



DEPARTMENT OF THE ARMY
ASSISTANT CHIEF OF STAFF FOR INSTALLATION MANAGEMENT
600 ARMY PENTAGON
WASHINGTON DC 20310-0600



REPLY TO
ATTENTION OF

SFIM-AEC-ERP (200)

NOV 26 2002

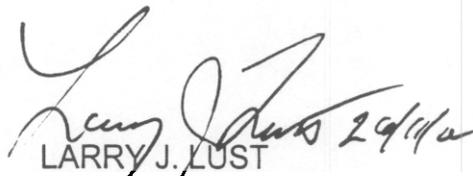
MEMORANDUM FOR DIRECTOR, US ARMY INSTALLATION MANAGEMENT
AGENCY, 2511 JEFFERSON DAVIS HIGHWAY, ARLINGTON, VA 22202-3926

SUBJECT: Guaranteed Fixed Price Remediation (GFPR) Initiative – Fiscal Year 2003
Candidate Installations

1. In June 2001 the Secretary of Defense created the Department of Defense (DoD) Business Initiative Council (BIC). The purpose of the BIC is to improve efficiency of DoD business operations by identifying and implementing business reform actions. BIC provides opportunities to streamline the way the Army currently conducts business.
2. One of the DoD approved BIC initiatives is Guaranteed Fixed Price Remediation (GFPR). GFPR is a contracting strategy that allows the Army to reduce its business risk by buying environmental cleanups for a fixed price and a fixed schedule. It also aligns contractors' incentives with achieving fast and efficient cleanup, avoids cost escalation and over-runs, and encourages the use of innovative approaches and technologies. Additionally, environmental insurance is purchased to enable quality competition among companies that might not otherwise be willing to take on the risks of committing to a firm fixed price to achieve regulatory closure.
3. Based on a series of quantitative and qualitative queries, seven installations have been identified as FY03 candidates for detailed evaluation of the viability of employing a GFPR contracting strategy for all or part of the remaining environmental cleanup. Those installations are: Fort Irwin, Sierra Army Depot, Fort Dix, Fort Jackson, Hunter Army Airfield, Lake City Army Ammunition Plant (AAP), and Ravenna AAP.
4. I have asked the Army Environmental Center (USAEC) to take the technical lead in implementation of the FY03 GFPR initiative. A representative of USAEC will be contacting the environmental personnel at the candidate installations to set up a site visit to assess the feasibility of using the GFPR contracting mechanism.
5. To date, GFPR contracting is in place at seven base realignment and closure (BRAC) and two active installations. Preliminary results show that this strategy can be extremely effective in moving a cleanup program from the study phase to site closure at a fixed price. I ask that you and your installation personnel cooperate fully with the USAEC GFPR implementation team.

DAIM-ZA

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A handwritten signature in black ink, appearing to read "Larry J. Lust 2/2/03". The signature is written over a light gray grid background.

LARRY J. LUST
Major General, GS
Assistant Chief of Staff
for Installation Management