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United States Senate

COMMITTEE ON
HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS

WASHINGTON, DC 20510-6250

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November 15, 2017

Lieutenant General Todd T. Semonite
Commanding General and Chief of Engineers
U.S. Army Corps of Engineers
441 G Street NW
Washington, DC 20314

Dear Lt. Gen. Semonite:

I write seeking additional information regarding the response by the U.S Army Corps of Engineers (USACE) to continued widespread power outages in Puerto Rico as a result of Hurricane Maria, specifically the awarding of contracts to Weston Solutions (Weston), Fluor Corporation (Fluor), PowerSecure, and Aptim Federal Services, LLC (Aptim), to assist in the re-energization of the Commonwealth's electric grid.

As of November 13, 2017, nearly two months after Hurricane Maria made landfall, more than half of the island remains without power.¹ In public remarks on October 20, 2017, you indicated that the strategy for restoring power to Puerto Rico has four components: (1) installing temporary generators to provide emergency power and spot generation for critical facilities, (2) ensuring adequate power generation at power plants, (3) reinstalling and repairing transmission lines across the island, and (4) restoring power distribution to homes and businesses.²

USACE has already awarded contracts to several companies to assist in the rebuilding effort. On October 9, 2017, USACE announced a \$35.1 million contract award to Weston to provide emergency temporary power generation to the Palo Seco Power Plant, which serves the city of San Juan.³ On October 16, 2017, USACE announced a \$240 million contract award to Fluor to "augment ongoing efforts to repair transmission and distribution lines." The contract includes "equipment evaluation and repair, as well as the re-energization and recommissioning of substations and switching stations."⁴ On October 19, 2017, USACE announced a third, \$40

¹ Government of Puerto Rico, Dashboard (www.status.pr/home) (accessed Nov. 13, 2017).

² *Power Restoration in Puerto Rico Could Take Up to a Year, Corps Chief Says*, DoD News (Oct. 20, 2017) (www.defense.gov/News/Article/Article/1349844/power-restoration-in-puerto-rico-could-take-up-to-a-year-corps-chief-says/).

³ U.S. Army Corps of Engineers: *U.S. Army Corps of Engineers Awards First Contract for Power Grid Restoration* (Oct. 9, 2017).

⁴ U.S. Army Corps of Engineers: *U.S. Army Corps of Engineers Awards Contract for Personnel and Equipment for Power Restoration* (Oct. 16, 2017).

million award to PowerSecure for “additional support to repair the power grid in Puerto Rico,” including the repair of distribution and transmission lines.⁵ On November 11, 2017, USACE announced that it was increasing the value of its contract with PowerSecure to \$88 million.⁶ USACE made a fourth award on November 6, 2017, \$19 million contract to Aptim to install a 25-megawatt generator at the Yabucoa Power Plant, which serves areas in the southeast of the island.⁷ Additionally, as of October 30, 2017, USACE was reportedly in the process of amending the Fluor contract, increasing the total contract amount to \$840 million.⁸

The federal government has a duty to the 3.4 million U.S. citizens living in Puerto Rico to move quickly to restore power along with the duty to all taxpayers to minimize the risk of waste, fraud, and abuse. To better understand the re-energization efforts that are underway in Puerto Rico, including the process by which USACE awarded these four contracts totaling more than \$900 million to Fluor, Weston, PowerSecure, and Aptim, please provide a written response to the following questions no later than December 6, 2017:

1. What are the respective roles and responsibilities of USACE, FEMA, the Puerto Rican territorial government, and the Puerto Rico Electric Power Authority (PREPA) in restoring power in Puerto Rico?
2. How do the contracted services of Weston, Fluor, PowerSecure, and Aptim relate to one another? How do they differ?
3. Has USACE awarded any additional contracts for power grid restoration in Puerto Rico? If so, please provide details on these additional contracts and explain how they relate to the services being provided by Weston, Fluor, PowerSecure, and Aptim.
4. What is the process USACE is undertaking to determine what, if any, additional contracts may be needed to assist with re-energization efforts in Puerto Rico?
5. How do the contracted services of Weston, Fluor, PowerSecure, and Aptim, relate to contracts awarded by PREPA to Whitefish Energy Holdings, Cobra Acquisitions, or any other firms for energy grid restoration?

⁵ U.S. Army Corps of Engineers: *U.S. Army Corps of Engineers Awards Additional Contract for Puerto Rico Power Restoration Efforts* (Oct. 19, 2017).

⁶ U.S. Army Corps of Engineers: *USACE Ramps Up Power Restoration Efforts in Puerto Rico with Additional \$48 Million* (Nov. 11, 2017).

⁷ U.S. Army Corps of Engineers: *USACE Awards \$19 Million Contract for Additional Generation at Yabucoa Power Plant* (Nov. 7, 2017).

⁸ *Puerto Rico's Path to Restore Power Shifts After Whitefish Exit*, Reuters (www.reuters.com/article/us-usa-puertorico-power-prepa/puerto-ricos-path-to-restore-power-shifts-after-whitefish-exit-idUSKBN1CZ2T0) (Oct. 30, 2017).

6. Please provide information sufficient to understand the process for awarding the contracts to Weston, Fluor, PowerSecure, and Aptim, including the selection of the contract vehicle, competition, duration and scope, and funding. How many vendors responded to each USACE solicitation, and how many vendors submitted proposals in response to each USACE solicitation?
7. What requirements did each solicitation make for liquidated damages in the event of nonperformance, and what requirements did each make for a performance bond? How many vendors indicated that they could meet each requirement?
8. What are each company's terms for performance, and what mechanisms do USACE and FEMA have in place to monitor compliance with the contract's terms to ensure that the companies comply fully with all federal procurement regulations?
9. Please provide information sufficient to understand the process and rationale for increasing Fluor's contract award by \$600 million.
10. Please list any and all entities that have entered into subcontracts under the Fluor contract, and please provide information sufficient to understand the process for awarding subcontracts, including the selection of the contract vehicle, competition, duration and scope, and funding.
11. How long does USACE estimate it will take to completely restore power in Puerto Rico, and how much does it estimate it will cost?

If for any reason you are unable to provide this information under the timeline I have requested, or, should you have any questions, please contact Joel Walsh with my staff at (202) 224-2627 or Joel_Walsh@hsgac.senate.gov. Please send any official correspondence related to this request to Lucy Balcezak at Lucy_Balcezak@hsgac.senate.gov. Thank you for your prompt attention to this matter.

Sincerely,



Claire McCaskill
Ranking Member

cc: Ron Johnson
Chairman