

Chapter 6

Supporting Kuwait's Ministry of Defence

As the emergency repairs to Kuwait's civil infrastructure neared completion, the U.S. military shifted its focus to restoring the country's military facilities. Generally, Kuwait's military facilities had been damaged more heavily than its civil infrastructure. The Iraqi occupation and the war had nearly leveled the defense facilities in Kuwait. The military infrastructure, particularly Air Force and Navy facilities, had been heavily damaged by the Iraqi soldiers who occupied them and by coalition "smart bombs" intended to deny the Iraqi military the use of these facilities. While the Kuwait Ministry of Defence's administrative offices and the facilities that housed Kuwait's Land Forces (Kuwait's Army) remained, for the most part, structurally sound, the Iraqis had looted and severely vandalized them.

Moreover, there was a growing realization that Kuwait had to be prepared to defend itself in the future. Iraq remained a potential security threat. Although the U.S. military had decided to limit its involvement in Kuwait's civil infrastructure to emergency repairs, it was willing to promote more permanent repairs to the defense infrastructure. Most of the defense facilities did not lend themselves to emergency repairs. The damage was far too severe to accommodate a quick fix. Corps leaders recognized that the civil reconstruction work was short-lived but that the long-term work would be in the foreign military sales arena and managed by the Transatlantic Division.

Initial Damage Assessments

The Kuwait Emergency Recovery Office had identified 19 major defense installations in Kuwait. Under the authority of the initial \$46.35 million foreign military sales case, Corps personnel surveyed the damage



Aerial view of the damage to Ahmed Al-Jaber Air Base

at each one. The heavy destruction made this a huge job. Five teams under the direction of Tommy E. Reynolds, a civil engineer from Nashville who headed the Kuwait Emergency Recovery Office's Ministry of Defence damage assessment group, evaluated the 19 sites. Team members first conducted a general assessment to determine if a particular facility was repairable and then determined the extent of the damage.

Corps engineers and their Kuwaiti partners ultimately inspected more than 700 buildings and facilities at three brigade camps, two air bases, one navy base, and the National Guard and the Ministry of Defence headquarters. The engineer teams often conducted their inspections amid explosives, live ammunition, and unexploded bombs.

The Corps completed the damage assessments in June and presented the Ministry of Defence with the final report, including rough schedules for repairing 135 key facilities. The individual damage surveys provided detailed cost estimates for materials, labor, and services to help Kuwaiti officials decide whether to repair or rebuild a particular facility. The reports provided information about the level of effort required to restore the sites to their prewar conditions and resume minimum operations. After reviewing the survey results, Corps officials concluded that the total repair costs could reach \$1 billion. Reynolds estimated that the



A destroyed aircraft hangar at Al-Jaber Air Base

cost of renovating some of the defense facilities would amount to 90 percent of the cost of constructing new facilities.¹

Faced with such a staggering price tag, the Ministry of Defence identified three installations—Ali Al-Salem Air Base, Ahmed Al-Jaber Air Base, and Ras Al-Qalayah Navy Base—as immediate priorities. The air bases, constructed by Yugoslavians in the mid-1970s, consisted of 3,000-meter runways, concrete aircraft shelters, maintenance hangars, and other structures. Ras Al-Qalayah Navy Base on Kuwait's southern coast housed Kuwait's Navy. It contained a port, sophisticated ship-lift and dry-dock facilities, and maintenance and administrative buildings.²

Coalition forces had heavily bombed the two air bases during the war to drive out Iraqi forces, reducing most of the facilities to rubble. Often the mangled metal “skins” of buildings could be found up to half a mile away, even though the structural frames remained intact. The bombing had destroyed nearly all of the 50 hardened aircraft shelters, despite their 15-foot-thick earthen and reinforced concrete shells. Coalition cluster bombs had cratered the taxiways, and the Iraqis had run a ripper across the runways every 200 feet to make them unusable. Barracks, administrative facilities, and medical facilities, though structurally intact, had been heavily vandalized by Iraqi troops.³

Kuwaiti officials indicated that the air bases would have to be repaired by August so they could bring back aircraft currently housed in neighboring countries and accommodate the F-18 aircraft that they had purchased from the United States. The first phase of work at the air bases would focus on making emergency repairs to allow minimal operations at each facility. Specifically, it would involve clearing and cleaning the facilities, repairing runways and taxiways, and building temporary shelters for the airplanes.

The lack of utilities and communications, the presence of unexploded ordnance, and the poor condition of the buildings still standing made the air bases virtually uninhabitable. An estimated \$1 million would be needed initially at Ali Al-Salem Air Base to have a contractor sweep for live ordnance, clear debris, and repair parts of the electrical distribution system. The focus of the emergency repairs would be to make the airfield operational; provide limited maintenance facilities; repair existing aircraft shelters and provide additional ones; repair selected buildings for medical services, barracks, and mess; and repair one hangar, the utility systems, and the fuel distribution system.

Ras Al-Qalayah Navy Base had sustained only moderate damage. Yet it too was uninhabitable because utility services and communications had been destroyed. Although most buildings remained structurally sound, they had been heavily damaged by explosives and vandalized by the Iraqis. Kuwait's Navy wanted to reoccupy that base as soon as possible and relocate its remaining boats there. The estimated cost for emergency repairs to the utility systems, administrative offices spaces, barracks, and mess facilities was \$1 million.⁴

At General Kelly's direction, the Corps had set aside roughly \$5 million from the original foreign military sales case for what it called "pre-emergency repairs" to defense facilities such as restoring electrical power. Locurcio now suggested that \$3 million from the case be used to fund the initial emergency work at Ras Al-Qalayah Navy Base, Ali Al-Salem Air Base, and Ahmed Al-Jaber Air Base.⁵

Locurcio argued that the original foreign military sales case provided enough authority for the United States to provide design and construction services to restore Ministry of Defence facilities. He explained in his 4 January 1991 letter to General Ray that Dr. Shaheen had requested assistance for the National Guard rather than the Ministry of Defence, but he had also asked the Corps to propose a draft agreement for discussion. The scope of the letter, Locurcio argued, was "not intended to be final." The foreign military sales case contained the phrase "assistance provided shall include but not be limited to the following." It also cited "other taskings as may be required" as part of the scope of work. Since no one knew the

scope of reconstruction efforts at the time this case was prepared, officials intentionally made these items broad to allow for additional emergency work such as repairs to Ministry of Defence facilities.

At their 16 February meeting, Locurcio added, Dr. Shaheen had specifically directed the Corps to include that ministry's work as part of the original foreign military sales case. He had also emphasized that for the reconstruction activities, the United States could combine the National Guard and Ministry of Defence work. Dr. Shaheen had intended to accomplish this work under the foreign military sales case or an amendment to the case.⁶

Soon after, Kelly informed Livingstone that his office and the Kuwait Emergency Recovery Office intended to conduct roughly \$3 million worth of design and construction services for emergency restoration of the defense facilities under the original foreign military sales case. The work that Kuwait had requested included restoring minimal operations to the Ministry of Defence headquarters and providing the Kuwait Air Force with emergency facilities at Kuwait International Airport.

Although U.S. regulations prohibited using funds under Section 607A of the Foreign Assistance Act for such work, Kelly argued, the existing foreign military sales case was clearly written with the intent to provide for such contingencies. The \$46.35 million foreign military sales case, he added, had been written broadly enough to provide for additional reconstruction efforts. Livingstone agreed with Kelly and authorized the Corps to execute contracts under the foreign military sales case.⁷

Using the money set aside from the existing foreign military sales case, Corps contractors removed debris; made temporary repairs to walls, roofs, windows, and doors; reinstalled pilfered mechanical systems; and made architectural repairs. By 1 June 1991, four military infrastructure projects were under way or planned using the existing foreign military sales case. Locurcio's staff administered an emergency repair program of an estimated \$4.7 million. This included emergency repairs on five hangars at Kuwait International Airport for use by Kuwait's Air Force at an estimated cost of \$800,000. When completed, these hangars were the only facility that Kuwait's Air Force had for its operations until emergency repairs were completed at Ali Al-Salem Air Base.

The second project was \$1.5 million to remove debris and repair walls, floors, and ceilings at the Ministry of Defence headquarters so the minister and his staff could return to their permanent offices. Third, the Ministry of Defence requested \$1.4 million to restore utility services and repair critical facilities at Ras Al-Qalayah Navy Base. Finally, there was \$1 million in emergency work at Ali Al-Salem Air Base to include debris cleanup and repairs to the electrical distribution system.⁸

By late June, the Corps and its contractors had completed 50 percent of the emergency repairs at four of the five hangars at Kuwait International Airport and had completed 65 percent of the emergency repairs at the Ministry of Defence headquarters. Work would soon begin at Ras Al-Qalayah Navy Base, and the Kuwait Emergency Recovery Office would soon award the contract for emergency repairs at Ali Al-Salem Air Base. As a result, in the first week in July, Kuwait's Air Force was able to relocate 18 Mirage and 14 A-4 Skyhawk planes from Dhahran to Kuwait International Airport.⁹

Planning Foreign Military Sales Cases for Defense Facilities

In April 1991, Kuwait's Under Secretary of Defence, Faisal Ali Al-Dawoud, approached U.S. officials about rebuilding his country's damaged military facilities. As a result of a series of meetings with Corps representatives, Ministry of Defence officials asked the Corps to draft one or more foreign military sales agreements to help reconstruct their defense installations. Al-Dawoud asked that the agreements include initial repair activities as well as planning, designing, and constructing new and existing facilities at all installations designated by the ministry. Al-Dawoud emphasized that, based on the damage assessments then underway, initially the Kuwaiti government would need help reconstructing Ali Al-Salem Air Base, Ahmed Al-Jaber Air Base, Ras Al-Qalayah Navy Base, and associated facilities.¹⁰

Corps personnel in Kuwait and back in Winchester hurriedly prepared a new foreign military sales case that included damage survey reports, emergency restoration, and planning and engineering. The case encompassed the Ministry of Defence headquarters restoration, 6th Brigade Camp, 15th Brigade Camp, 35th Brigade Camp, 80th Brigade Camp, Ali Al-Salem Air Base, Ahmed Al-Jaber Air Base, Ras Al-Qalayah Navy Base, the air defense camp, and other sites. Kelly proposed to Al-Dawoud that the Corps manage the entire program.

Rather than process a separate foreign military sales case for each installation, Kelly's staff and Corps officials decided to adopt a two-phased approach separating emergency repairs from long-term reconstruction. In mid-May, David L. Chambers on Kelly's staff informed Defense Security Assistance Agency officials about the new strategy. The Defense Security Assistance Agency; the Assistant Secretary of the Army for Installations, Logistics and Environment; and the Army General Counsel agreed to a two-phased approach.

The relatively small foreign military sales case for phase I included planning, design, and emergency repairs at military installations in

Kuwait. Phase II, which could cost more than \$600 million, covered any more permanent follow-on construction that the Kuwaiti government wanted. It required congressional notification, which included a 20-day advance notice for review by congressional staff and an additional 30-day period for Congress to act.¹¹

The Defense Reconstruction Assistance Office and the Kuwait Emergency Recovery Office proposed two foreign military sales cases—one for \$131.8 million in emergency work, substantially below the \$200 million ceiling that would trigger congressional review, and another for \$600 million for long-term repairs. The draft \$131.8 million foreign military sales case went through the Transatlantic Division to Corps headquarters where General Ray signed it. Back in Kuwait, however, Kelly began to sense that Ministry of Defence officials were reluctant to approve the case. He requested that General Ray hold it at Corps headquarters until the problems could be resolved.

Kelly did not want the foreign military sales case to go forward until he was sure that all the parties involved had agreed to it. Kuwaiti officials were still debating how to handle the defense work. They were reluctant to give the Corps all the work. Political considerations dictated that the Kuwaitis divide the work among Britain, France, Turkey, and the other coalition countries that had assisted Kuwait. Yet they also realized that their first line of defense was the air bases, and they wanted these bases built to U.S. standards.¹²

After meeting with Al-Dawoud on 19 May, Kelly concluded that the Kuwaiti government was ready to proceed with a foreign military sales case for phase I. The next day, he submitted the draft \$131.8 million foreign military sales case to Livingstone for approval.¹³

On 21 May, General Kelly and his staff presented the two-phased plan to the Assistant Under Secretary of Defense for Military Engineering Projects, Sheikh Sabah Al Nasser. Kelly emphasized the need to ensure that the air base facilities could accommodate all U.S. weapons systems. This would make future combined operations much easier.¹⁴

On 26 May, Kelly met again with Al-Dawoud and Sheikh Sabah Al Nasser to determine when their government planned to fund phase I of the military reconstruction program and to discuss any remaining questions about the proposed foreign military sales case. Al-Dawoud observed that the Minister of Defence, Sheikh Ali Al-Sabah Al-Salem Al-Sabah, was currently reviewing the agreement and anticipated no major problems. He also noted that the Minister of Defence had made Sheikh Sabah Al Nasser the principal point of contact for all issues and decisions concerning the foreign military sales cases. He would coordinate all comments from the military services and provide the necessary information.

The participants established priorities for the work. Al-Dawoud stressed that work on the two air bases and the navy base had to begin immediately. Work at the other installations could begin later. He reiterated that Ali Al-Salem Air Base had to be able to receive Kuwaiti military aircraft by fall 1991 and Ahmed Al-Jaber Air Base had to be ready for the first F-18 aircraft by late January 1992. Ras Al-Qalayah Navy Base had to be ready by fall 1991 to move Kuwaiti naval vessels to their permanent base.¹⁵

The next day Robert Kiesling, a Navy captain on Kelly's staff, met with the Director of Technical Affairs for Kuwait's Air Force, Brig. Gen. Gahzi Abdul Razzak, and his staff to discuss the reconstruction of Air Force facilities. Air Force Col. Saber Al-Suwaidan provided a new list of priorities for Ali Al-Salem Air Base. He wanted the Corps to rebuild at least one large maintenance hangar at Ahmed Al-Jaber Air Base, which would have to be ready by January 1992, though he realized that not all the facilities would be completed by then. General Razzak asked the Corps to make refueling facilities a priority.¹⁶

On 10 June, Kiesling and Colonel Al-Suwaidan met again to discuss the status of reconstruction projects for the two air bases and Kuwait International Airport. Suwaidan indicated that Sheikh Sabah Al Nasser had given the Air Force broad authority to work with the U.S. Army Corps of Engineers on plans to reconstruct its facilities. Sheikh Sabah Al Nasser also wanted the director of Military Engineering Projects (the engineering agency in the Kuwaiti military, much like the U.S. Army Corps of Engineers) to be more involved in the reconstruction process. Suwaidan acknowledged the need to have all of Kuwait's Air Force facilities capable of handling any U.S. military aircraft including the large C-5s.¹⁷

A week later, Kelly and his staff again met with Al-Dawoud, Sheikh Sabah Al Nasser, Chief Engineer Fahad Al-Jaleel, and Ahmed Al-Fahad. Initially, the Kuwaiti representatives could not agree among themselves on the information presented. During the meeting, they decided to reduce the \$800 million scope of the proposed foreign military sales work so they could give other coalition countries a large share of the reconstruction effort. Yet they also realized that the air base work required sophisticated technology and that their airfields had to be built to U.S. standards to accommodate U.S. aircraft.

Ministry officials requested that the U.S. Army limit its role to the emergency repairs, planning and design, and permanent construction at the two air bases. They intended to administer the reconstruction of the other military installations themselves. They had already set aside the work at Ras Al-Qalayah Navy Base for British firms. The Kuwait Emergency Recovery Office rewrote the proposed foreign military sales case to reflect Kuwait's decision to limit the United States' role to the two air bases.

The foreign military sales case now proposed would cost an estimated \$50 million to \$100 million. A separate foreign military sales case for permanent reconstruction at the air bases, which would follow after the scope was determined, would potentially cost from \$250 million to \$350 million. U.S. officials were dissatisfied with this plan. Kelly, who continued to push for a more extensive agreement, argued that U.S. personnel were already in Kuwait incurring costs, and it would be more effective to continue to use their services.¹⁸ “We were frankly disappointed that we did not get all the Ministry of Defence reconstruction effort totally (about \$800 million),” Kelly conceded.¹⁹ Despite Kelly’s protests, the Kuwaitis remained firm in their decision.

During a series of meetings in late June, representatives from the Defense Reconstruction Assistance Office, Ministry of Defence, and Kuwait’s Air Force finalized the scope of requirements for rebuilding the two air bases. They reduced the scope of work for the phase I emergency restoration and the planning and design for the long-term reconstruction from \$131.8 million to \$105 million.²⁰ When Kelly’s and Locurcio’s staffs presented their plan for reconstructing the two air bases at a meeting on 4 July, Sheikh Sabah Al Nasser and other ministry representatives agreed on the general scope and terms of the proposed \$105 million foreign military sales case, but they disagreed on the issue of contractor eligibility. The Kuwaitis insisted that contractors from all the coalition countries be allowed to compete for the work and that all contractors who were selected be required to form a joint venture with a Kuwaiti firm. However, since both bases had to accommodate U.S. military aircraft, Kelly insisted that the architect–engineer contractor be limited to U.S. firms or U.S.–Kuwaiti joint venture firms and that construction contractors be limited to U.S. firms, U.S.–Kuwaiti joint ventures, or U.S.–Kuwaiti–coalition partner joint ventures. Moreover, the U.S. firm would be the senior partner in each joint venture.

With Livingstone’s approval, Kelly included the following wording in the proposed phase I foreign military sales agreement: “Construction contract awards pursuant to this agreement will be limited to U.S. Firms, U.S.–Kuwaiti Joint Ventures, or U.S.–Kuwaiti–Coalition Partner Joint Ventures. In the case of the Joint Ventures, the U.S. firm will be the senior managing partner.” He also added the statement “A–E [architect–engineer] contract awards pursuant to this agreement will be limited to U.S. Firms or U.S.–Kuwaiti Joint Ventures with the U.S. firm being the senior managing partner.”²¹

Khaled Al-Oraifan from Military Engineering Projects and David Chambers met to finalize the details of the revised foreign military sales case. They concluded their meetings on 13 July, with an agreement on a

draft set of notes that Kelly and Sheikh Sabah Al Nasser would discuss on 15 July. At the same time, discussions continued on the scope of work. Military Engineering Projects representatives formally fixed the total amount of the phase I foreign military sales case at \$105 million.²²

At the meeting with Kelly on 15 July, Sheikh Sabah Al Nasser agreed to the final \$105 million scope of work. Kelly added a statement to the proposed foreign military sales case indicating that this figure represented the Corps' best estimate of the cost of the emergency repairs to the two air bases that the Ministry of Defence had requested. The estimate also included the cost of planning future work at these air bases.

Sheikh Sabah Al Nasser insisted that Kuwaiti firms be included in all projects. He and Kelly agreed to limit all the phase I construction contracts to U.S.–Kuwaiti joint venture firms or U.S.–Kuwaiti–coalition partner joint venture firms, with the U.S. firm in the joint venture as the senior managing partner.

After the meeting, the Defense Reconstruction Assistance Office transmitted the proposed revisions to the foreign military sales case to the Transatlantic Division. General Ray accepted the offer on 18 July 1991 on behalf of the Corps, and the Defense Security Assistance Agency countersigned the offer on 26 July. It was delivered to the Kuwaitis two days later.²³ Kelly reported that the agreement on the phase I foreign military sales case marked “a significant milestone in establishing a long-term Department of Defense construction program in Kuwait.”²⁴

Soon after, representatives from the Defense Reconstruction Assistance Office and Kuwait Emergency Recovery Office met with Ahmed Al-Fahad to discuss the process for selecting an architect-engineer firm under the new foreign military sales case. The Corps was under pressure to divide the extensive architect-engineer work at the air bases between two or three U.S. firms. Kuwaiti officials, however, insisted that the Corps use the same architect-engineer firm for all the planning and design work at both air bases. They believed that using a single contractor would be more cost effective.²⁵

For the phase I construction contracts, the Corps proposed using a different contractor at each base. Each contract would amount to \$30 million to \$50 million. The Corps would thus open up work for a new contractor and complete the work faster.

Due to the urgency of the request, Kelly planned to limit competition to firms that had responded to the February 1991 *Commerce Business Daily* announcement and had been prequalified by the Transatlantic Division. Though Kelly emphasized urgency, in order to create opportunities for new U.S. contractors Corps contractors already working in Kuwait would not be allowed to compete for work at Al-Salem Air Base.

For the phase I planning and engineering work, Kelly proposed using a single architect-engineer firm, a U.S.–Kuwaiti joint venture, selected from the February 1991 prequalified list. Additionally, the architect-engineer firm would develop the scope and cost estimates that the Corps needed to prepare a foreign military sales case for the phase II permanent reconstruction. Then the firm would develop both a concept design with a detailed scope of work for Ministry of Defence approval and the final designs for each air base. Kelly proposed using the normal architect-engineer selection process with a letter contract to start the planning effort and a firm fixed-price contract for the subsequent design work.²⁶ A firm fixed-price contract assured that the contractor was reimbursed for legitimate expenses incurred during construction and received a guaranteed fee above those costs.

Assistant Secretary Livingstone, however, was reluctant to limit competition to the prequalified firms. Using the February 1991 prequalification list instead of soliciting new contractors was required, Kelly argued, because of the urgency of the situation. Until the two air bases became operational, he insisted, Kuwait's ability to defend itself would be severely limited. He added that enough construction contractors had responded to the original solicitation to ensure adequate competition. Over 1,300 architect-engineer firms and over 1,000 construction contractors had responded to the February 1991 *Commerce Business Daily* announcement. The Corps planned to use the resulting prequalification list to select one architect-engineer firm for the initial and the final design work at both air bases. This was the normal process for selecting an architect-engineer firm. The Corps would negotiate a firm fixed-price contract for the remaining work. Officials later observed that using the February prequalification list might have saved as much as two months in the contracting process.²⁷

Livingstone approved Kelly's contracting strategy but remained concerned about providing adequate opportunities for small and small disadvantaged businesses. She adopted a list of Kelly's recommendations, directing him to take several steps in executing the contracting strategy for the proposed phase I foreign military sales case and any future cases; channel at least 5 percent of the contract value of the foreign military sales contract awards and modifications to small and small disadvantaged businesses; add provisions to the contracts with prime contractors that emphasized the critical nature of subcontracting with small and small disadvantaged businesses; develop and employ a set of source selection evaluation factors that reflected a commitment to subcontracting with small and small disadvantaged businesses; and encourage prime contractors to subcontract with small and small disadvantaged business. She also wanted Kelly to set aside certain work for such businesses, if possible.

The small business issue remained complicated. Congress and the Pentagon were pressuring the Corps to use small businesses. Yet the Corps had a responsibility to protect the interests of its Kuwaiti customer and ensure that high-quality air bases were constructed quickly and economically. As confirmed by the Corps' civil reconstruction effort, doing business overseas was difficult, especially for small firms inexperienced in establishing sources of supplies, labor, and equipment. Large businesses, which had greater assets, generally could mobilize and complete projects faster and often more economically than small businesses. Corps officials opposed any small business requirements that would slow the completion of the projects. They did, however, agree to require contractors to have small business plans outlining how they intended to incorporate small businesses.²⁸

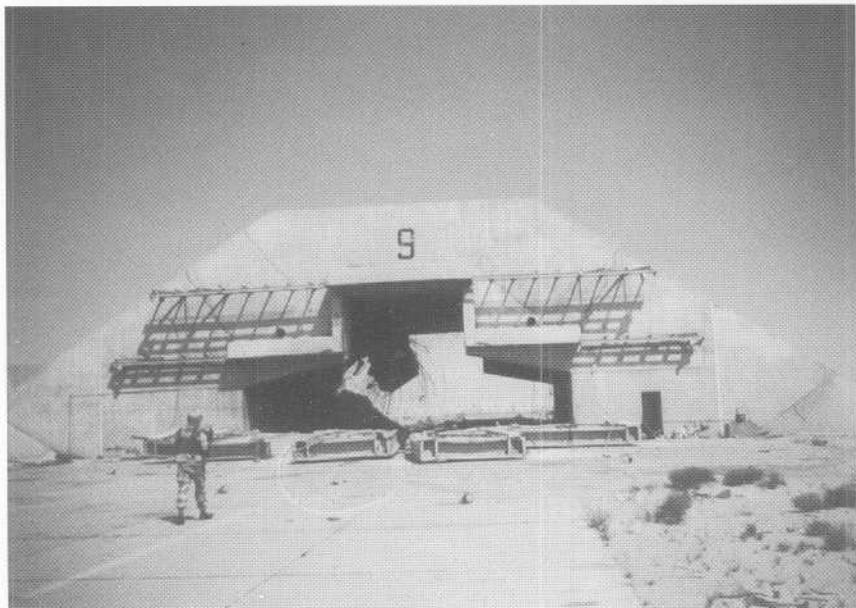
Foreign Military Sales Case for Phase I Air Base Work

The Kuwaiti government delayed approving the foreign military sales case for the phase I air base work until early August because of internal funding problems. On 6 August 1991, Al-Dawoud signed the \$105 million foreign military sales case in which the U.S. Department of Defense agreed to make emergency repairs at Ali Al-Salem Air Base and Ahmed Al-Jaber Air Base and to prepare initial design and a master plan for the phase II permanent reconstruction at those facilities.²⁹ The Security Assistance Accounting Center processed the initial payment of \$15.8 million from the Kuwaitis. The Corps received authority to obligate the money on 14 August.³⁰

The differences between Kuwaiti and American goals and business procedures soon became apparent. Before signing the foreign military sales case on 6 August, Kuwaiti officials had a choice—either use U.S. selection procedures or select a contractor themselves and have the Corps negotiate with that firm. In signing the foreign military sales case, they agreed to use U.S. contracting procedures for the architect-engineer contract. Kuwaiti officials would have some input in the selection process, but the United States would make the final determination. Despite this provision, some Kuwaiti officials later tried to modify the selection process to which they had agreed. The Minister of Defence indicated that he wanted to review and approve all contractor selections. Ministry officials wanted the Corps to go through all the steps in its selection process but allow them to make the final determination. Corps officials explained that if they agreed to this, all the effort they had put into the selection process would be wasted.



An Iraqi T-55 tank inside the remains of an aircraft hangar at Al-Jaber Air Base; below, Building 9 at Al-Jaber Air Base.



Under the foreign military sales case, Kuwaiti officials could participate in each step of the selection process, but they did not control the selection. For example, they could participate in the Corps' technical evaluation board, but they could not determine which firm was the most qualified. If the Kuwaitis wanted the contract to go to a specific contractor, they had to provide for this in the foreign military sales case before the selection process began. If the Corps allowed the Kuwaitis to select the contractor at this point, especially a poor contractor, it would be heavily criticized. The Corps had a reputation for implementing a fair and honest selection process, Captain Kiesling observed, and its procedures were "above reproach." Yet Kuwaiti officials were distressed to find that even though they were paying for the work, they would not have the authority to make the final selection.³¹

Defense Reconstruction Assistance Office, Kuwait Emergency Recovery Office, and ministry representatives spent many hours trying to resolve the thorny issue of contractor selection. At a meeting on 11 August, Ahmed Al-Fahad continued to insist that the Minister of Defence reserved the right to approve all contract awards and would not be bound to the prequalified firm that the United States had selected.

Kelly reminded Al-Fahad that the minister's representatives had participated in a selection board meeting on 22 July 1991 at which the board developed the list of construction firms that had been prequalified to receive requests for proposals. At that time, those representatives had not objected to either the prequalification criteria or the short list of firms that the board selected. Kelly observed that the Corps had issued requests for proposals to the prequalified firms on 9 August 1991, so the decision about the prequalified lists had already been made. The U.S. government had to use contracting procedures that ensured fair and open competition. Any change or reversal of its contracting process at this late date, he added, could embarrass the U.S. government. At this point, the Kuwaitis relented.

The approval of the \$105 million foreign military sales case marked the return to normal U.S. contracting procedures for the Kuwaiti effort. The urgency had diminished. The Corps could now describe the scope of work more accurately than it had done with the civil infrastructure work. The Kuwaitis were now able to take into account other factors such as their desire to distribute the work among various coalition countries. Also, for the first time, their costs would exceed their revenue, so they had to borrow money for their projects and carefully prioritize those projects. At the same time, the new agreement gave the United States the opportunity to involve other U.S. firms.³²

The scope of the agreement included damage survey work along with a rough estimate of the cost to repair or replace facilities. It also pro-

vided for emergency repairs designed to restore facilities to provide minimal operational and living standards. Finally, the agreement included master planning to determine the scope and price of the phase II long-term reconstruction work.

The Corps narrowed the initial list of prospective architect-engineer contractors to 16. All these firms had excellent reputations, had built airfields, and had worked in the Middle East. A selection board at the Transatlantic Division narrowed the list of 16 firms to 6 and ranked them. Stanley Consultants, Inc., of Muscatine, Iowa, received the highest rating. Though a small firm, Stanley had successfully worked on water supply and waste water treatment facilities in Egypt, Yemen, and Saudi Arabia and had performed design work for the Transatlantic Division on air bases in Oman.

The Corps awarded an architect-engineer letter contract to Stanley and its joint venture partner, Associated Kuwait Office, on 17 August. Under this \$8.75 million arrangement, the firm would perform site survey, master planning, and design services. On 21 August, the Corps directed Stanley to prepare a rough scope of work for the phase II long-term reconstruction. A planning team with contractor and Transatlantic Division personnel arrived in Kuwait on 28 August. It surveyed 150 to 200 buildings at each air base.

Stanley conducted a preliminary review to develop a master plan, which listed all the buildings in different facilities that the Kuwait Air Force needed or would need in the future. The contractor had sent out a questionnaire to Kuwait Air Force officials to determine the service's needs.³³ Stanley was scheduled to present the phase II master plan and list of facilities to the Defense Recovery Assistance Office, the Kuwait Emergency Recovery Office, and the Ministry of Defence in early November. The approved plan would be the basis for determining the schedule and scope of phase II work.

Meanwhile, the emergency reconstruction projects for the ministry continued on schedule. Work on the Ministry of Defence headquarters met the 15 August beneficial occupancy date (when the work was 99 percent complete). The debris had been cleared from Ali Al-Salem Air Base. The temporary air traffic control tower at that base was 99 percent completed. Emergency repairs at Ras Al-Qalayah Navy Base were 98 percent complete, although work continued on the chilled water piping system.³⁴

Foreign Military Sales Case for Phase II Air Base Work

In late August, Pentagon officials formally notified Congress of their plans to execute a \$315 million foreign military sales case for the

phase II long-term reconstruction of Kuwait. Congress raised no objections.³⁵ However, by October the prospect of having the Corps manage the long-term reconstruction of the two air bases was becoming less likely. Kelly glumly reported that the entire foreign military sales construction program was "at risk." There were two thorny issues. First, the Minister of Defence insisted on making the final selection of the contractor for the long-term reconstruction despite the written agreement that contract awards would be in accordance with U.S. laws and procedures. Second, his ministry had recently indicated that it would scale back the role of the Corps and its contractors in the phase II air base reconstruction to less than \$30 million. Neither Kelly nor Corps leaders believed involvement at this reduced level would be worthwhile.

Ambassador Gnehm and General Kelly held firm on the issues of source selection and maintaining the original level of Corps involvement. Kelly was prepared to limit U.S. involvement to the \$105 million phase I work and forego the phase II work if necessary. Yet he reported to the Secretary of the Army that he did not believe the situation was "irretrievable." Gnehm continued to maintain that the Corps had a valid role in helping Kuwait rebuild its defenses and supported Kelly wholeheartedly.³⁶ The situation improved after a meeting on 28 October in which Gnehm, Kelly, and the Minister of Defence discussed the impasse over the procedures for selecting construction contractors. The Kuwaitis reluctantly agreed that U.S. regulations would govern the contractor selection process for the phase II air base work.

Both sides agreed on a procedure that would allow the Ministry of Defence to provide a list of acceptable Kuwaiti joint venture firms for each air base. The pre-approved Kuwaiti firms could form a consortium. The U.S. contractors who bid on the work would have to enter into a joint venture with a consortium of Kuwaiti firms. The renewed spirit of cooperation apparently spread quickly through the ministry. Kelly reported that after his meeting with the minister, the working level meetings between the Corps and the ministry's engineering staff had suddenly become "both productive and congenial."³⁷

Kelly informed Livingstone that the Ministry of Defence planned to provide only one Kuwaiti firm or consortium of smaller firms to form joint ventures with competing U.S. firms for each air base. Such an approach, he conceded, "makes sense from their perspective." Kuwaiti officials wanted to spread the work among the Kuwaiti firms that had survived the Iraqi occupation to help restore the country's weakened construction industry. They also wanted to ensure the selection of Kuwaiti firms with good reputations.

This approach, however, had drawbacks for the United States. Finding qualified Kuwaiti firms to perform the work could be difficult. As a result of the Iraqi occupation, many Kuwaiti construction firms no longer existed or existed only on paper because their equipment had been damaged, destroyed, or moved out of the country. With only a single Kuwaiti source for a joint venture, few U.S. firms would be willing to compete for the work, and the decreased competition would drive up the cost of the work. Also, if the joint venture partnership did not work well together, some U.S. firms might later file claims against the U.S. government.³⁸

Moreover, as the single source, the Kuwaiti firm or consortium would have to negotiate with each American firm seeking the contract. Livingstone worried that this situation could lead to graft and kickbacks. Instead, she favored a compromise that would set aside a certain amount of the air base work to be contracted by the Kuwaiti government.³⁹

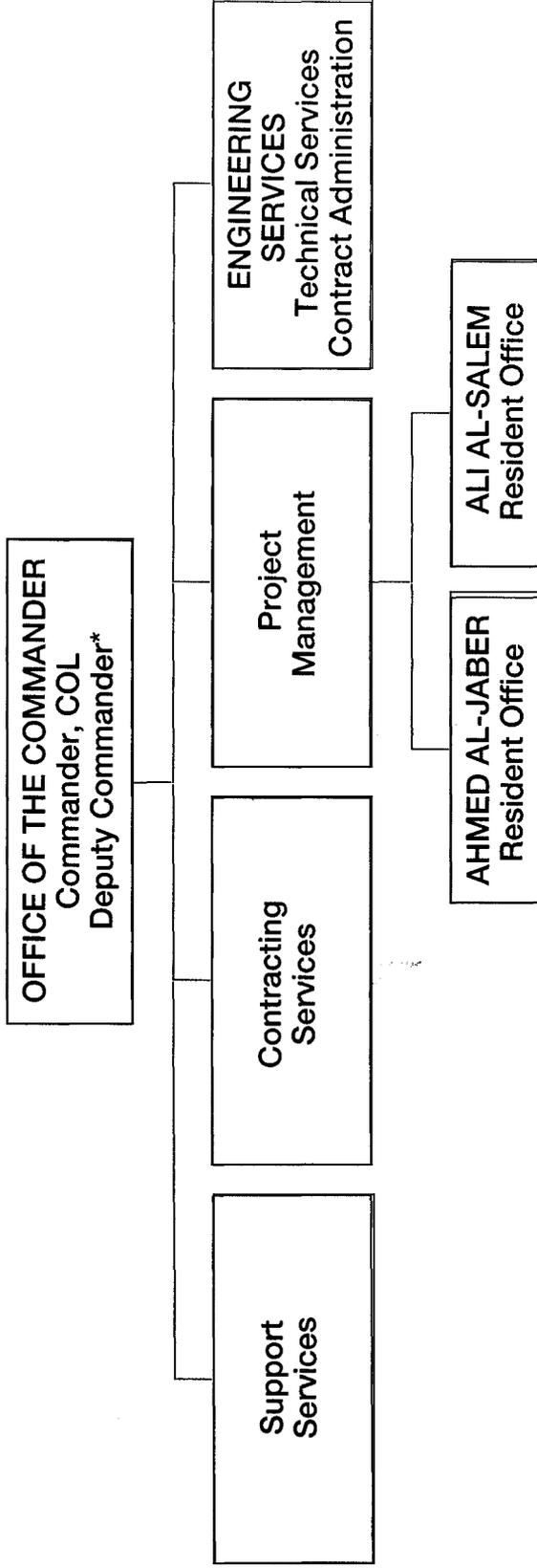
The United States agreed to split the phase I air base work so the Ministry of Defence could award its own contract for 30 percent of the value of the construction effort at each air base. The Department of Defense would award the contract or contracts for the remaining 70 percent. Dividing the work would result in the U.S. contractor doing most of the temporary new construction, with the Kuwaiti contractor doing the repair work. The defense ministry, however, requested that the United States manage all air base contracts, including the Kuwaiti contracts.

In addition, the Ministry of Defence requested that a different American contractor be awarded work at each air base. This would preclude a single contractor doing the work at both air bases. U.S. officials agreed to continue to follow the approved strategy of prohibiting contractors already working in Kuwait, such as Brown and Root and Blount International, from working at both air bases to allow other U.S. companies to compete.

For phase II work, ministry officials also requested that the Department of Defense award a U.S. contract to perform, as a minimum, all F-18 related construction, to include new facilities, aircraft shelters, and utility restoration. The ministry would hire Kuwaiti firms to do the remaining work. Details of the phase II arrangements were tied to the approval of the master plan, which ministry officials were reviewing, and the approval of the phase II foreign military sales case. Kelly optimistically reported that he now had a process that would satisfy both parties.⁴⁰

Meanwhile, in December, Corps leaders decided to establish the Kuwait Program Office to execute the air base reconstruction. (Chart 8) Col. David E. Peixotto, who had replaced Locurcio in November, would command this small office. Peixotto, with masters degrees in civil engi-

Chart 8—Kuwait Program Office



*Deputy Commander dual hatted as Chief, Project Management

neering and business administration from Stanford and Long Island University, had served as a military assistant to the Secretary of the Army for Civil Works before taking command of the Louisville District. Because of the uncertainty about the phase II work, Peixotto decided to continue bringing in Corps members on temporary duty rather than as a permanent change of station. The only exceptions would be a few senior personnel such as the chiefs of contracting, programs, and logistics and the resident engineers. The Kuwait Program Office, with roughly 40 people, included a contract administration organization, a program/project management organization with a resident engineer at each air base, an attorney, a design manager, and a small support organization with logistics and information management. Peixotto reported directly to the Transatlantic Division commander. The division provided financial and technical support. Peixotto attended Ambassador Gnehm's country team meetings, advised him, and kept him informed, but the Ambassador was not in Peixotto's chain of command.⁴¹

At a 19 December 1991 meeting with Colonel Peixotto, Ahmed Al-Fahad informed Corps representatives that the ministry wanted to continue giving 70 percent of the work to U.S. firms and 30 percent to Kuwaiti firms for phase II under the proposed \$315 million foreign military sales case. This meeting effectively ended discussions about a joint venture approach for phase II.⁴²

With Livingstone's approval then, the U.S. government and the Ministry of Defence agreed to split the contract value of the work at each air base between U.S. and Kuwaiti firms. The Kuwaitis would primarily perform repair work, while the United States tackled new construction. Corps officials maintained that this strategy was a sound alternative to the joint venture approach. It satisfied the requirement that 30 percent of the contract value be spent for Kuwaiti materials and services and allowed the Kuwaiti government to award contracts using its own procedures. This approach also relieved American bidders from the requirement to negotiate joint venture arrangements and simplified the process for evaluating proposals and awarding the U.S. contracts.

As the details of phase II contracting were refined, an amendment to the phase I foreign military sales case, which would reduce its value from \$105 million to \$80.74 million, circulated at the Pentagon.⁴³

Construction Contracts for Phase I

In January 1992, the Corps awarded two construction contracts for phase I, representing most of the new facilities. Combined, those two

contracts constituted roughly 70 percent of the value of the phase I work. On behalf of the Ministry of Defence, on 16 January, the Transatlantic Division awarded a \$24.1 million contract to a joint venture of Morrison–Knudson, an Idaho-based firm with worldwide operations, and Mohammed A. Kharafi, a large Kuwaiti firm, to repair Ahmed Al-Jaber Air Base and build new temporary facilities to support F–18 aircraft. The contract amount later increased to \$32 million, primarily because of additional work requested by the ministry. Facilities included three F–18 maintenance hangars with 12 maintenance shops, three open aircraft shelters, two closed aircraft shelters, and a concrete apron measuring 500 by 356 meters (the length of five football fields strung end to end).

Morrison–Knudson and Kharafi also restored the utilities that had been knocked out by coalition bombing. The joint venture firm rehabilitated the sewage and water pumping stations, an underground communications center, an avionics building, and a guard house.

At peak operations, the contractors had on site two batch plants that produced roughly 180 cubic meters of concrete every hour—a load of fresh concrete every 11 minutes. On the apron were two open aircraft shelters capable of housing 40 F–18s and two closed aircraft shelters capable of accommodating 20 F–18s each.

The Corps awarded an \$18.5 million contract for emergency construction at Ali Al-Salem Air Base to the joint venture firm George A. Fuller and American International Contractor Incorporated of Arlington, Virginia (Fuller/AICI). The value of this contract later rose to \$25 million. The firm built 12 new buildings to include warehouses for aircraft and repair parts, helicopter maintenance hangars, administrative offices, substations, and a water pump plant.

Fuller/AICI restored commercial power at Ali Al-Salem Air Base on 13 January, but not without some anxious moments. When officials turned the switch to bring the power on, they saw rising plumes of smoke in the distance. Much to their relief, the smoke came from the other side of the base where Bangladeshi soldiers had exploded ordnance at the same moment.

In addition to emergency repairs to restore facilities to a minimal level of operations, the foreign military sales agreement provided for a damage survey of facilities at the air bases. It also provided for planning and engineering work to determine the requirements for long-term construction and the development of designs for permanent facilities needed to support current and future operations. Corps personnel helped Kuwait's Air Force identify its requirements and stay within its budget. Jim Ruyak, resident engineer for Ali Al-Salem Air Base, later conceded that coordinating with both the Corps' customer (Military Engineering



Repair work at Al-Jaber Air Base

Projects) and the user (Kuwait's Air Force) was not always easy. The Corps had faced similar frustrations coordinating with the U.S. and the Israeli Air Forces when it constructed the air bases in the Negev.

Two months after the Corps awarded the two major phase I construction contracts, the Kuwaiti government awarded its own construction contracts. On 1 April 1992, the Kuwaiti government awarded a \$10.5 million contract to Al-Fulaij United Group to rehabilitate 39 buildings at Ali Al-Salem Air Base and construct a new petroleum, oils and lubricants (POL) warehouse, helicopter maintenance hangar, and microwave tower.

Kuwaiti officials also awarded a \$12.1 million contract to Ahmadiyah Trading and Contracting Company to build new facilities at Ahmed Al-Jaber Air Base such as warehouses, administration buildings, a Hawk (British aircraft) maintenance hangar, and other maintenance buildings. Ahmadiyah was also rehabilitating 32 buildings and roads, as well as street lighting in the main base area.

The Corps administered both contracts for the Kuwaiti government through an international contracting format known as Federation Internationale Des Ingenieurs-Conseils (FIDIC), advanced by the International Federation of Consulting Engineers. An FIDIC contract was between the employer and the contractor. A third party, in this case

the Army Corps of Engineers, was the “engineer” who acted as a neutral party to resolve any disputes between the employer, in this case the Kuwaitis, and the contractor. The engineer was similar to a contracting officer, except a contracting officer was party to the contract and responsible for paying the contractor.

Other contracts awarded under the air base program included a \$5.3 million contract to an American and Saudi Arabian joint venture firm, Groves and Tamimi, for airfield lighting at both air bases. Finally, Engineering Services Company installed a safety barrier system at both bases under a \$1.7 million contract.⁴⁴

Problems With Phase I Contracts

The phase I work soon encountered serious problems. Corps and Kuwaiti representatives had not had enough time to develop an effective management plan and clearly define their respective roles and responsibilities. Therefore, representatives from Military Engineering Projects and the Kuwait Air Force were assigned to each air base to work on a daily basis with Corps resident engineers and their staffs. Corps project managers were assigned to the Kuwait Program Office. The parties involved met each week for coordination. Colonel Peixotto met regularly with Fahad Al-Jaleel. In addition to coordination meetings among senior leaders, Corps representatives met regularly with their counterparts in Military Engineering Projects and the Kuwait Air Force. This intensive coordination helped the two governments get the projects through some difficult periods. Initially, Corps personnel were not sure who spoke for the Kuwaiti government on specific project requirements—the Kuwait Air Force or Military Engineering Projects. Military Engineering Projects officials indicated that they were the only ones with the authority to give directions to the Corps and that they had to approve all Kuwait Air Force requests.

Delays were caused by unforeseen conditions at the work sites such as the lack of electricity, the overall poor condition of the utility systems, and unexploded ordnance. The large amounts of ordnance on the ground had made it difficult for the Corps and its contractors to assess damage accurately. The poor site conditions increased the contractor's cost, forcing Corps officials to modify the contract.

To further complicate matters, the Kuwait Air Force requested many changes that drastically modified the original scope of work after the contractors had already begun their work. The initial concept for phase I was to do only the emergency repairs necessary to make the air bases

minimally operational. However, the Kuwait Air Force determined that it needed permanent repairs and greater operational capability. The Corps and the Kuwaitis had reached agreement on the facilities and budget in July 1991, but the Corps did not award the contracts until January 1992, nearly a year after the liberation. During that time, the preferences of Kuwait Air Force officials shifted from temporary emergency repairs to a more permanent solution that would better meet their operational needs. They wanted the contractors to perform more work than had originally been scheduled. The Ministry of Defence's definition of emergency facilities apparently differed from the United States' concept. Yet the Kuwaiti government had neither approved the changes nor provided enough additional funds to cover the changes.⁴⁵ Spiraling costs due to changes requested by the host nation was a familiar theme. During the Saudi construction program in the 1980s, Saudi officials requested numerous change orders, particularly at the Ministry of Defense and Aviation Complex and at the Khamis Mushayt Cantonment, that increased costs significantly.⁴⁶

As with its earlier Saudi and Israeli air base work, the Corps now faced the challenge of an expanding scope of work. The changes in scope and siting that the Kuwait Air Force requested forced the Corps to direct its contractors to stop work temporarily. In June 1992, the Corps suspended contractor work on 13 facilities at Ahmed Al-Jaber Air Base and 5 facilities at Ali Al-Salem Air Base. The Corps wanted to keep the contractors from doing unnecessary work while it renegotiated the actual requirements, schedule, and costs with the Ministry of Defence and the Kuwait Air Force. After intense negotiations, which culminated in a meeting between Ambassador Gnehm and the Minister of Defence, the parties agreed to a revised scope of work. In August 1992, the Kuwaiti government provided an additional \$14 million to cover the expanded scope of work, increasing the total amount of the phase I foreign military sales case to \$95 million, only \$10 million less than the original estimate.⁴⁷

The contractor at Ahmed Al-Jaber Air Base was slow to mobilize and slow to submit the safety plan and design/build plan required in the contract. As a result, the work schedule slipped 45 to 60 days. The contractor claimed that the site had not been cleared of unexploded ordnance. In addition, the Ministry of Electricity refused to repair the 11-kilovolt high voltage system. By late June, the contractor had completed only 26 percent of the work and was 60 days behind schedule.

The contractor at Ali Al-Salem Air Base had also fallen 60 days behind schedule with only 24 percent of the work completed. He was slow to mobilize because of problems securing visas and base access passes for his

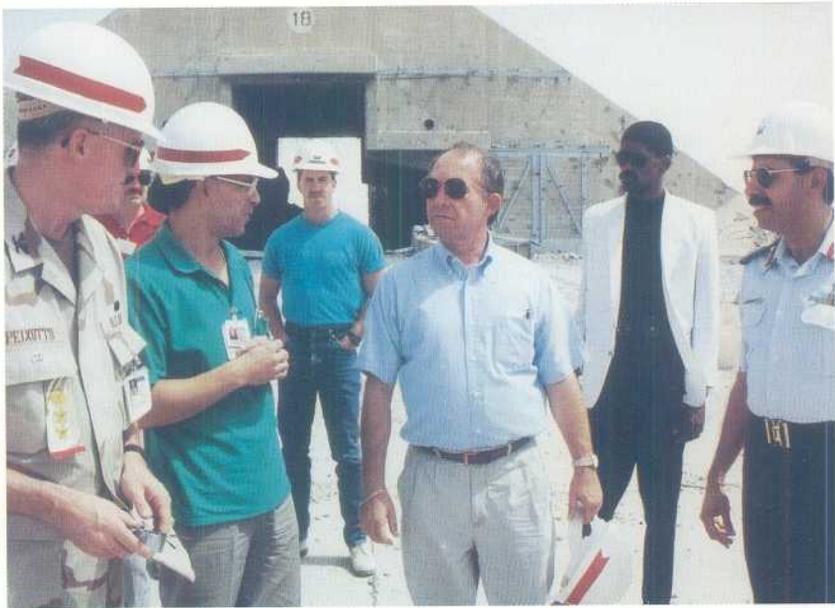
workers. The contractor attributed the delay to the unforeseen rocky conditions in the worker camp area and the stop work orders.

With all the delays and expanded scope, emergency construction at the air bases took 12 months instead of the anticipated 6. The Corps notified Kuwait Air Force officials of the revised schedule. The Air Force could start occupying facilities in late August 1991, they reported, but the last facility would not be completed and turned over until late November 1991. Kuwait Air Force officials, though disappointed, accepted the revised schedule.⁴⁸

In October 1991, Military Engineering Projects and the Department of Defense agreed that the Corps would provide phase II planning and engineering, construction, and construction management services for the two air bases. In November, the Corps presented its master plan for the long-term reconstruction of the air bases to the Kuwait Air Force. The Corps presented a \$315 million foreign military sales case for phase II long-term reconstruction to the Ministry of Defence and Military Engineering Projects.⁴⁹

Political pressures had forced the Kuwaitis to give the Corps the phase I work. Military Engineering Projects officials preferred to handle the work themselves and did not believe they needed the Corps' assistance. The defense work differed from the civil reconstruction where the need for the Corps' assistance was obvious. The reluctance of the Kuwaitis to give the United States the defense work created problems. The agreement that Kelly had signed with the Kuwaitis provided for an acceptable level of authority and responsibility, but the Kuwaitis later rejected that agreement. This was a continuing challenge for Peixotto. The Kuwaitis wanted to retain the decisionmaking authority for all matters, but they also wanted the Corps to assume all the responsibility for accomplishing the work on time and within budget. Colonel Peixotto observed, however, that Corps officials did not allow the work to stop while awaiting consensus decisions. Occasionally, they made the decisions necessary to keep the work on schedule. The Corps believed it had the authority as contracting officer and the engineer (for the contracts awarded by the Kuwaitis) to make the necessary decisions. Yet the issue remained a source of friction between the Kuwaitis and the Corps. For phase II, the Kuwaitis offered the Corps the mission without giving it adequate authority to execute that mission.⁵⁰

At a meeting in Kuwait in August, Secretary Stone urged the Minister of Defence to continue with phase II as planned. Upon his return, Stone wrote to the Sheikh, "It is most distressing to me that the Government of Kuwait is considering ending the Corps' involvement in the air base reconstruction. I write this letter to you to stress our wish to remain



Colonel Peixotto, far left, and Ambassador Gnehm, center, tour Al-Jaber Air Base.

involved in military reconstruction and our confidence that we can agree on terms of mutual advantage.”⁵¹ In September, Gnehm and Peixotto met with the Minister of Defence to discuss possible Corps involvement in phase II. The Ambassador reaffirmed Stone’s position that the limited role offered by the Ministry of Defence was unacceptable and reiterated the importance of the phase II work to both governments.⁵²

Despite repeated urgings from Ambassador Gnehm and Secretary Stone throughout the summer of 1992, Kuwaiti officials ultimately decided to handle the contracting for the extensive permanent reconstruction of the air bases themselves. They never signed the foreign military sales case for phase II. The struggle in the defense work had strained the relationship between the U.S. military and the Ministry of Defence. The differences between American and Kuwaiti business philosophies, which had become increasingly apparent by the summer of 1992, created more problems with the defense work than with the civil reconstruction. The Corps’ business philosophy of “fair and reasonable” pay for work ran counter to the Middle Eastern philosophy of keeping contractor costs as low as possible and not paying the contractor for changes that the user made.

The underlying problem, however, was the Ministry of Defence's reluctance to surrender any authority or control to the United States. With the civil work, Kuwait had specifically asked the Corps for assistance and had given that agency the necessary contractual and financial authority. The situation with the defense work was different. U.S. military officials, including the Corps, were disappointed that they would not have the permanent reconstruction work, especially given their concern about assuring that the facilities could accommodate U.S. military aircraft supporting the Kuwaitis. Six years later, the phase II work had not yet been performed, and the Kuwait Air Force continued to operate the two bases using the temporary facilities that the Corps and its contractors had built.

Support to U.S. Troops

By early May 1991, the U.S. Army was ready to withdraw the 1st Brigade, 3d Armored Division, from southern Iraq. The soldiers needed a secure environment where they could prepare for redeployment. Military leaders gave the Kuwait Emergency Recovery Office just 24 hours to find suitable facilities for the brigade. The Kuwait Emergency Recovery Office and Defense Reconstruction Assistance Office staffs searched for a complex large enough to accommodate a brigade, remote enough to provide security, and that also included a training area.

U.S. forces could not use Kuwaiti military installations because they had been too heavily damaged, so Kelly and Locurcio focused on schools, warehouses, and other facilities. After inspecting several warehouses and discussing the matter with government officials, Corps personnel recommended the Doha Village Complex, approximately 15 miles west of Kuwait City. The strategically located complex, part of which was currently occupied by British soldiers, offered 16 large warehouses with 1.4 million square feet of space and several paved areas for equipment. Lt. Col. Albert F. Kaminsky from Kelly's staff recommended several sites, including Doha, to Kelly.

Before the Iraqi invasion, the Kuwaitis had used the warehouses at Doha for commercial storage. During the occupation, Iraqi soldiers had looted and vandalized the buildings, leaving behind over 500,000 cubic yards of debris. Moreover, the warehouses, which had not been designed for military housing, lacked basic life support systems. Corps members examining the facilities noted the need to expand the electric, water, air conditioning, shower, and sewerage facilities to make troops comfortable in summer.

Meanwhile, during a visit with the Crown Prince in early May, Secretary Cheney agreed that the United States would maintain Task Force Victory—a brigade-size force of roughly 5,000 soldiers—in Kuwait for up to 60 days until the Kuwaiti government could provide its own security. Cheney insisted that these troops be housed in “comfortable” facilities. The Crown Prince concurred and also agreed that his

government would pay all the costs associated with maintaining these forces from mid-June through September 1991.¹

When the project first arose on 7 May, the 1st Brigade was scheduled to move into Doha within two weeks, followed by the 11th Armored Cavalry Regiment on 15 June. The Ministry of Defence, however, had no contracting mechanism in place that would meet these time constraints. The 22d Support Command, which was responsible for housing the troops, did not have the necessary contracting expertise. At the direction of General Pagonis, Kelly directed the Kuwait Emergency Recovery Office to award and administer contracts to renovate the facilities at Doha.

U.S. officials, however, could not readily identify funding for such contracts. The support command considered using money provided under Section 607A of the Foreign Assistance Act, but such funds could only be used for civil purposes. No preexisting foreign military sales agreement could cover the Doha work. The approval process for a new foreign military sales case could take 30 days or more. The support command sought approval from the Secretary of the Army to use Operations and Maintenance, Army (OMA) funds and have the Kuwaiti government reimburse the U.S. government later through a foreign military sales case. Corps members questioned whether such funds were appropriate for this type of project.

On 17 May, Kelly's staff formally requested \$20 million in operations and maintenance funds to repair facilities at Doha along with the 6th Brigade Camp (an installation northwest of Kuwait City) and a nearby firing range. The Army Staff approved this request on 20 May. The approval had been delayed at the Army Staff level for three days while the Army General Counsel grappled with the question of how to reimburse Army operations and maintenance funds from a foreign military sales agreement.²

U.S. combat forces housed at Doha needed a training site to maintain their combat readiness. After a review of all available facilities, Kuwait Army's 6th Brigade Camp was selected. The camp had been heavily damaged during the war, and many of its buildings had collapsed. It would require extensive repairs before it could properly house and support an Army mechanized battalion, a large direct support element, and a small

¹Kaminsky interv, pp. 4–5; memo, Kelly for Assistant Under Secretary of Defense for Military Projects and Engineering Support, 3 Jul 1991, Kuwait Reconstruction, Troop Support: DRAO Files.

²Msg, Cdr 22d SUPCOM to DAMO–AOC, 031730Z May 1991, DRAO Files; 21 May 1991, Kuwait Reconstruction: Operation Positive Force, Doha Warehouse Information, OACE Reference Files.

training staff. The 22d Support Command asked the Corps to award and administer the necessary contracts.

The buildings at the camp had to be cleaned and repaired so the Army could house and feed the battalion for 6 to 12 months. This task included removing debris; installing windows and doors; supplying electrical power connection from generator sets; and providing latrines, shower stalls, and washstands. The Corps asked several of its contractors (Brown and Root, Kharafi, and Khudair) if they could mobilize the number of workers required for this project without affecting their current workload. Khudair was the only contractor that could respond immediately.³

On 23 May, the Corps awarded an urgent letter contract to Khudair, not to exceed \$6.9 million, for emergency repairs to billeting areas at the 6th Brigade Camp and for essential life support. The contractor began work the following day. At the same time, the Corps awarded an urgent letter contract to Kharafi, not to exceed \$12 million, to install essential life support systems at Doha. The contract work included air conditioning, electrical wiring, and lighting.⁴

While the contractors mobilized, engineer troops helped prepare the facilities. Soldiers from the 864th Engineer Battalion constructed a chapel; PX facility; telephone center; and morale, welfare, and recreation (MWR) facility at Doha, along with seven 64 x 122-foot tents. The unit's electricians brought in power for telephones and outlets to improve the quality of life for the soldiers. Later the engineers constructed a 1,200-foot security fence, seven guard towers, and a tank range.⁵

Iraqi soldiers had stolen many of the lights and electrical fixtures, and severed many electrical lines. The Corps had its contractor, Kharafi, on site within 24 hours. Kharafi began debris removal literally overnight, and restored electricity within two days. Extensive bombing also had caused two breaks in major water lines. With the help of the 23d Engineer Brigade and Shand Construction, water was running within three days.

The next challenge was to install within 30 days badly needed air conditioners in all the warehouses. During his initial visit, General Kelly had

³Information Paper, "6th Brigade Area Repair," 28 May 1991, Kuwait Reconstruction: U.S. Presence, DRAO Files; DRAO Information Paper, Subj: Army Base Camp, 15 May 1991, Kuwait Reconstruction: Operation Positive Force, OACE Reference Files.

⁴Memo, Kelly for Assistant Under Secretary of Defense for Military Projects and Engineering Support, 3 Jul 1991, Kuwait Reconstruction: Troop Support, DRAO Files; memo, Jesse M. Ross to Mohammed A. Kharafi, 23 May 1991, Kuwait Reconstruction: Operation Positive Force, Doha Warehouse, OACE Reference Files.

⁵Griffin, "Pacemakers in Southwest Asia," p. 15.



Air conditioning units at Doha Blackhorse Base

discovered firsthand just how hot and uncomfortable the warehouses could be without air conditioning. The Kuwait Emergency Recovery Office gave Kharafi a notice to proceed on 29 May and directed the firm to provide air conditioning in all the warehouses at Doha by 30 June before the onset of the most oppressive summer heat—the Iraqis had stolen every air conditioner in Kuwait. This meant installing over 200 12-ton units that would provide each soldier 100 square feet of air conditioned sleeping space. The contract also included installing 3,000 electrical outlets, providing temporary generator power and perimeter security lighting, and replacing field latrines and wooden showers with permanent, prefabricated units.

Kharafi began purchasing units throughout Europe and Southwest Asia while the Army Directorate of Engineering and Housing for Doha and Corps members helped the contractor develop a phased plan for installing them. Warehouses were quickly transformed from spartan storage areas into military barracks as the 11th Armored Cavalry Regiment arrived at Doha. At peak, Kharafi had 500 workers on site 14 to 16 hours a day, 7 days a week. The warehouses were fully air conditioned by 28 June.⁶

⁶Mary Allingham, "KERO moves fast to help soldiers in Saudi," *Engineer Update*, v. 15, no. 8, Aug 1991, p. 3; Mary Allingham and Ron Ruffennach, "KERO helps troops find comforts of home," *Transatlantic News*, v. 6, no. 6, Jun–Jul 1991, pp. 6–7; Maj. Gen. Patrick Kelly, telephone conversation with author, 19 Aug 1997.



Soldiers relaxing at the 6th Brigade Army Base at Doha

Funding the renovations at Doha presented special problems. Work at the 6th Brigade Camp and the live firing range was classified as "repair." Converting the Doha warehouse complex to a cantonment area, however, required both new construction and repair work. New construction included providing water, sewer, and electrical systems; latrine and shower facilities; security and lighting; air conditioning for sleeping areas; and morale, welfare, and recreation facilities. Repair work consisted of clearing debris and repairing or replacing doors, windows, electrical equipment, and fire suppression systems.

When Army officials reviewed the 23 May contract, they concluded that most of the specified work at Doha was actually new construction. Therefore, the use of Army operations and maintenance funds was not appropriate. To avoid potential legal problems, they concluded, the Army needed construction authorization and \$20.5 million to replace the operations and maintenance funds that had already been obligated.

Officials from the Corps; the Office of the Assistant Secretary of the Army for Installations, Logistics and Environment; the Office of Management and Budget; and the Office of the Secretary of Defense decided to use emergency construction authority provided in Section

2808, Title 10, U.S. Code, and use uncommitted Military Construction, Army (MCA) funds already appropriated from the Defense Cooperation Account—a special account in the U.S. Treasury that had been established by the March 1991 Persian Gulf War Supplemental Appropriation Bill to reimburse the Defense Department with contributions from foreign nations. Later, they would ask the Kuwaiti government to deposit more money in the Defense Cooperation Account since it had agreed to pay for these facilities.⁷

Section 2808 gave the Secretary of Defense the authority to expend unobligated military construction funds immediately after notifying Congress, but only after the President had declared a national emergency. President Bush had issued an executive order on 24 November 1990, declaring a national emergency and invoking emergency construction (2808) authority.

On 12 June, the Secretary of the Army formally requested emergency authorization of a \$20.5 million construction project to upgrade warehouse facilities at Doha under the provisions of Section 2808. The Kuwaiti government had agreed to deposit additional funds in the Defense Cooperation Account to reimburse the funds that had been withdrawn to upgrade the facilities for U.S. troops. The Secretary of Defense approved the request. On 20 July, Deputy Secretary of Defense Donald J. Atwood made the mandatory notification to the chairmen of the Senate and House Armed Services and the Senate and House Appropriations committees.⁸

Funding was not the only controversial issue. Pentagon officials questioned why U.S. contractors were not performing the repairs at Doha and questioned the urgency of the work. Kelly responded that the two prime American contractors who had been solicited were already committed to other projects. Considering the magnitude of the work that would be required to make troop living conditions “comfortable,” as Secretary Cheney had directed, Kelly continued, time was critical. With the rapidly approaching summer season, living condi-

⁷Army Information Paper, 31 May 1991, Kuwait Reconstruction: Facilities for U.S. Forces (Doha), Office of History Files; msg, DAMO-ODO-AOC to Cdr 22d SUPCOM, 010250Z Jun 1991, *ibid*.

⁸Executive Order 12734, 24 Nov 1990; memo, Secretary M. P. W. Stone for the Secretary of Defense, 12 Jun 1991, Kuwait Reconstruction: Troop Support, DRAO Files; memo, Donald Atwood to Rep. Jamie L. Witten, 20 Jul 1991, Kuwait Reconstruction: Operation Positive Force, OACE Reference Files; DAEN-ZCM, Executive Summary, 9 Aug 1991, OACE Reference Files, Kuwait Reconstruction: Operation Positive Force, Doha Warehouse Information. Corps headquarters sent the \$20.5 million to the Transatlantic Division, but the division never used the money because the Kuwaiti government paid the contractors directly.

tions inside the unventilated metal structures would become unbearable. Temperature could rise to over 130 degrees Fahrenheit.

Moreover, repairs to the Doha sanitation system would require more money than currently authorized. The original requirement for supporting 5,000 troops at Doha included an enlarged sanitation system, but because of the cost of air conditioning, there were only enough funds for temporary latrine and shower facilities. As troops continued to use the temporary facilities that drained into the existing storm sewer system, it became clear that the sanitation system, designed for a few hundred people at most, would be inadequate. Kelly warned that the sanitary situation could become a significant health hazard. The only satisfactory solution was to reinstate the original design of an enlarged sanitation system with drainage to a collection lagoon, at a cost of \$5 million to be added to the cost of air conditioning and funded from the \$20 million 2808 authority.⁹

By early July, work at the 6th Brigade area and the initial improvements at the Doha complex were nearly complete. Kelly asked the Kuwaiti government to take over the two contracts and pay the contractors directly for their work. He also asked the Ministry of Defence to award two additional contracts needed to support U.S. forces: one for showers, latrines, a sewer system, and additional air conditioning at Doha and another for general maintenance of the warehouse complex. Kelly's staff began negotiating with the Kuwaiti government to transfer the existing contracts and have the Kuwaiti government pay directly for the Doha work.¹⁰

Meanwhile, the Doha renovations faced a tragic setback. At 11 A.M. on 11 July, an explosion ripped through the ammunition storage area at Doha, raining shrapnel and engulfing nearby vehicles in flames. The powerful explosion rattled windows in Kuwait City, miles away. The chain-reaction blasts, which continued for nearly an hour, apparently had begun with an electrical fire on a self-propelled howitzer carrying 155-mm. shells. Fifty U.S. and six British soldiers were injured, and the recently renovated "Blackhorse" base, as the Doha complex was called, was badly damaged. Firefighters responded within minutes, but it took four hours to contain the blaze. Injuries ranged from minor cuts to serious shrapnel wounds. Corps personnel, who rushed to the site to help, directed traffic, helped compile lists of the wounded, and donated blood.

⁹Memo, Kelly for ASA(ILE), Subj: Kuwait Doha Project, 26 Jun 1991, Kuwait Reconstruction: U.S. Presence, DRAO Files.

¹⁰Memo, Kelly for Asst Under Secretary of Defense for Military Projects and Engineering Support, 3 Jul 1991, Troop Support, DRAO Files; memo, Col. Leon R. Yourtee III for Larry Kelly, 24 Jul 1991, Kuwait Reconstruction: Doha, ASA(ILE) Files.

Locurcio's staff began performing damage assessments the next morning. The investigators found 1,400 shattered windows, downed temporary partition walls and duct work, sprung sliding doors, perforated roofs, and minor electrical damage. By noon on 12 July, they had completed their surveys, reporting over \$1.7 million in structural damage. By late afternoon, they had developed and presented a comprehensive emergency repair plan to the brigade commander. Later that evening, Locurcio's staff issued a contract to Kharafi to clean up the site and make emergency repairs to 16 buildings damaged by the blast. The contractor began work at 7 A.M. the next morning.¹¹

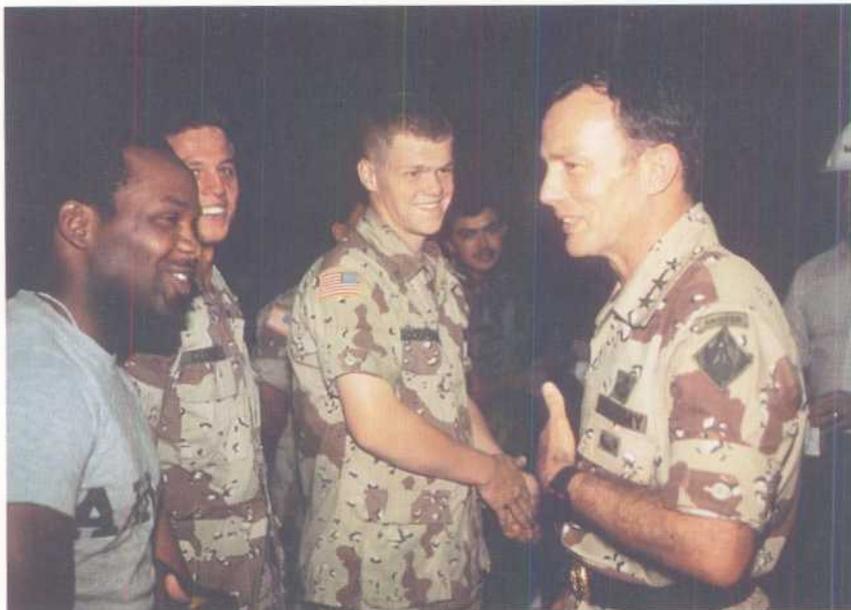
In late July, the Defense Reconstruction Assistance Office asked the Ministry of Defence to have a U.S. firm that specialized in explosive ordnance disposal clear the Doha accident site, and a U.S. Army explosive ordnance disposal specialist prepared the contract specifications. Because of the ministry's slowness in letting ordnance disposal contracts and the need to begin the cleanup as soon as possible, Kelly proposed that the United States award and administer the contract using U.S. funds. The Kuwaiti government could then reimburse the U.S. government from the \$15 million it would soon be depositing in the Defense Cooperation Account. The Minister of Defence, however, had not yet approved this proposal. The 22d Support Command had set aside \$1.5 million for this effort, but Kelly needed approval from the Pentagon before he could proceed with U.S. funds and a U.S. contractor.¹²

By late July, Kharafi had completed its contract work at Doha, and Khudair had finished its work at the 6th Brigade Camp. Kelly asked the Kuwaiti government to pay the final contract costs agreed to by the contractors—\$11.78 million for the Kharafi contract and \$4.74 million for the Khudair contract. The Ministry of Defence agreed to pay roughly \$20 million for repairs and upgrades to facilities at the 6th Brigade Camp and Doha and deposit \$15 million in the Defense Cooperation Account to cover food, water, and other supplies and services for maintaining U.S. troops through 15 September 1991.¹³

¹¹"Scores Hurt in Explosion at U.S. Base in Kuwait," *Washington Post*, 12 Jul 1991, p. A25; James N. Parker, "KERO assists during and after the explosion," *Engineer Update*, v. 15, no. 8, Aug 1991, p. 1; James N. Parker, "Doha explosion required cooperation, sacrifice," *Transatlantic News*, v. 6, no. 6, Jun-Jul 1991, p. 7; Livingstone, Memorandum For Record, Subj: "Saudi Arabia/Kuwait Trip Report," 23 Jul 1991, Kuwait Reconstruction: Trip Report, Office of History Files.

¹²DRAO, Fact Sheet, 26 Aug 1991, Kuwait Reconstruction, Miscellaneous Projects: DRAO Files.

¹³Memo, Kelly to Sheikh Sabah Al Nasser, Assistant Under Secretary for Military Projects and Engineering Support, 1 Aug 1991, Kuwait Reconstruction: Troop Support, DRAO Files; memo, Kelly to Faisal Ali Al-Dawoud, 7 Aug 1991, *ibid.*



General Hatch at Blackhorse Base, 2 August 1991

Because the Kuwaiti government paid the contract costs as agreed, Kelly and the Corps never had to use the emergency construction authority provided in Section 2808 or spend any Army funds. In early September, the Kuwaiti government deposited \$15 million in the Defense Cooperation Account and paid the contractors over \$16 million. The U.S. contracts were terminated, and the Army operations and maintenance funds were deobligated.¹⁴

Over the ensuing years, the Doha complex, later called simply "Camp Doha," became increasingly valuable as a site where the United States could stage troops and equipment ready to react quickly to any future threat to Kuwait. The complex housed a forward deployed element of ARCENT in Kuwait and was considered a major base of operations for U.S. forces in the Middle East. It was used several times a year for U.S. military training exercises.

At ARCENT's request, in February 1995, the Transatlantic Division awarded a \$20 million contract to American International Contractors, Inc., of Dallas, Texas, to renovate the complex, specifi-

¹⁴Memo, Col. Ian T. Patterson for James DeWire, 5 Sep 1991, Kuwait Reconstruction: Doha, Fisher Files.

cally to convert 17 warehouses to maintenance facilities, vehicle and supply storage, and troop billeting. The contractor also provided 171 duplex trailer units for housing, 5 laundry units, 5 television day rooms, and a modular kitchen unit. The renovations were completed in 1997.¹⁵

¹⁵“Renovation work begins at Camp Doha,” *Transatlantic News*, v. 10, no. 3, Mar–Apr 1995, p. 1; “Camp Doha construction wrapping up,” *ibid.*, v. 12, no. 2, Feb–Mar 1997, p. 6; “Camp Doha renovations nearing completion,” *ibid.*, pp. 6–7.

Aftermath

As Kelly labored to put the final foreign military sales case for the air bases back on track, the civil reconstruction work neared completion. By 1 November, the cost of the Kuwaiti program had reached more than \$395 million—\$349.3 million under the Section 607A civil reconstruction program and \$46.3 million under the initial foreign military sales case.¹ The Kuwaiti government made its final cash payment to the U.S. Treasury for the 607A program on 14 November. Dr. Shaheen directed that all contracts in the 607A program be awarded by 31 December.

Kelly had played a key role in opening doors to the Kuwaiti ministers and the Crown Prince and focusing their attention on the civil reconstruction program. With the program now well established, Kelly's direct involvement was no longer needed. Nor was his staff needed any longer to oversee the program.²

Yet, because of uncertainties surrounding the military reconstruction program, Kelly remained in Kuwait. Each day Kelly pushed back his plane reservations in hopes of securing a last minute agreement with the Ministry of Defence for the phase II air base work. And each day he was disappointed. Kelly's staff submitted its last formal report on 22 November, and he left Kuwait soon after. As he departed, Kelly praised Colonel Locurcio for "a superb job of commanding the effort through the difficult early postwar days to the present." The last member of the Defense Reconstruction Assistance Office departed in December 1991.³

As that office phased out, Col. John Macel from the U.S. Liaison Office, Kuwait, took over Kelly's CENTCOM coordination responsibilities. Simultaneously, the Defense Reconstruction Assistance Office's financial management functions transferred to the Transatlantic Division. The Kuwait Emergency Recovery Office and the newly formed Kuwait Program Office absorbed all of Kelly's administrative and logistics responsibilities.

The close out of the Defense Reconstruction Assistance Office coincided with the termination of the Army's executive authority for the reconstruction of Kuwait. On 1 December 1991, the Secretary of Defense formally terminated the Army's executive agent responsibility and the position of Secretary of Defense representative.

At the same time, oversight responsibility for the reconstruction transferred from the Assistant Secretary of the Army for Installations, Logistics and Environment to the Assistant Secretary of the Army for Civil Works, Nancy P. Dorn. Under Army General Orders #17, the Assistant Secretary for Civil Works was responsible for program direction of the Corps' foreign activities, except those that were exclusively in support of U.S. military forces overseas.⁴

Dorn, a young, well-connected political appointee who had served in both the Reagan and Bush administrations as a special assistant for legislative affairs, had become Assistant Secretary in July 1991. On 1 December, she officially assumed interim responsibilities for the Army's Kuwaiti program. Soon after, Dorn wrote a strong letter to the Chief of Engineers reminding him of her authority. Although the Corps had significant planning, engineering, and construction expertise and valuable capabilities in the international arena, she informed General Hatch, it did not have separate program and funding sources for international work. "Accordingly," she continued, "the Corps must take a cautious, selective approach to its international activities." She insisted that the Corps' international work be consistent with the policies of the Bush administration, be fully coordinated with the State Department and the Defense Department, and have her approval.

The Assistant Secretary emphasized that only she could commit the Corps' resources for international activities. She would sign all agreements with foreign governments, international organizations, and U.S. agencies that involved international work. The Corps, Dorn observed, should focus on managing its ongoing work rather than seeking new international work. Echoing the concerns expressed by Pentagon officials earlier in the operation, she added, "The Corps should maintain a low profile internationally, with no marketing or aggressive promotion."⁵

Dorn expressed cautious support for the concept of "nation assistance" or "nation-building." This concept "if properly developed, coordinated, and executed," she observed, "may provide significant benefits to the Army and DOD [Department of Defense], as well as to the recipient nations." She gave the Corps credit for promoting this concept within the Army and the Defense Department but reiterated that the Director of Strategy, Plans, and Policy was the appropriate proponent within the Army Staff for peacetime engagement and Army assistance.⁶

Nancy Dorn's strong statement reflected her extensive authority and involvement. In the 1970s and early 1980s, the Corps had pursued its large civil construction programs in the Middle East with minimal oversight from the Assistant Secretary of the Army for Civil Works. But Dorn's predecessors, William R. Gianelli (appointed in 1981) and Robert

K. Dawson (appointed in 1985), were both known for their unprecedented “micromanagement” of the Corps. By the time Dawson left in 1987, the Office of the Assistant Secretary of the Army for Civil Works had assumed control over many decisions that had previously rested with the Chief of Engineers.⁷

In the 1980s, the civil works directorate in the Corps’ Washington headquarters administered the Work for Others program along with the domestic Support for Others program, in which the Corps performed work for other federal agencies. Through these reimbursable programs, the Corps marketed its expertise to customers who were willing to pay, whether they were federal agencies or other governments funded in part through U.S. foreign aid. As noted, Hatch championed both programs, especially foreign assistance, or “nation-building” as he called it. He saw these programs as the best way for the Corps to survive the uncertain fiscal times ahead.⁸

Reflecting the views of the Reagan and Bush administrations, Dorn questioned Hatch’s vision of an expansive Support for Others program and was particularly opposed to aspects of the Work for Others program. She believed the Corps should not be looking for more work to justify a larger staff and a higher budget. Rather, the Corps should limit itself to traditional missions and not try to be an international engineering force. She opposed using the Corps to build civil works projects in foreign countries.⁹

Although in late 1991 responsibility shifted within the Army Secretariat and the Defense Recovery Assistance Office completed its operations, the Corps had not finished repairing the National Assembly building. In November 1991, Corps officials realized that the design work for the building had fallen roughly three months behind schedule due to customer changes and insufficient oversight by the Corps, which was focused on other civil reconstruction efforts.

The Transatlantic Division members met with Hellmuth, Obata, and Kassabaum to review the firm’s progress. Hellmuth, Obata, and Kassabaum, though under contract to the Corps, had begun taking directions from Kuwaiti officials. It submitted design proposals that were tens of millions of dollars greater than the funds available. Since the design proposal was unacceptable, the construction contractor could not begin work. The Corps had planned to have the construction contractor begin work in October 1991, but the work did not begin until March 1992. The Corps lost six months of work because the design firm failed to follow the instructions of the contracting officer. Moreover, Peixotto maintained, the quality of the design was poor. The architect–engineer firm had a great concept, he added, but did not always translate that concept into effective construction drawings.¹⁰

When Peixotto took over in November 1991, he quickly concluded that the project was “out of control.” Communication between the Corps, the Kuwaitis, and the contractors needed immediate improvement. There was no clear plan for getting the work done or obtaining a good estimate of the cost. The urgency to complete the project in time for the Kuwaiti national elections had created strains among the parties involved. Also, the 90-day rotations of most Kuwait Program Office staff had made it more difficult for that office to establish and maintain the close coordination it needed with its partners. The four parties involved—the Corps; the Kuwaitis; Kharafi (the construction contractor); and Hellmuth, Obata, and Kassabaum (the designer)—had no common objectives.¹¹

Peixotto quickly adopted the practice of partnering, bringing all parties involved together (in this case, senior Kuwaiti, Corps, and contractor representatives) to establish common goals and procedures for resolving problems. He had used this concept successfully as commander of the Albuquerque and Louisville districts.¹²

The Corps hosted its first partnering meeting in Kuwait City on 4 and 5 February 1992 with representatives from the Kuwaiti government; Kharafi; and Hellmuth, Obata, and Kassabaum. Peixotto gleefully reported that the session “made all the difference in the world.”¹³ At this first meeting, participants identified 13 critical issues and established common goals, objectives, and procedures to improve communications. The partners agreed that if they could not reach a consensus on decisions in a timely manner, the Corps would make the decisions and keep the project on schedule. They decided to place their representatives together in one office at the job site. Each partner signed a one-page partnering agreement committing itself to the common goals. Each agreed to a common objective of having the building ready for occupancy by 29 July, which, at the time, appeared to be nearly impossible.¹⁴

Peixotto recognized that the Corps and its partners could never meet the July deadline if they continued making changes in the project. He directed that no party could make any changes without his personal approval. He also recognized the need to devote some of his staff to the project for its duration to provide continuity. At his request, selected staff members agreed to extend their 90-day tours until the project was finished.

In early January 1992, the Corps initiated weekly meetings to discuss schedules, design and construction issues, identification and procurement of long lead items, and customer requested changes. Representatives from the Ministry of Public Works; the National Assembly; Kharafi; the Corps; and Hellmuth, Obata, and Kassabaum



Dr. Ibrahim Al-Shaheen, left, with David Leach, Corps of Engineers Parliament reconstruction manager; below, Leach and Fatima Al-Sabah, head of the Architectural Division, Design Department, Ministry of Public Works.



attended the meetings. As a result, the pace of the project began to advance more quickly.¹⁵

Despite some improvement, the problems of delays and cost overruns persisted. By February the project was 30 days behind schedule and \$6.5 million over budget. The total project budget was \$62 million, over half of which (\$32 million) was allocated for the design work. But the Corps did not supervise the design contractor closely enough, and the contractor finally submitted a design that would cost \$69 million. The Corps directed the architect-engineer contractor to submit a remediation plan within seven days. The design was later modified to \$32 million with approximately \$5.5 million of options. The budget also had cost overruns for furnishings and electronics. The Transatlantic Division worked with Kuwaiti officials and the design firm to reduce costs and stay within the \$62 million budget.¹⁶

The Transatlantic Division successfully reduced the budget shortfall and mitigated its impact by establishing options to complete the facility within the budget. The division also successfully reduced slippage of the projected schedule.¹⁷

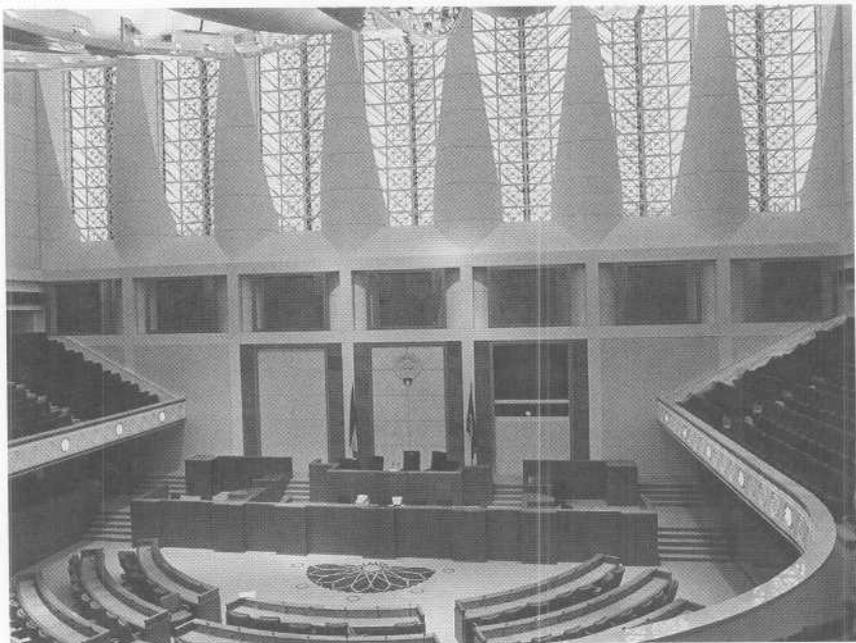
As noted, the contract, awarded on 4 July 1991, had an original completion date of 29 April 1992. Later, as a result of the partnering sessions, the Corps and Kuwaitis established a revised but still ambitious completion date of 29 July 1992. On 17 February, however, Dr. Shaheen formally asked the Corps to complete the National Assembly Hall by 19 June 1992 so the National Council could hold a special meeting there in late June. Subsequently, Kuwaiti officials requested that the lounge for assembly members and the offices of the Emir and the Crown Prince also be completed by 19 June.

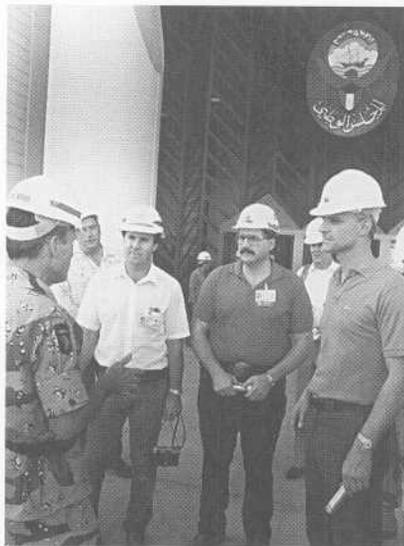
Peixotto's staff met with Kharafi and Kuwaiti representatives to determine how much more it would cost to expedite construction. Even with additional funds, the Corps was not sure it could meet the new deadline. Peixotto informed Dr. Shaheen that the Corps had only a 50 percent chance of completing the work by this deadline but would make every possible effort to do so.

For the Corps to meet the new deadline, the Kuwaitis would have to reallocate \$6 million from other 607A activities. The Corps would use this additional money to add extra shifts and equipment, and it would work with its suppliers to improve delivery schedules. All material and furnishings required to meet this completion date would be flown into the country. The airfreighting would be done under a Kuwaiti logistics contract, managed by the Transatlantic Division, and would be paid for with 607A funds. The division began negotiating with vendors to expedite delivery of light fixtures, carpet, furniture, and millwork.¹⁸



Interior view of the Parliament building; below, Parliament general assembly hall.





General Hatch, left, visits Corps engineers at the Parliament building.

Dr. Shaheen diverted funds from other projects scheduled under the 607A program to raise the additional \$6 million, and secured the Crown Prince's approval to spend the additional money to accelerate the project. With all the necessary approvals now in place, the Corps chartered 747 and DC-10 aircraft to transport the necessary materials and supplies. For example, the Transatlantic Division spent \$500,000 of the Kuwaiti funds to fly in marble from Italy for the floors. It spent another \$7 million on furniture, carpets, and wall coverings. In addition to the \$6 million, Dr. Shaheen provided another \$3 million specifically for airfreight.¹⁹

On 22 February 1992, the Corps directed Kharafi to complete the Assembly Hall by 19 June. Kharafi quickly mobilized additional workers, materials, and equipment to meet the deadline. At peak, the firm had roughly 1,000 workers in the building. The Corps had awarded almost all of the 29 contracts for carpet and furniture by 6 March. It could only meet the June deadline if these vendors delivered the items on time.²⁰ The Kuwaitis had to purchase interior furnishings worth roughly \$8 million to replace those that the Iraqis had looted or burned.

The Transatlantic Division had the major responsibility for procuring and shipping the new furnishings. The division formed a team to do this and conducted a quality assurance program during the purchasing, manufacturing, and delivery process to ensure that all manufacturers met the contract specifications and schedules. Hellmuth, Obata, and Kassabaum began with a list of 250 vendors and narrowed it down. Fatima Al-Sabah, along with other Kuwaiti and Corps representatives, made the final selections. Ultimately, 27 manufacturers received contracts to furnish the massive building. Vendors provided 5,600 sofas, tables, chairs, and mirrors; 1,000 auditorium seats; 20,000 square yards of carpeting; and 17 area rugs. These high-quality items came primarily from the United States, but also from Britain, Malaysia, France, Italy, and Spain.²¹

Coordination and communication continually improved. The Corps staff met with Fatima Al-Sabah and her staff; Kharafi; and Hellmuth, Obata and Kassabaum for two to three hours each day to resolve problems and keep the project on schedule. Decisions were made quickly. Through nothing less than what Peixotto called “a herculean effort” by the Corps and its contractor, the Assembly Hall was finished on 19 June 1992, six weeks ahead of schedule. The rest of the building was completed as scheduled on 29 July 1992, well in advance of the October national elections.²²

The completion of this \$67 million restoration project marked an important milestone for the people of Kuwait and for the Corps. For the Kuwaitis, it marked the transformation of a darkened shell of a building into a gleaming center of government operations. More significant, it marked an important step in the return of Kuwait’s legislative process. The restoration of the building also effectively marked the end of the Corps’ civil reconstruction program in Kuwait.