

Newsletter February 2023









PTAC News:



Medvolt-Tepa EC Chosen to Construct the New OSS/SERE Ops Facility at Offutt AFB, Nebraska

On March 16, 2019, Offutt AFB experienced a "500-Year Flood Event". A record year of snowfall, frozen ground and an unprecedented rainstorm created a situation where dams broke and levees were breached, completely flooding the lower 30% of Offutt AFB. Base representatives refer to what happened on the lower portion of the base as "filling up like a giant bathtub." This affected over 130 facilities across the base with over 40+ structures needing to be demolished in the lower portion of the base due to extreme mold and unrecoverable damage from over 12' of water moving through them. Medvolt, LLC was awarded the Demolition and Site Preparation, Offutt Flood Recovery project and was tasked with the demolition of these 40+ structures including the removal of hazardous material from within these buildings (i.e., mold) and the recycling of the majority of



materials. This project also requires that over 1,000,000 cubic yards of fill dirt be brought onto the site to raise the ground levels on average 9' above pre-flood levels. The plan requires that this entire area be brought up level with or 2'-3' higher than the repaired levee. The site preparation portion of this project will lay out the utilities and the individual sites for the eventual construction of the various new campuses that will replace the lost facilities while at

the same time reconfiguring the lower portion of the grounds to provide for a more streamlined Base and allow for improved operations overall. Ultimately the project will provide the foundation for the multiple campus-style facilities that will serve the Base for years to come.

The OSS/SERE Ops Facility Campus was recently awarded to the Joint Venture of Medvolt-Tepa EC, a Tepa Company by the U.S. Army Corps of Engineers Omaha District for \$35 million. The 55th Operations Squadron aircrew flight equipment (AFE) and Survival, Evasion, Resistance and Escape (SERE) operations facility at Offutt Air Force Base will support several units at the Base including logistics, training and storage.

Our team began work on securing our team and developing our proposed submittal and bid in August of 2022. We were awarded the project on December 23, 2022. The project is a design-build project so our team consists of Kenneth Hahn Architecture, Farris Engineering, Olsson and more. The team of Medvolt-Tepa EC will oversee the design while providing general construction services to prepare the site, build the facility and develop the road and parking lots. The project is expected to be completed June of 2024.



Key to Rebuilding the Base

The flooding resulted in the displacement of over 3,600 personnel who had to be moved into the historic Martin Bomber Building. This building is nearly 80 years old and is where the World War II era planes the Enola Gay and The Box Car were built. In its current shape, the facility is not the ideal place for the relocation of these individuals. Moving into the basement of the building, they have dealt with water dripping and carbon monoxide issues from the floor above where the heavy equipment sits and brings in water and salt after clearing the snow from the roads and runways. This has also created a situation



where the concrete has spalled and falls regularly as the equipment rolls through the building. Personnel have had to hang nets and plastic to catch falling concrete and water. However, these service men and women made the best of a bad situation and continued the Base's mission without missing a beat.

The projects our team is involved in at Offutt Air Force Base have offered those serving and working at the Base hope for the future of Offutt. As the damaged

buildings came down and the dirt was placed, it was a sign that progress was being made and that personnel would soon be working in new, state-of-the-art facilities. As of December 2022, all of the damaged facilities and hazardous materials have been removed. Completion of the site preparation is expected by May 2023, and the rebuilding of the campuses is scheduled for completion by 2027.

Our team is also working on the Logistics Readiness Center and we have recently been awarded the Hangar Fire Protection/Fire Alarm Replacement project in Building 565. Each of these projects have provided our team with unique and intimate knowledge of the impact that the 2019 flooding had on the base and the personnel who live and work there. We have also gained great respect for the tremendous history present at Offutt AFB. We take great pride in the knowledge that our projects play a small part in the future of such an important U.S. Air Force facility.

(Photo above courtesy of US Army Corps of Engineers - Omaha District)

Tip of the Month:

Understanding Federal Contractor Gratuities Rules

For companies entering the federal government contracting space from the commercial world, the restrictions on gratuities sometimes cause confusion, or even inadvertent

violations. Behavior that is normal – perhaps even expected – in commercial business relationships may run afoul of the strict rules governing gratuities to government personnel. Let's take a brief, high-level look at the restrictions on gratuities in the federal government contracting space.

The FAR discusses gratuities, but the key language contractors should know is found in the United States Code at 18 U.S.C. 201(c). That statute provides, in relevant part, that a person is guilty of a criminal violation if he or she (other than as specifically authorized by law):

[D]irectly or indirectly gives, offers, or promises anything of value to any public official, former public official, or person selected to be a public official, for or because of any official act performed or to be performed by such public official, former public official, or person selected to be a public official[.]

It's easy to see how commonplace commercial business behavior could violate the statute. For example, in the private sector, it's not unusual for businesses to send holiday gifts to good clients: boxes of chocolate, gift certificates, food and flower baskets, and the like. But if a contractor sends a holiday gift to a government official, like a Contracting Officer or Contracting Officer's representative, it may violate the statute. After all, these individuals are "public officials," and they're being offered the gift "for or because of [an] official act," such as awarding or administering a contract. Similarly, commercial businesses often take their clients to sporting events or golf outings. As a contractor, though, providing these gifts to a government official could be illegal.

Note that the statute applies even if the government official refuses the gift: all it takes is an offer. Note, as well, that the statute doesn't require a corrupt intent, or any other particular state of mind. The act alone establishes the violation.

What penalties may accrue if a contractor violates the gratuities rule? The statute allows for fines and prison terms up to two years. Additionally, **FAR 52.203-2** allows the government to terminate the contract and pursue additional monetary damages.

The <u>Code of Federal Regulations</u> does provide limited exceptions under which government officials sometimes may accept gifts, such as some gifts valued at less than \$20. Tread very carefully, however: some individual agencies have stricter rules, and many government officials – as a personal matter – have a policy of refusing any gift, even if it would fall under an exception. Offering a gift, even one an official is legally allowed to accept, could result in an embarrassing refusal.

If you have additional questions about the ethics requirements applicable to federal contracts, give your APEX Accelerator (formerly PTAC) counselor a call!

PTAC News You Can Use:

Government and industry alike have long been hesitant to engage in frank, open communications about federal procurements. Much of the hesitation has been caused by misconceptions (like the incorrect notion that a contractor can never meet one-on-one with a Contracting Officer to pitch the contractor's business), and the FAR hasn't done enough to dispel these misconceptions and encourage fuller communications. Now, that's changed. In a final rule published in December 2022, the FAR Council amended FAR 1.102 to state, in part, "Government acquisition personnel are permitted and encouraged to engage in responsible and constructive exchanges with industry . . . so long as those exchanges are consistent with existing laws and regulations, and do not promote an unfair competitive advantage to particular firms."

Govology Webinars

Please use the new code 20NICC23 when registering for Govology webinars.



Networking for Government Contractors

Date: February 7, 2023 **Time:** 1:00 pm EST

Presenter: Amber Stevens, Govology

Click Here to Learn More



Size and Affiliation: Is Your Business Actually Small? (2023 Update)

Date: February 9, 2023 **Time:** 1:00 pm EST

Presenter: Matthew Schoonover, Schoonover &

Moriarty LLC.

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Limitations on Subcontracting: A Step-by-Step Compliance Guide (2023 Update)

Date: February 16, 2023 **Time:** 1:00 pm EST

Presenter: Shane McCall, Koprince McCall Pottroff LLC

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Eligibility Criteria and New Rules for SBA Veterans Certification Program

Date: February 21, 2023 **Time:** 1:00 pm EST

Presenter: Steven Koprince, Govology Legal Analyst

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Surety Bond Basics for Government Contracting and More

Date: February 28, 2023 **Time:** 1:00 pm EST

Presenter: Karen Barbour, The Barbour Group, LLC

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Recommended Readings:

Congress Passes FY2023 NDAA and Implements Significant Changes to Federal Procurement Policy

In late December, Congress passed the National Defense Authorization Act for Fiscal Year 2023. As is often the case, this annual bill was packed with significant procurement changes, such as an expansion of the Department of Defense Mentor-Protege Program, security clearance changes, the possibility of inflation relief for DOD contractors, and much more. This article provides a rundown of the key procurement-related changes in the

SBA to Small Businesses: Be Careful with Ostensible Subcontractors on SBIR Awards

The Small Business Innovation Research grant program provides incredible opportunities for small businesses in research and development, but awardees must structure their relationships to remain "small" in the eyes of the SBA. Recently, the SBA's Office of Hearings and Appeals released a decision invalidating two SBIR awards because of impermissible "ostensible subcontractor" affiliation. This article explains the decision—a helpful roadmap for prospective SBIR awardees to avoid a similar fate.

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