will upgrade and rebuild the electrical sector, public works and water, military courts and borders, building, housing and health, transportation, communications, and oil infrastructure. This D&F is executed under the authority of 41 U.S.C. 253 (c)(7) and 10 U.S.C. 2304(c)(7), as implemented by FAR 6.302-7.

I hereby make the following findings regarding the limitation of competition for the particular procurements of Iraqi Relief and Reconstruction prime contracts identified in attachment number 1 to firms from the United States, Iraq, Coalition partners and force contributing nations:

FINDINGS

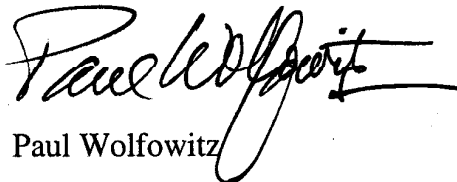
1. In light of the global war on terrorism and the end of major combat operations, the task of rebuilding the infrastructure of a free Iraq remains critical. The mission to rebuild Iraq is massive in nature and requires major improvements and redevelopment in electricity, public works/water (including wastewater treatment and water distribution), security/justice, transportation/communications (including ports, roads, and airports), and buildings/housing/health (including public and government buildings, schools, and medical facilities). The state of the Iraqi infrastructure is a reflection of decades of neglect by a totalitarian regime. Under a free Iraq, the reconstruction process will involve the input of the Iraqi people and their governmental ministries in the development of projects and products that will reinvigorate the country for self-sufficiency in the future.
2. The Coalition Provisional Authority (CPA) has been established to promote the welfare of the Iraqi people through the effective administration of the territory, including in particular working towards the restoration of conditions of security and stability and the creation of conditions in which the Iraqi people

can freely determine their own political future. In awarding the contracts, competition and responsiveness to the needs of Iraqi people will be emphasized.

3. The successful reconstruction of Iraq is critical to the viability of the new Iraqi economy. International support and cooperation are necessary for progress in Iraq. An unsuccessful reconstruction effort would have serious negative effects on the ultimate success of the war effort. The President has made clear that the Coalition's actions to reconstruct Iraq are indispensable for national security and national defense purposes.
4. It is necessary for the protection of the essential security interests of the United States to limit competition for the prime contracts of these procurements to companies from the United States, Iraq, Coalition partners and force contributing nations. Thus, it is clearly in the public interest to limit prime contracts to companies from these countries.
5. Every effort must be made to expand international cooperation in Iraq. Since May 2003, Coalition forces other than those from the United States have increased from 14,000 to 23,700. U.S. force levels, accordingly, have decreased by approximately 12,000. Limiting competition for prime contracts will encourage the expansion of international cooperation in Iraq and in future efforts.
6. Coalition partners share in the US vision of a free and stable Iraq. The limitation of sources to prime contractors from those countries should encourage the continued cooperation of coalition members.
7. Including Iraqi firms in the reconstruction process makes them an active stakeholder in the rebuilding of their country. Besides helping the Iraqis generate the income to rebuild their country, it enables the Iraqi people to assume more responsibility for their country's economic and infrastructure development. This leads to a sense of ownership and pride in the reconstruction process and provides long-term stability to the political and economic transformation in Iraq, making it a model for other countries to follow and sending a clear message to the people of the Middle East and beyond that freedom and democracy are the best paths for the future.
8. Upon limitation of sources to firms from the United States, Iraq, Coalition partners and force contributing nations, acquisition of the 26 Iraqi Relief and Reconstruction contracts will use the competitive procedures prescribed in FAR 6.102.

DETERMINATION

Based upon the findings above, I hereby determine that, in accordance with 41 U.S.C. 253 (c)(7) and 10 U.S.C. 2304(c)(7), as implemented by FAR 6.302-7, it is necessary in the public interest to use other than competitive procedures in the procurements for the prime contracts described on the attachment. Such procurements shall use competitive procedures, with participation limited to sources from the United States, Iraq, Coalition partners and force contributing nations.



Paul Wolfowitz

Attachment(s)

1. Contract Listing
2. Eligible Countries

ATTACHMENT 1 OF 2

Iraqi Reconstruction & Relief Contracts to be Awarded

1. Program Management Office Services
2. Program Management Services - Electrical Sector
3. Design-Build IDIQ Construction Services for New Power Generation (Southern region)
4. Design-Build IDIQ Construction Services for New Power Generation (Northern region)
5. Design-Build IDIQ Construction Services for Rehabilitation of Existing Power Generation Facilities (Country-wide)
6. Design-Build IDIQ Construction Services for Transmission/Distribution/Communication and Control (Northern region)
7. Design-Build IDIQ Construction Services for Transmission/Distribution/Communication and Control (Central (Baghdad) region)
8. Design-Build IDIQ Construction Services for Transmission/Distribution/Communication and Control (Southern region)
9. Program Management Services - Public Works/Water Resources Sector
10. Design-Build IDIQ Construction Services for Public Works and Water Projects (Northern region)
11. Design-Build IDIQ Construction Services for Public Works and Water Projects (Central region)
12. Design-Build IDIQ Construction Services for Public Works and Water Projects (Baghdad region)
13. Design-Build IDIQ Construction Services for Public Works and Water Projects (Southern region)
14. Design-Build IDIQ Construction Services for Public Works and Water Projects (Nationwide)
15. Program Management Services - Security/Justice Sector
16. Design-Build IDIQ Construction Services for Security and Justice facilities
17. Design-Build IDIQ Construction Services for Iraq National Defense Force Facilities
18. Program Management Services - Buildings/Health Sector
19. Design-Build IDIQ Construction Services for the Building, Housing and Health sector
20. Program Management Services - Transportation and Communications Sector
21. Design-Build IDIQ Construction Services for Transportation Projects
22. Design-Build IDIQ Construction Services for Communication Projects
23. Program Management Services - Oil Sector
24. Restore Iraq Oil Services (Northern region)
25. Restore Iraq Oil Services (Southern region)
26. Equip New Iraqi Army

ATTACHMENT 2 OF 2

Countries Eligible to Compete for Contracts Funded with U.S. Appropriated Funds for Iraq Reconstruction:

Afghanistan	Moldova
Albania	Mongolia
Angola	Morocco
Australia	Netherlands
Azerbaijan	New Zealand
Bahrain	Nicaragua
Bulgaria	Norway
Colombia	Oman
Costa Rica	Palau
Czech Republic	Panama
Denmark	Philippines
Dominican Republic	Poland
Egypt	Portugal
El Salvador	Qatar
Eritrea	Romania
Estonia	Rwanda
Ethiopia	Saudi Arabia
Georgia	Singapore
Honduras	Slovakia
Hungary	Solomon Islands
Iceland	South Korea
Iraq	Spain
Italy	Thailand
Japan	Tonga
Jordan	Turkey
Kazakhstan	UAE
Kuwait	Uganda
Latvia	Ukraine
Lithuania	United Kingdom
Macedonia	United States
Marshall Islands	Uzbekistan
Micronesia	