

Congress of the United States
Washington, DC 20515

July 9, 2009

Rear Admiral Christopher J. Mossey
Commander
Naval Facilities Engineering Command Atlantic
6506 Hampton Boulevard
Norfolk, VA 23508-1278

Dear Admiral Mossey:

We thank you for your continued support of North Carolina's efforts to engage construction contractors in the military construction (MILCON) market, particularly for more than \$6 billion in MILCON projects at military installations in our state. We share the Naval Facilities Engineering Command's (NAVFAC) desire that MILCON projects at our military installations must be delivered on time and on budget, and while being built to high-quality standards.

NAVFAC has underscored the need—through the annual North Carolina Military Construction Summit, in dialogue with North Carolina firms, and through communication with the North Carolina Congressional Delegation—for a larger pool of qualified contractors to meet these requirements. We believe that companies in our state are highly competitive for major MILCON projects that you compete through full and open competition. While we do not seek special treatment for North Carolina contractors, we do seek to level the playing field so that qualified North Carolina firms that compete for these projects have a fair chance of success.

We also write to express our concern regarding existing barriers and disincentives for North Carolina companies to remain in the MILCON market. It is our observation that NAVFAC continues to select traditional contractors for the majority of projects, even when numerous highly qualified North Carolina contractors, new to the federal market, compete for opportunities well within their capabilities and NAVFAC's requirements.

For example, in your letter to members of the N.C. Congressional Delegation dated May 23, 2008, you recommended that North Carolina firms consider competing for an October 2008 \$30 million Bachelors Enlisted Quarters project at MCAS Cherry Point. At least three major construction firms in North Carolina bid on this project. Not one of them was deemed qualified to proceed to Phase II in the selection process.

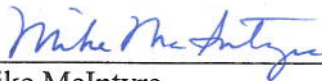
We are also concerned about a recent policy change regarding the evaluation of a bidder's safety rating and the impact on its competitiveness in the source selection process. We believe that this new safety evaluation trend unintentionally favors large, construction management firms that contract out the actual construction work and is detrimental for small businesses and self-performing contractors, typical for North Carolina companies that bid NAVFAC projects. We share NAVFAC's objective to ensure the highest standards for safety at project sites. However, we seek clarification of NAVFAC's objectives behind this policy change.

Additionally, we encourage NAVFAC to release the names of companies selected to proceed to Phase II of the selection process. NAVFAC's policy of not publicly releasing the names of companies selected to proceed to Phase II of selection processes disadvantages North Carolina firms in obtaining subcontracts for major projects. By the time final awards are made, the prime contractor has often chosen a subcontractor team, precluding North Carolina companies from a fair opportunity to market their services to potential prime contractors.

Finally, we request that NAVFAC keep us informed of contracting activity in North Carolina. Specifically, we request that you provide a quarterly report of solicitations competed for work to be performed in North Carolina and a list of the companies that won the awards. This will allow us to monitor progress toward our goal of increasing contract awards to North Carolina companies and allow us to advise our constituents on how to compete for these contracts.

We believe these steps will increase competition and level the playing field for North Carolina contractors, and thus help meet your significant needs. We look forward to continuing to work with you and your staff to achieve our common goals.

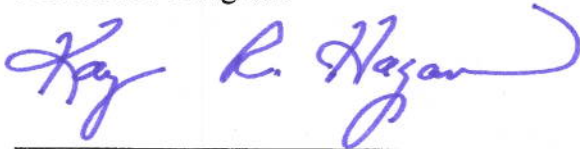
Sincerely,



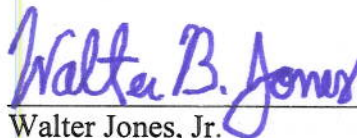
Mike McIntyre
Member of Congress



Richard Burr
U.S. Senate



Kay Hagan
U.S. Senate



Walter Jones, Jr.
Member of Congress



Larry Kissell
Member of Congress