

Congress of the United States
Washington, DC 20515

September 24, 2009

The Honorable Robert Gates
Secretary of Defense
The Pentagon
Washington, DC 20301

Dear Secretary Gates:

The recent decision to abandon the Army's longtime provider of Family of Medium Tactical Vehicles (FMTV's) is a decision that will result in massive additional expenditures and is a matter of deep concern to all of us signed below. This decision will adversely affect the capability of the industrial base at a time when reports continue of the new provider's potential insolvency. It raises the question as to why the FMTV was the only wheeled vehicle in the inventory to be re-competed in a time of war. We are also concerned that this rebuy was continually delayed with very weak rationale for the delays. If the goal was to get a better price on the vehicle, then all truck programs should be competed.

We also express great concern as to whether the Army, in selecting the awardee, followed one of its own primary criteria for awarding a contract: financial capability. In fact, 40% of the selection criteria was cost and price, which includes financial capability. The Wall Street Journal reported earlier this year that the awardee was on the edge of bankruptcy and had suffered a \$1.2 billion loss last year. In the Army's evaluation however, the awardee was rated the same as BAE on financial capability as both being Excellent/Low Risk.

Our disappointment in this award decision cannot be overstated. On February 12th of last year, the Army awarded a sole source contract on the following vehicles: Heavy Expanded Mobility Tractor Trailers (HEMETTs); Heavy Equipment Transporters (HETs); and Common Bridge Transporters (CBTs) to name a few. Not one of these vehicles was re-competed in this time of war. This decision will create a situation where one manufacturer, the awardee, has 100% of the market share for all of the Army's Medium and Heavy Wheeled Fleet. Additionally, the Light Tactical Wheeled vehicle fleet has not been re-competed in decades.

As you know, the state of Texas has always been the place where the finest tactical vehicles in the world are made. The FMTV fleet currently enjoys an operational readiness rate (OR rate) of well over 90%. It is the finest in the entire Army. In a time of war terminating a relationship with a proven manufacturer does not seem to be a prudent

choice. In the past 17 years, the Army has invested over \$300 million rebuilding the infrastructure at the FMTV facility in Sealy, Texas. It is now a state of the art production facility that consistently meets and exceeds Army expectations in efficiency and quality. It is the largest employer in Austin County, and each year over \$500 million is invested locally. This facility is also the home of over 3,000 hard working, loyal employees, proud Americans and proud Texans—every one of them.

In conclusion, we would like a definitive answer to the following questions:

- Who is the Source Selection Authority (SSA) and why was this information redacted from the final decision memorandum?
- Why was there not an independent cost analysis done on the separate competing bids? This runs counter to the federal government's intent to provide valid acquisition reform and oversight and meaningful cost savings to the taxpayer.
- When can we receive a current copy of the Army's Tactical Wheeled Vehicle Plan?

We respectfully request a full briefing from DOD that outlines the Army's decision making process in awarding the FMTV contract.

Please contact Gene Irisari in Congressman Michael McCaul's office at your earliest convenience upon receipt of this correspondence to arrange a date for the brief. I appreciate your prompt attention to this important matter and look forward to your response.

Sincerely,

Michael McCaul

Chit Edwards

John Sessions

Joe Barton

Ray Gray

Bill Joy

~~Robert P. Olson~~

John Culberson

K. Wally Tomoney

Pete Olson

Randy New

Jeff Hummer

Mark

Louis Lambert

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~~F. Brown~~

Paul D. Seely

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Mac Thibault

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McCaul	Chet Edwards
Sessions	Barton
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Ortiz	Brady
Culberson	Rodriguez
Conaway	Sam Johnson
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