



**One Hundred Ninth Congress
U.S. House of Representatives
Committee on Homeland Security
Washington, DC 20515**

October 11, 2005

The Honorable David Paulison
Acting Director
Federal Emergency Management Agency
500 C Street SW
Washington, DC 20472

Dear Chief Paulison:

I am glad that the Federal Emergency Management Agency (FEMA) has recognized the problems with its contracting methods and has decided to award multiple five year technical assistance contracts to small disadvantaged businesses for recovery work in the Gulf Coast. FEMA is also taking a positive step by announcing that it plans to have a full and open competition for five year contracts to provide technical assistance on a national basis for disaster response and recovery. I am concerned, however, that FEMA's announcement of this dual-track strategy is lacking in detail. As such, I request that you provide information on the following items so that the Congress can better assess yesterday's release.

First, I would appreciate a description of the timeline you intend to follow for the competitions for both of these series of contracts. Your announcement only indicated that final details will be available through the FedBizOpps webpage in "approximately one week." Please provide the exact date on which you intend to advertise these contracts, the length of time the evaluation will proceed, and the date on which work under the contracts will begin.

Second, the announcement indicates that the small disadvantaged business assistance contracts will include a preference for local hires for both prime and subcontractors. Please provide more details about how you intend to determine this local preference. Do you intend to follow the bidding procedures set out in 48 C.F.R. 4452.217-70, which are designed to provide extra opportunities for local businesses applying for disaster relief contracts? Additionally, will FEMA require an express

finding that there are no local contractors who are able to serve as prime contractors before awarding one of these contracts to a company from outside the Gulf Coast area?

Third, it is unclear whether the recipients of the multiple five year indefinite delivery/indefinite quantity (IDIQ) contracts for technical assistance on a national basis will be solely responsible for future disaster response and recovery, or whether these contractors will also be working on recovery projects related to Hurricanes Katrina and Rita. It is important to ensure that any national contracts FEMA makes for disaster response and recovery do not reduce the opportunities for small disadvantaged businesses and local businesses to be involved as prime contractors for Hurricanes Katrina and Rita recovery projects.

Fourth, FEMA's announcement stated that the agency requires the national contractors to meet "significant small business contracting goals," and include a preference for local businesses, but it is unclear what those goals will be. Will FEMA require a specific percentage for small and local business subcontracting? Whether FEMA uses a percentage or not, how will it enforce and monitor the fulfillment of these subcontracting goals? Will there also be a preference for small disadvantaged businesses amongst the subcontractors?

Fifth, it is unclear whether the steps FEMA has announced will supersede existing guidelines for fulfilling the Stafford Act and other legal preferences for small disadvantaged businesses and local businesses in disaster response and recovery contracting. Does FEMA intend to issue regulations revising these guidelines, such as those found at 48 C.F.R. 4417.7001 and 48 C.F.R. 4452.217-70?

Sixth, FEMA's announcement does not indicate whether the Administration will reinstitute Davis-Bacon wage requirements for federal contracting for Gulf Coast recovery work, or whether these requirements will apply to the national response and recovery contracts that might be used after future disasters. While refocusing on small and local businesses will assist recovery efforts, if the employees of these companies who reside in the affected areas are not receiving appropriate compensation, then the federal government will miss an invaluable opportunity to speed the economic recovery of the Gulf Coast and areas affected by a future disaster. Please explain whether FEMA intends to assure that the Davis-Bacon wage requirements are enforced.

Finally, FEMA's announcement does not discuss whether it intends to seek reinstatement of the affirmative action compliance reporting required by Executive Order 11246, Section 503 of the Rehabilitation Act, and Section 4212 of the Vietnam Era Veterans' Readjustment Assistance Act. These requirements were waived on September 9, 2005 by the Department of Labor for Hurricane Katrina recovery work. Does FEMA intend to ask the Department of Labor to renew these requirements? Does FEMA intend to ensure these requirements apply to the recipients of the national disaster response and recovery contracts?

Once again, I appreciate your efforts to refocus your agency on ensuring that disaster response and recovery operations have a strong role for small disadvantaged businesses and local businesses. Your response to this letter will go a long way to satisfying Congressional concerns that these types of businesses need to be better involved. In light of the pressing need for the information requested, please respond to my questions in writing by Wednesday, October 19, 2005. If you have any questions, please contact Jessica R. Herrera-Flanigan, Democratic Staff Director, at (202) 226-2616.

Sincerely,

A handwritten signature in black ink that reads "Bennie G. Thompson". The signature is written in a cursive style with a large, stylized initial "B".

Bennie G. Thompson
Ranking Member
House Committee on Homeland Security