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February 19, 2016

Congressman Richard Hudson  
Eight District, North Carolina  
429 Cannon Building  
Washington, DC 20515

Dear Congressman Hudson,

I am writing to request that a Congressional Inquiry of the Army's Tactical Explosives Dog Detector (TEDD) Program be commenced. Over the course of the last few weeks K2 Solutions, Inc. (K2) has received an incredible amount of negative media attention as a result of the Office of Provost Marshal General's disposition of canines under Contract W911SR-10-D-0021. While this issue has been percolating under the surface for some time, in the recent months it has actually caused a substantial disruption in the business of K2. The process related to the adoptions at issue, which is described in greater detail below, has already caused serious detriment to our company, and the inimical impact of the false reports being generated on social media are increasing by the moment. It is for these reasons that K2 is requesting a formal inquiry into the entirety of the TEDD contract, from the manner in which it was released to the manner in which the adoptions were conducted by OPMG.

The following is an abridged background of the events that transpired during the course of the contract. It is by no means exhaustive, but will hopefully provide enough information to initiate our request. In 2013, the US Army awarded the contract for the TEDD program to Davis-Paige Management Systems (DPMS) of Annandale, Virginia. During the bidding process, DPMS sought K2's support in providing the canine and handler training for the program. The RFP was released on an IDIQ vehicle under which DPMS was an awardee, and upon award of the TEDD contract DPMS engaged K2 to act as a subcontractor. DPMS had virtually no knowledge of the contractual requirements, particularly those related to canine and handler training, and K2 made every effort to carry the program while maintaining the work-share requirements mandated under the contract. Incidentally, similar issues arose under the earlier Contract held by a Prime Contractor. In that instance, the Prime also had no knowledge or subject matter expertise related to canine and/or handler training, but was awarded the Contract as a result of it being issued as a small business set-aside. As in the situation with K2 and DPMS, the bulk of the work under that Contract was performed by the Subcontractor, Vohne Liche Kennels, making the requirement that the Prime perform 51% of the workshare extremely difficult.

Payment issues, amongst others, arose months after the contract was awarded. Ultimately, K2 was forced to file a complaint for breach of contract against DPMS for non-payment. K2 settled the matter in May of 2015, and was finally able to recover over \$2 million dollars as a result. The foregoing is a matter of public record and the details can be accessed through the Moore County, North Carolina Court System, or can be provided by K2 upon request.



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As a result of DPMS' failure to pay for services rendered, K2 elected to not pursue a 6-month follow on contract and then a two-week extension. Subsequently, OPMG elected to adopt out the 150 TEDD dogs that remained in the Program. At this point in time, K2 was housing the majority of the canines, but was doing so at risk and without payment by DPMS – both factors of which the Government was aware. Moreover, K2 had no role in placing the canines whatsoever, and though the canines were located at K2's facilities, all placements were performed 100% by OPMG without any coordination or involvement from K2. It is important to note that during this process K2 was not at liberty to direct actions that appeared to be standard to military adoption protocol with the Government. As a subcontractor on this effort, K2 was without privity of contract with the Government, and K2 was reminded of this fact by the contracting office on at least one occasion.

While the foregoing illustrates (to a very small degree) the difficulty that K2 faced in the actual performance of the contract, the entirely unjust, inaccurate and outlandish accusations being thrust at K2 from a variety of media outlets have caused more than a substantial disruption to business. At this juncture, our reputation as a company is entirely at stake, and through absolutely zero fault of our own. K2 is a service-disabled veteran owned small business. We take pride not only in supporting our active duty military members, but also our veterans. A bulk of our work force and executive leadership is comprised of military veterans, and without some serious intervention from you and our other Congressional representatives, we risk running aground, and dozens of veterans and military spouses risk losing their jobs.

There is significantly more to this story than can be set out in a few pages. K2 is willing and ready to provide each and every detail required to support an investigation into the TEDD Program as a whole – from the manner in which it was awarded to the unmitigated failure of the adoption process. K2 welcomes your queries, and hopes that this letter inspires action on the part of our Congressional Representatives to undertake a full investigation of the matter, and to clear the name of a company that has made supporting our men and women in arms our sole purpose.

Very truly yours,

Lane Kjellsen  
Chairman and CEO  
K2 Solutions, Inc.

Also sent to:  
Representative Ellmers  
Senator Burr  
Senator Tillis