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# United States Senate

COMMITTEE ON  
HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS

WASHINGTON, DC 20510-6250

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June 30, 2014

Lieutenant General Thomas P. Bostick  
Commanding General and Chief of Engineers  
U.S. Army Corps of Engineers  
441 G Street NW  
Washington, DC 20314-1000

Dear Lieutenant General Bostick,

I am writing to request information regarding the U.S. Army Corps of Engineers' (USACE) acquisition process related to the renovation of Building 660 at Ft. Greely, Alaska.

On March 28, 2014, I referred the information received by the Subcommittee regarding Building 660 to the Small Business Administration (SBA) Office of Inspector General (OIG) for review.<sup>1</sup> A copy of my letter, which summarizes the information received, is attached for your review. On June 26, 2014, the SBA OIG provided a response to my request which determined that the SBA did not violate any contracting laws or regulations.

The OIG's review, however, raises additional questions regarding USACE's actions during the acquisition process. In August 2013, USACE sought approval from SBA to offer the Fort Greely procurement as an 8(a) sole source award, asserting in its offer letter that the procurement had not been offered previously as a small business set-aside. However, according to the SBA OIG, SBA later learned that USACE had, in fact, previously offered the procurement as a competitive set-aside. The letter asserting that the procurement had not previously been offered competitively was signed by four USACE officials, including the contracting officer.<sup>2</sup>

When SBA rescinded its approval of USACE's request to offer the procurement as a sole-source award based on the earlier competition, USACE asked the SBA Associate Administrator of Business Development to review the decision. According to the SBA OIG,

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<sup>1</sup> Letter from Chairman Claire McCaskill to Peggy Gustafson, Inspector General, Small Business Administration (March 28, 2014).

<sup>2</sup> Letter from Peggy Gustafson, Inspector General, Small Business Administration, to Chairman Claire McCaskill (June 6, 2014); Small Business Administration Office of Inspector General, Telephone Briefing for Subcommittee Staff (June 9, 2014).

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USACE officials stated that the Associate Administrator of Business Development provided direction that USACE could proceed with the sole-source award. The SBA OIG found that, although this action is within the authority of the Associate Administrator of Business Development, there was no evidence that this occurred.<sup>3</sup>

To assist the Subcommittee in its ongoing oversight, I request that you provide the following information:

- (1) The letter sent to SBA in August 2013 which asserted that the procurement had not previously been offered as a small business set-aside; and
- (2) All correspondence between USACE and the SBA Associate Administrator of Business Development related to the Fort Greely procurement.

I request that you provide this information and a briefing on USACE's acquisition process to the Subcommittee staff as soon as possible, but no later than **Thursday, July 17, 2014**.

The jurisdiction of the Subcommittee on Financial and Contracting Oversight is set forth in Senate Rule XXV clause 1(k); Senate Resolution 445 section 101 (108<sup>th</sup> Congress); and Senate Resolution 64 (113<sup>th</sup> Congress).

I appreciate your assistance. Please contact Margaret Daum with the Subcommittee at (202) 224-7155 with any questions. Please send any official correspondence relating to this request to [Kelsey\\_Stroud@hsgac.senate.gov](mailto:Kelsey_Stroud@hsgac.senate.gov).

Sincerely,



Claire McCaskill  
Chairman  
Subcommittee on Financial and Contracting  
Oversight

cc: Ron Johnson  
Ranking Member  
Subcommittee on Financial and Contracting Oversight

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<sup>3</sup> *Id.*