



**JOINT READINESS TRAINING CENTER
AND FORT POLK
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*News Release***



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Supplemental information provided regarding Commercial Activities Study Decision

The following information is provided to clarify information released May 10 regarding the decision to conditionally award the Ft Polk BASOPS contract to AECOM Government Services, Inc., a commercial Defense contractor, for work now being performed by government employees.

On May 10, 2002, Fort Polk released the following information:

We have been notified that a contractor has been selected and awarded a conditional contract to provide the support functions here at Fort Polk.

The name of the commercial firm that won the contract is AECOM Government Services, Inc. Their adjusted bid was \$197,696,595, which was \$54,431,110 less than the MEO bid of \$252,127,705.

Clarification: The term “adjusted bid” may have caused some confusion over the actual contract cost estimates. AECOM actually furnished a “projected contract cost estimate of \$176.9 million over five years.” This is not a firm pricing “bid”. Rather, this is a cost-type contract in which the contractor is paid, within strict government guidelines, its actual costs incurred in performance. These costs may, ultimately, be lower or higher than the cost estimate upon which the contract award was originally made.

AECOM’s offer was “adjusted” up from \$176.9 million to \$197.6 million (the originally reported figure) because of a government-required adjustment used only for the purpose of determining the winner in the cost comparison. This adjustment is required to avoid a “close call” win by a contractor over the government employee proposal. The intent is to ensure that a contractor win is only accepted when the government offer was bested by at least 10 percent.

The actual cost difference between the AECOM and government proposals is approximately \$75.2 million over the potential 5-year life of the contract.

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