



Date: August 30, 2009

Re: Press request from McClatchy

The following represents our response to the six questions posed by Marisa Taylor from McClatchy Newspapers. This has taken a considerable amount of time and resources to gather this type of detailed information which is not readily available in one location. We hope that this will be sufficient.

1) Sheberghan Gas Field Investigation and Power Plant Conceptual Design Project

Question:

As I understand it, the task order was terminated on June 1, 2009 because of a funding problem. I'd like to know when it was awarded, for how much, how much was paid out and the name of the contractor and subcontractor. Where does that project stand now?

Answer:

Contract award date: USAID signed a contract with Louis Berger Group/Black & Veatch (LBG/B&V) on February 5, 2008 to assess the viability of the Sheberghan gas field to fuel a 100 MW power plant.

Value of contract: \$11.9 Million

Total spent on project as of 2 June 2009: \$7.1 Million

Contractor/Sub-Contractor: Louis Berger Group/Black & Veatch (Contractor). Sub-contractor ARAR Inc., a Turkish-American Company.

Reason for termination: Due to poor performance, USAID terminated the contract for convenience on 2 June 2009. This was not due to a funding problem.

Status of project: This project has been terminated. USAID/Afghanistan is reprogramming the remaining funds (about \$4.8 million) to assist the Government of the Islamic Republic of Afghanistan to put in place a power purchase agreement with the private sector for a 100 MW power plant at Sheberghan using existing gas reserve data and new data expected from an ADB-funded project, expected to start in October 2009. We feel that this new approach is a more strategic use of our funds and will serve to attract private sector investment in Afghanistan's energy sector and to create a model for public-private partnership.

2) Kajaki Dam Project

Question:

The project, which was run by a Chinese company, was discontinued in November 2008, because of funding issues. It was billed as a \$150 million refurbishing and expansion project that would triple power output. I'd like to know when it was awarded, for how much, and how much was paid out and the name of the contractor and subcontractor. Where does that project stand now? If complete, has it tripled power output?

Answer:

Contract award date: November 2007

Value of contract: \$ 50 Million

Total spent on project to date: \$48 Million as of July 2009

Contractor/Sub-Contractor: Louis Berger Group/Black & Veatch (Contractor).
Chinese Machine-Building International (CMIC) (sub-contractor)

Status of project: LBG/B&V subcontracted with a Chinese firm, China Machine-Building International Corporation (CMIC), to refurbish turbine unit #3 (16.5 MW) and to install turbine unit #2 (18.5 MW) at the Kajaki hydropower dam. In November 2008, CMIC left the project site citing security concerns. Lack of funding has not been an issue on this project, but security concerns are a very serious issue threatening lives, driving up costs, and creating incredible logistical challenges to transport equipment and materials to the site. CMIC left the site before refurbishing turbine #3 or installing turbine #2. CMIC was paid \$10.9 million for the new turbine and equipment they provided and the work to date.

LBG/B&V has taken over the repair of turbine #3, which will be completed in October 2009. LBG refurbished turbine #1 under a different contract, and turbine #1 presently generates 16.5 MW of power. Thus, the Kajaki hydropower dam will soon be able to generate a total of 33 MW of power (turbines #1 and #3).

At this time, USAID is developing a strategy to install turbine #2. Once turbine #2 is on-line, power output will increase by 18.5 MW, generating a total output of 51.5 MW of electricity.

After completing turbine #2 (the third generating unit), USAID's long-term plan is to further develop the Kajaki hydro power plant by increasing the generation capacity by 100 MW of power supply through additional reservoir storage and by building a second power house.

Turbines #1 and #3 have the capacity to provide electricity to an estimated 26,400 residential customers or over 200,000 people. With the addition of turbine #2, the generation capacity at Kajaki hydro power plant will be increased to 51.5 MW (approximately 41,200 households or over 300,000 people). Most of these customers live in Kandahar or in Lashkar Gah, highly volatile regions of southern Afghanistan. Providing increased electricity to these communities directly support the US Government's efforts to bring stability to the country.

3) Tarakhil Power Plant, Kabul

Question:

It was announced that the plant's initial phase of 35 MW was completed this month. When will the 105 MW phase be complete? My understanding is the contract with the original subcontractor was discontinued. If so, how much were they paid and what was the original cost estimate for completion? Why was it discontinued? Has it been rebid? If so, who bid and for how much?

Answer:

Contract award date: 7/31/2007

Value of contract: Obligated amount \$257,845,618

Total spent on project to date: Total amount spent up to end of July 2009 (based on the last invoice) is \$234,752,839. As per LBG/B&V monthly forecast, the amount to be spent in August 2009 is \$3,669,549. So, the total amount spent by the end of August is \$238,422,388

Contractor/Sub-Contractor: Louis Berger Group/Black & Veatch (Contractor).

Status of project: President Karzai and Ambassador Eikenberry inaugurated Block A (six generators producing 35MW of power) on August 5, 2009. The remaining two blocks (each 35 MW) will come on-line by the end December 2009 and the balance of the plant will be completed by April 2010. Block A can provide power to approximately 200,000 residents in Kabul. When finished, the plant will provide power to more than half a million people.

The initial \$62,145,848 subcontract was discontinued by LBG/BV. LBG/BV has continued to implement the project themselves and through other sub-contracts.

4) Hamed Lais Group, Hamed Lais Construction Company LLC or Hamed Lais Construction Company LLC

Question:

Have **Hamed Lais Group, Hamed Lais Construction Company LLC or Hamed Lais Construction Company LLC** been awarded any Afghanistan reconstruction contracts? If so, what are they? Were they completed?

Answer:

USAID/Afghanistan has not awarded contracts to any of these companies.

5) Venco/VICC

Question:

According to FedSpending.org, between 2004 and 2008, Venco/VICC received \$18,811,597 in U.S. government contracts in Afghanistan. What are those contracts (individual amount and project) and where do they stand now? If complete, when were they finished? If not, when were they supposed to be finished? Who was the contractor that awarded them?

Answer: Venco/VICC worked on the Tarakhil 100 MW power plant as a sub-contractor and has again been proposed as a subcontractor under LBG/B&V to help complete the 100 MW plant.

6) Louis Berger/Black & Veatch

Question:

*Of the five-year \$1.4 billion contact awarded to **Louis Berger/Black & Veatch**, what projects have been completed? When were they completed and for how much? Who were the main subcontractors on the projects? Did the subcontractors come within budget if the projects are completed? If not completed by the original deadline, what happened?*

Answer:

The following table lists the projects which LBG/B&V has completed.

Project	Budget	Subcontractor	Comments
Quick Response Task Order	\$10.2 million	Various	Extended for 3 months to allow for administrative close-out procedures for the 34 sub-projects it covers.
Diesel Power Plant O&M	\$15.7 million	AEAI	USAID expanded the scope accompanied by an extension of the completion date and an increase in cost
Preliminary Design of Strategic Provincial Roads, South and East Afghanistan	\$4.8 million	Symbion-Group Alta	De-scoped; part of the design task was subsequently added to the award for the construction of the roads
South Strategy Roads (Kandahar to Bikah)	\$17.5 million	SAITA	Completed on time and under budget by \$0.3 M
Design of Ghazni-Gardez Road	\$5.0 million	n/a	De-scoped to cover design only as LBG/B & V's proposal for the construction phase was deemed too expensive.
Design of 500 kV Transmission line Aqueena to Andkhoy	\$0.4 million	n/a	Completed on time and on schedule

