



DEPARTMENT OF THE ARMY
U. S. ARMY MILITARY DISTRICT OF WASHINGTON
OFFICE OF THE CHIEF INFORMATION OFFICER
10105 GRIDLEY ROAD, SUITE 100
FORT BELVOIR, VA 22060-5840

REPLY TO
ATTENTION OF

May 14, 2002

Records Management

Mr. Tyson Slocum
Public Citizen
215 Pennsylvania Avenue SE
Washington, DC 20003

Dear Mr. Slocum:

The following information is furnished in response to your Freedom of Information Act request dated March 6, 2002.

On February 26, 2002, Enron Federal Solutions, Inc. was terminated for default under Modification Number P00012. As a consequence of the performance bond required under the terms and conditions of the contract, the U.S. Government is currently having discussions with the surety regarding their responsibility to complete the contract.

Enron's bankruptcy and subsequent termination for default has adversely affected the delivery of required utility services at Fort Hamilton, New York.

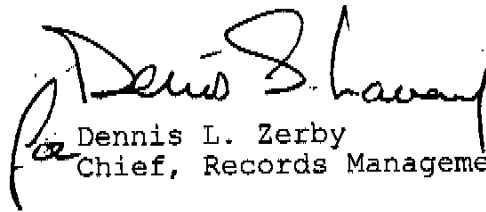
The U.S. Army is not responsible for overruns. The contract was awarded as Firm Fixed-Priced and not a cost-type contract. However, the Government is responsible for cost that has resulted from the completion of tasks identified as requirements under the terminated contract.

From the period December 3, 2001 to this date, the Government has expended approximately \$139,386.08 for requirements under the terminated contract that have been completed under separate procurement instruments.

To date, no cost has been incurred for operation and maintenance of the five distribution systems at Fort Hamilton. However, based on the current requirements of the original contract, the Government can only approximate an amount of \$106,253.73 over the next six months for operation and maintenance cost. This amount does not consider the actual cost that may be incurred under a new procurement instrument over the same six month period.

The fees for processing your request are waived since the cost was less than \$15.00.

Sincerely,


Dennis L. Zerby
Chief, Records Management