



DEPARTMENT OF THE AIR FORCE

ARLINGTON, VA 22202-3258

Office of the Deputy General Counsel

VIA FEDEX

SAF/GCR
1235 S. Clark Street
Suite 301
Arlington, VA 22202

APR 04 2012

KinetiK Innovations, Incorporated a/k/a
KinetiK Innovations, Inc. d/b/a
KinetiK Innovation



Re: Notice of Debarment

Mr. Granderson:

Effective this date, the Air Force has debarred KinetiK Innovations, Incorporated a/k/a KinetiK Innovations, Inc. d/b/a KinetiK Innovation (DUNS No.: 830718297 and CAGE Code: 5J5T4) (collectively KinetiK Innovations), from Government contracting and from directly or indirectly receiving the benefits of federal assistance programs. This action is initiated pursuant to Federal Acquisition Regulation (FAR) Subpart 9.4, Defense FAR Supplement 209.4 and Appendix H, and 2 C.F.R. Part 1125.

On February 16, 2012, the Air Force proposed KinetiK Innovations for debarment and afforded it the opportunity to submit information and argument in opposition to its proposed debarment. KinetiK Innovations was issued a Notice of Proposed Debarment and a Memorandum in Support of the Proposed Debarment. KinetiK Innovations has not responded.

I have carefully considered all information contained in the Administrative Record and determined that a preponderance of the evidence establishes the existence of a cause for debarment, and KinetiK Innovations has failed to demonstrate its present responsibility. I have, therefore, concluded that debarment is in the public interest and necessary to protect the Government's interests.

The effects of debarment are set forth in the Notice of Proposed Debarment, as well as in FAR Subpart 9.4, Defense FAR Supplement 209.4 and Appendix H, and 2 C.F.R. Part 1125, which are provided on our website at: <http://www.safgc.hq.af.mil/organizations/gcr1/index.asp>. KinetiK Innovations' debarment is effective immediately and will run from the date of its proposed debarment, February 16, 2012. KinetiK Innovations' debarment will terminate on February 15, 2015.

Sincerely,

A black rectangular redaction box covering the signature of Steven A. Shaw.

STEVEN A. SHAW
Deputy General Counsel
(Contractor Responsibility)

cc: KinetiK Innovations Inc.

A black rectangular redaction box covering contact information for KinetiK Innovations Inc.



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VIA FEDEX

SAF/GCR
1235 S. Clark Street
Suite 301
Arlington, VA 22202

APR 04 2012

Mark A. Hines
[REDACTED]

Re: Notice of Debarment

Mr. Hines:

Effective this date, the Air Force has debarred you, Mark Hines, from Government contracting and from directly or indirectly receiving the benefits of federal assistance programs. This action is initiated pursuant to Federal Acquisition Regulation (FAR) Subpart 9.4, Defense FAR Supplement 209.4 and Appendix H, and 2 C.F.R. Part 1125.

On February 16, 2012, the Air Force proposed you for debarment and afforded you the opportunity to submit information and argument in opposition to your proposed debarment. You were issued a Notice of Proposed Debarment and a Memorandum in Support of the Proposed Debarment. You have not responded.

I have carefully considered all information contained in the Administrative Record and determined that a preponderance of the evidence establishes the existence of a cause for your debarment, and you have failed to demonstrate your present responsibility. I have, therefore, concluded that debarment is in the public interest and necessary to protect the Government's interests.

The effects of debarment are set forth in the Notice of Proposed Debarment issued to you, as well as in FAR Subpart 9.4, Defense FAR Supplement 209.4 and Appendix H, and 2 C.F.R. Part 1125, which are provided on our website at: <http://www.safgc.hq.af.mil/organizations/gcr1/index.asp>. Your debarment is effective immediately and will run from the date of your proposed debarment, February 16, 2012. Your debarment will terminate on February 15, 2015.

Sincerely,

A black rectangular redaction box covering the signature of Steven A. Shaw.

STEVEN A. SHAW
Deputy General Counsel
(Contractor Responsibility)

cc: Mark A. Hines

A black rectangular redaction box covering the name of Mark A. Hines.



DEPARTMENT OF THE AIR FORCE

ARLINGTON, VA 22202-3258

Office Of The Deputy General Counsel

MEMORANDUM IN SUPPORT OF THE PROPOSED DEBARMENTS OF:

KINETIK INNOVATIONS, INCORPORATED a/k/a
KINETIK INNOVATIONS, INC. d/b/a
KINETIK INNOVATION
MARK A. HINES

FEB 16 2012

Effective this date, the Air Force has proposed the debarment of KinetiK Innovations, Incorporated a/k/a KinetiK Innovations, Inc., d/b/a KinetiK Innovation (KinetiK) and Mark A. Hines (Mr. Hines) from Government contracting and from directly or indirectly receiving the benefits of federal assistance programs. This action is initiated pursuant to Federal Acquisition Regulation (FAR) Subpart 9.4.

INFORMATION IN THE RECORD

Information in the record establishes by a preponderance of the evidence that at all times relevant hereto:

1. KinetiK is a government contractor located in Texas.
2. Mr. Hines serves as its Chief Operating Officer (COO) and on its Board of Directors.
3. On or about November 5, 2010, the Air Force issued a Request for Quotations (RFQ) for the lease of 80 vehicles on an expedited basis with the first delivery of 13 vehicles due on November 10, the second delivery of 33 vehicles due on November 11, and the third and final delivery of 34 vehicles due on November 12.
4. On November 9, 2010, the Air Force awarded KinetiK, the lowest-priced technically acceptable bidder, contract FA4608-11-M-S016 for \$37,817; Mr. Hines served as the point of contact under this contract.
5. After being notified on November 10 that KinetiK had not yet made the first delivery, the Air Force notified Mr. Hines, by phone and e-mail, that it was concerned about the status of delivery and afforded Mr. Hines several additional hours to supply the vehicles.
6. Later that day, and despite just bidding on the RFQ days earlier, Mr. Hines notified the Air Force that he would not be able to deliver the vehicles and, thus, could not perform the contract.
7. Shortly thereafter, the Air Force terminated KinetiK's contract for cause under FAR 52.212-4(m), Terminations for Cause, and awarded a new contract to the second lowest bidder.

BASES FOR THE PROPOSED DEBARMENTS

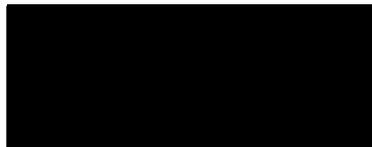
1. The improper conduct of KinetiK is of so serious or compelling a nature that it affects its present responsibility to be a government contractor or subcontractor and provides a separate independent basis for its debarment pursuant to FAR 9.406-2(c).
2. KinetiK's history of failure to perform or of unsatisfactory performance of one or more contracts is of so serious or compelling a nature that it affects its present responsibility to be a Government contractor or subcontractor and provides a separate independent basis for its debarment pursuant to FAR 9.406-2(b)(1)(i)(B).
3. KinetiK's willful failure to perform in accordance with the terms of one or more contracts is of so serious or compelling a nature that it affects its present responsibility to be a Government contractor or subcontractor and provides a separate independent basis for its debarment pursuant to FAR 9.406-2(b)(1)(i)(A).

Imputation

4. Pursuant to FAR 9.406-5(b), the seriously improper conduct of KinetiK is imputed to Mr. Hines because as an officer, director, shareholder, partner, employee, or other person associated with KinetiK, he knew or had reason to know of KinetiK's seriously improper conduct. The imputation of KinetiK's seriously improper conduct to Mr. Hines provides a separate independent basis for his debarment.

Affiliation

5. Pursuant to FAR 9.406-1(b), debarments may be extended to the affiliates of a contractor. Mr. Hines and KinetiK are affiliates, as defined at FAR 9.403 (Affiliates), because directly or indirectly, either one has the power to control the other or a third party has the power to control both. The affiliation of Mr. Hines and KinetiK provides a separate independent basis for his debarment.



STEVEN A. SHAW
Deputy General Counsel
(Contractor Responsibility)



DEPARTMENT OF THE AIR FORCE

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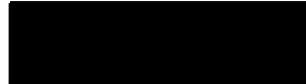
Office of the Deputy General Counsel

VIA FEDERAL EXPRESS

SAF/GCR
1235 S. Clark Street
Suite 301
Arlington, VA 22202

FEB 16 2017

Kevin Granderson
Chairman
KinetiK Innovations, Incorporated a/k/a
KinetiK Innovations, Inc. d/b/a
Kinetik Innovation



Re: Notice of Proposed Debarment

Mr. Granderson:

You are hereby notified that the Air Force has proposed that KinetiK Innovations, Incorporated a/k/a KinetiK Innovations, Inc. d/b/a KinetiK Innovations (DUNS No.: 830718297 and CAGE Code: 5J5T4), (hereinafter Company) be debarred from federal Government contracting and from directly or indirectly receiving the benefits of federal assistance programs. This action is initiated pursuant to the authority and the procedures contained in the Federal Acquisition Regulation (FAR) Subpart 9.4. Copies of FAR 9.4, Defense FAR Supplement 209.4 and Appendix H, and 2 C.F.R. Part 1125 are provided on our website at <http://www.safgc.hq.af.mil/organizations/gcr/index.asp>. 2 C.F.R. Part 1125 is the Defense Department's implementation of the Nonprocurement Common Rule referenced in FAR 9.401. If you do not have access to the Internet and wish to receive a hardcopy of the aforementioned regulations, please submit a written request to my counsel as designated below.

The proposed debarment is based upon the information in the attached Memorandum in Support of the Proposed Debarments (Encl. 1).

The proposed debarment is effective this day and has the following consequences during the period of proposed debarment:

1. The Company name will be published in the Excluded Parties List System, available at <https://www.epls.gov/>, a publication of the General Services Administration that contains the names of contractors debarred, suspended, proposed for debarment, or declared ineligible by any agency of the Federal Government. Proposed debarment is effective

throughout the executive branch of the Federal Government and applies to procurement and nonprocurement programs.

2. Offers will not be solicited from, contracts will not be awarded to, existing contracts will not be renewed or otherwise extended for, and subcontracts requiring Government approval will not be approved for the Company by any agency in the executive branch of the Federal Government unless the head of the agency taking the contracting action or a designee states in writing the compelling reason for continued business dealings between the Company and the agency.

3. The Company may not conduct business with the Federal Government as an agent or representative of other contractors.

4. No Government contractor may award a subcontract equal to or in excess of \$30,000 to the Company unless there is a compelling reason to do so and the contractor first notifies the contracting officer and further complies with the provisions of FAR 9.405-2(b).

5. No agency in the executive branch shall enter into, renew, or extend primary or lower-tier covered transactions in which the Company is either a participant or principal, unless the head of the agency grants an exception in writing. (Covered transactions are defined at 2 C.F.R. Section 1125.30).

6. The Company may not act as an agent or representative of other participants in federal assistance programs.

7. The Company's affiliation with or relationship to any organization doing business with the Government will be carefully examined to determine the impact of those ties on the responsibility of that organization to be a Government contractor or to receive federal assistance.

Within 30 calendar days of the date of this notice, the Company may submit, either in person or in writing, or both, information and argument in opposition to the proposed debarment. If the Company provides a written response, an original and one hardcopy must be submitted and an electronic copy is appreciated. The Company is encouraged to Bates number its submission, including attachments thereto.

If the Company designates a representative to respond on its behalf, please notify my counsel in writing of the identity of the representative. The designation should specifically state the names and addresses of all individuals or companies the designee has the authority to represent in this matter.

The Company's submission, if any, should include any specific information that may raise a genuine dispute over material facts. If it is found that the information submitted raises a genuine dispute over material facts, fact-finding may be conducted to determine the disputed facts. Facts proved by conviction or civil judgment, however, are not subject to dispute in this proceeding.

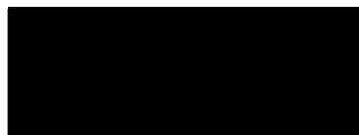
This debarment proceeding has been initiated on the basis of an administrative record. A copy of the administrative record will be furnished upon request. Any written information submitted by the Company will be added to the administrative record.

The determination whether or not to debar the Company is discretionary and will be made on the basis of the administrative record, together with any written materials submitted for the record by the Government or the Company during the period of proposed debarment.

If debarment is imposed, the limitations described in Paragraphs 1 through 7 above will continue to apply and the Company's name will continue to be published in the Excluded Parties List System, available at: <https://www.epls.gov/>. The status, however, will be changed to reflect that the Company is debarred.

Any communications regarding this matter should be directed to my counsel: Todd J. Canni, SAF/GCR, 1235 S. Clark Street, Suite 301, Arlington, VA 22202, 703-604-1471, and todd.canni@pentagon.af.mil.

Sincerely,

A solid black rectangular redaction box covering the signature of Steven A. Shaw.

STEVEN A. SHAW
Deputy General Counsel
(Contractor Responsibility)

Encl. 1
a/s



DEPARTMENT OF THE AIR FORCE

ARLINGTON, VA 22202-3258

Office of the Deputy General Counsel

VIA FEDERAL EXPRESS

SAF/GCR
1235 S. Clark Street
Suite 301
Arlington, VA 22202

FEB 16 2012

Mark A. Hines


Re: Notice of Proposed Debarment

Mr. Hines:

You are hereby notified that the Air Force has proposed that you, Mark A. Hines, be debarred from federal Government contracting and from directly or indirectly receiving the benefits of federal assistance programs. This action is initiated pursuant to the authority and the procedures of the Federal Acquisition Regulation (FAR) Subpart 9.4. Copies of FAR 9.4, Defense FAR Supplement 209.4 and Appendix H, and 2 C.F.R. Part 1125 are provided on our website at <http://www.safgc.hq.af.mil/organizations/gcr/index.asp>. 2 C.F.R. Part 1125 is the Defense Department's implementation of the Nonprocurement Common Rule referenced in FAR 9.401. If you do not have access to the Internet and wish to receive a hardcopy of the aforementioned regulations, please submit a written request to my counsel as designated below.

The proposed debarment is based upon the information in the attached Memorandum In Support of the Proposed Debarments (Encl. 1).

The proposed debarment is effective this day and has the following consequences during the period of proposed debarment:

1. Your name will be published in Excluded Parties List System, available at <https://www.epls.gov/>, a publication of the General Services Administration that contains the names of contractors debarred, suspended, proposed for debarment, or declared ineligible by any agency of the Federal Government. Proposed debarment is effective throughout the executive branch of the Federal Government and applies to procurement and nonprocurement programs.
2. Offers will not be solicited from, contracts will not be awarded to, existing contracts will not be renewed or otherwise extended for, and subcontracts requiring Government

approval will not be approved for you by any agency in the executive branch of the Federal Government unless the head of the agency taking the contracting action or a designee states in writing the compelling reason for continued business dealings between you and the agency.

3. You may not conduct business with the Federal Government as an agent or representative of other contractors, nor may you act as an individual surety for other contractors.

4. No Government contractor may award you a subcontract equal to or in excess of \$30,000 unless there is a compelling reason to do so and the contractor first notifies the contracting officer and further complies with the provisions of FAR 9.405-2(b).

5. No agency in the executive branch shall enter into, renew, or extend primary or lower-tier covered transactions in which you are either a participant or principal, unless the head of the agency grants an exception in writing. (Covered transactions are defined at 2 C.F.R. Section 1125.30).

6. You may not act as an agent or representative of other participants in federal assistance programs.

7. Your affiliation with or relationship to any organization doing business with the Government will be carefully examined to determine the impact of those ties on the responsibility of that organization to be a Government contractor or to receive federal assistance.

Within 30 calendar days of the date of this notice, you may submit, either in person or in writing, or both, information and argument in opposition to the proposed debarment. If you provide a written response, an original and one hardcopy must be submitted and an electronic copy is appreciated. You are encouraged to Bates number your submission, including attachments thereto.

If you designate a representative to respond on your behalf, please notify my counsel in writing of the identity of the representative. The designation should specifically state the names and addresses of all individuals or companies the designee has the authority to represent in this matter.

Your submission, if any, should include any specific information that may raise a genuine dispute over material facts. If it is found that the information submitted raises a genuine dispute over material facts, fact-finding may be conducted to determine the disputed facts. Facts proved by conviction or civil judgment, however, are not subject to dispute in this proceeding.

This debarment proceeding has been initiated on the basis of an administrative record. A copy of the record will be furnished upon request. Any written information submitted by you will be added to the administrative record.

The determination whether or not to debar you is discretionary and will be made on the basis of the administrative record, together with any written materials submitted for the record by the Government or you during the period of proposed debarment.

If debarment is imposed, the limitations described in Paragraphs 1 through 7 above will continue to apply and your name will continue to be published in the List of Parties Excluded From Federal Procurement and Nonprocurement Programs. Your status, however, will be changed to reflect that you are debarred.

Any communications regarding this matter should be directed to my counsel: Todd J. Cani, SAF/GCR, 1235 S. Clark Street, Suite 301, Arlington, VA 22202 (703) 604-1471, and todd.canni@pentagon.af.mil.

Sincerely,



STEVEN A. SHAW
Deputy General Counsel
(Contractor Responsibility)

Encl. 1
a/s