



United States Department of State

Washington, D.C. 20520

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April 30, 2008

Mr. Jerry Hoffman
President
ArmorGroup North America Inc.
Tysons Dulles Plaza I
1420 Spring Hill Road Suite 300
McLean, VA 22102

Subject: Continued Weaknesses and Deficiencies in Performance

Refs: (a) Contract No. S-AQMPD-07-C0054 (Kabul Embassy Security Force)
(b) Cure Notice issued to AGNA dated July 19, 2007
(c) AGNA's Corrective Action Plan dated August 3, 2007

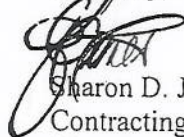
The purpose of this correspondence is to provide you with the Government's assent to ArmorGroup North America's commitment to cure performance under contract SAQMPD-07-C0054. Assent is based on your meeting the specified commitments outlined in the corrective action plan submitted on August 3, 2007. However, to date, ArmorGroup has failed to provide a permanent solution to a number of the outstanding deficiencies which have been an impediment to good contract performance. Since you have failed to perform services under Contract No. SAQMPD-07C-0054 as required by its terms, and cure the conditions endangering performance under Contract No. SQMPMD07C0054, the government is considering whether or not to exercise the option period on July 1, 2008. Pending a final decision in this matter, it will be necessary for you to correct all outstanding deficiencies in your Corrective Action Plan of July 19, 2007 as well as new deficiencies noted in the attachment by May 31, 2008. Accordingly, you are hereby given the opportunity to present, a final Corrective Action Plan that entails a detailed status of each deficiency and milestones with percentages towards completion/resolution within 7-10 calendar days of this notice.

As the cognizant Contracting Officer responsible for contract oversight and administration, I strongly urge you to take this final opportunity to demonstrate to the United States Department of State that ArmorGroup North America can provide permanent resolutions to outstanding contract deficiencies to favorably support the decision to exercise the 1st Option Year provision of the contract.

Please acknowledge receipt of this notice in writing within 24-hours of receipt. If you have any questions about this letter, please do not hesitate to call me. I can be contacted at (703) 875-7320.

Attachment: as stated

Sincerely,



Sharon D. James
Contracting Officer
U. S. Department of State

Copy: Ms. Heidi McMichael – U.S. Department of State, Office of Overseas Protective Operations
Mr. Douglas Brown, U.S. Department of State, Office of Overseas Protective Operations
Mr. Bruce. Mills, Regional Security Officer, Kabul Afghanistan
Ms. Justine Sincavage, Department of State Office of Overseas Protective Operations
Ms. Polly Donnelly, Department of State, Office of Procurement Executive
Mr. Vincent Chaverini, Department of State, Office of Acquisition Management

Armor Group North America	Cure Notice Deficiencies	Kabul, Afghanistan	S. Rogers letter 7-19-07-S-AQMPPD-07-C-0054
Deficiency Failed to provide Armorer	reference C.1.2.13.3	recurring/ongoing X	new/ 3/10/2008 DoS ltr
Failed to provide food services	C.3.1.3.2.2 X		
Failed to provide relief guards	C.3.1.2	X	
Failed to submit Moderate Risk Public Trust Packages	none cited	X	
Failure to obtain clearances for watch standers	H.5.2.2	X	
Failure to provide 3 of 7 armored vehicles required for safe movement of personnel	none cited X		
Failure to provide required (6 uniforms) amount of clothing items	none cited X		
Failure to provide required amounts of ammunition	B.3.10	X	
Failure to provide Guard [redacted] for the ERT Team-not using required weapon	H.5.1.4.10.3 X		

Armor Group North America	Cure Notice Deficiencies	Kabul, Afghanistan	new/ 3/10/2008 DoS Itr
Deficiency	reference	closed	recurring/ongoing
Failed to provide the following deliverables (on time or not at all): List of employee bio data	F.6 H.2	X	X
Employee DS/IP/OFO forms	Exhibit R		
Revised QA plan	E.5	X	X
Ground Maintenance Plan	Exhibit N	X	
Revised Comprehensive Maintenance and Execution Plan			
EOD Working Dog Certification	Exhibit N none cited	X	
Failed to provide recovery vehicle or recovery method for disabled transport vehicles	none cited		
Failure to provide adequate maintenance facility	H.13	X	
PM is not fully knowledgeable, personal of the terms and conditions of discussions the contract-QA/QC plan with the deficient PM		X	
Continued late submission of deliverables			X
MPRT documents for new hires			X
Vehicle Maintenance Facility			
PM familiarity with the contract		X	
Providing relief guards			X
Staffing of open posts			X
Overuse of dog handlers			X
Acceptable Key Personnel for DPM, Supervisory and ERT/DDM		X	
[REDACTED] for request and training			X

Cure Notice Deficiencies		Kabul, Afghanistan	
Deficiency	reference	closed	recurring/ongoing
Timely provision of uniforms		X	
Morale and Welfare issues- gym equipment			X
Procuring counterfeit or improprieties in procuring items report and corrective action taken			
Camp Sullivan Generators			X
Leaky roofs-Inaccurate proposals and missed target dates of completion			X
Submission of timely accurate invoices with supporting documentation			X
Staffing, compliance with local and stateside registration and licensing requirements/current ITAR cert		X	
Failure to provide relief guards for posts stood up on 1 Nov 07 and failure to provide appropriately translated general orders for those posts			X
Failure of ALL guards to meet required language level per language waiver expiration			X

new/ 3/10/2008 DoS ltr