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**FORT BEND COUNTY FY 2010
COMMISSIONERS COURT AGENDA REQUEST FORM**

Return Completed Form by E-Mail to: Agenda Coordinator, County Judge's Office

Date Submitted: 11/13/2009	Submitted By:
	Department: Commissioner Pct. 3
Court Agenda Date: 11/17/2009	Phone Number: 281-494-9076

SUMMARY OF ITEM: Take all appropriate action on Resolution in Support of the U. S. Army continuing to commission the building of Family of Medium Tactical Vehicles (FMTV) in Sealy, Texas.

RENEWAL AGREEMENT/APPOINTMENT	YES <input type="checkbox"/>	NO <input type="checkbox"/>
REVIEWED BY COUNTY ATTORNEY'S OFFICE:	YES <input type="checkbox"/>	NO <input type="checkbox"/>

List Supporting Documents Attached: *Sample Resolution and Correspondence*

FINANCIAL SUMMARY:

BUDGETED ITEM: YES ☐ NO ☐

FUNDNG SOURCE: Accounting Unit: _____ Account Number: _____
Activity (If Applicable): _____

DESCRIPTION OF LAWSON ACCOUNT: _____

Instructions to submit Agenda Request Form:

- Completely fill out agenda form: incomplete forms will not be processed.
- Agenda Request Forms should be submitted by e-mail, fax, or inter-office mail, and all back-up information must be provided by Wednesday at 2:00 p.m. to all those listed below.
- All original back-up must be received in the County Judge's Office by 2:00 p.m. on Wednesday.

DISTRIBUTION:

Original Form Submitted with back up to County Judge's Office ☐ (✓ when completed)
If by E-Mail to ospindon@co.fort-bend.tx.us If by Fax to (281) 341-8609

Distribute copies with back-up to all listed below. If by fax, send to numbers below:

<input type="checkbox"/> Auditor (281-341-3774)	<input type="checkbox"/> Comm. Pct. 1 (281-342-0587)
<input type="checkbox"/> Budget Officer (281-344-3954)	<input type="checkbox"/> Comm. Pct. 2 (281-403-8009)
<input type="checkbox"/> Facilities/Planning (281-633-7022)	<input type="checkbox"/> Comm. Pct. 3 (281-242-9060)
<input type="checkbox"/> Purchasing Agent (281-341-8642)	<input type="checkbox"/> Comm. Pct. 4 (281-980-9077)
<input type="checkbox"/> Information Technology (281-341-4526)	<input type="checkbox"/> County Clerk (281-341-8697)
<input type="checkbox"/> Other:	<input type="checkbox"/> County Atty (281-341-4557)

RECOMMENDATION / ACTION REQUESTED:

Special Handling Requested (specify): _____

STATE OF TEXAS

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COUNTY OF FORT BEND

RESOLUTION REGARDING THE FAMILY OF MEDIUM
TACTICAL VEHICLES (FMTV) REBUY CONTRACT

Resolution in support of the FMTV Rebuy Contract:

WHEREAS, The Family of Medium Tactical Vehicles (FMTV) is a series of military trucks and trailers built in Sealy, Texas, that perform a variety of roles for the United States Army from cargo and troop carriers to artillery and air defense missile weapons carriers; and U.S. military personnel in Iraq and Afghanistan are currently using FMTV's; and

WHEREAS, more than 56,000 FMTV's and trailers have been delivered to the United States Army over the past 17 years, with 29 variants to date and Texas workers produced more than 40 FMTV's per day in Sealy, Texas, with the highest ISO quality manufacturing unit ratings in the industry; and

WHEREAS, the Army has coined the term "ultra-reliable" to describe the FMTV's built in Sealy, Texas and the Texas-based production of the FMTV's employ 3,000 persons and contributes more than \$500 million to the Texas economy each year through salaries, contractor costs and vendor partnerships; and

WHEREAS, the FMTV contract in Sealy, Texas, has ensured the continuous production of the safest, most time-tested and proven FMTV in history to our fighting men and women in harm's way; and

WHEREAS, the United States Army has announced plans to move the FMTV contract from Sealy, Texas (BAE Systems) to a Wisconsin vendor (Osh Kosh); and

WHEREAS, the bidding process for this contract may have been flawed and is currently under appeal; and

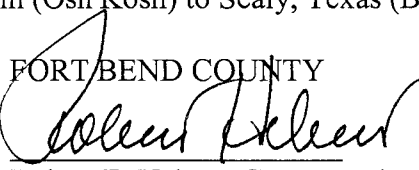
WHEREAS, the Commissioners Court of Fort Bend County, Texas has determined that the enactment of this resolution serves a public purpose.

NOW, THEREFORE, BE IT RESOLVED:

The Commissioners Court of Fort Bend County, Texas, hereby requests the United States Army and Department of Defense to perform a critical analysis of the Wisconsin award (Osh Kosh) to reverse the award decision of this rebuy contract from Wisconsin (Osh Kosh) to Sealy, Texas (BAE Systems).


FORT BEND COUNTY

By:


Robert E. Hebert, County Judge

ATTEST:

Date: November 17, 2009


Dianne Wilson, County Clerk

11-23-09 orig. ret. to Donna at Co. Judge

BAE's Economic Impact

BAE Systems Sealy plant has a \$1.8 billion annual impact on the Houston region.

- The annual economic impact is the sum total of all goods and services purchased at the plant, supplied locally to support the plant, plus the sum total of all goods and services purchased by the employees working at the plant.
- BAE's Systems in Sealy supports more than 3,400 direct jobs and 6,766 indirect and induced jobs in the region.
 - Direct jobs are those at the plant. These are jobs that would be lost should BAE's Sealy operations be discontinued. Direct jobs include, but are not limited to, assembly workers, warehouse workers, supervisors, office clerical workers, and administrative and management positions at the plant.
 - Indirect jobs are those jobs in the economy dependent on local purchases by BAE. These include, but are not limited to, jobs at equipment and parts suppliers, maintenance and repair services, office supply stores, insurance companies, consulting and other business services. If BAE's Sealy operations shut down, these indirect purchases and the associated jobs would be lost.
 - Induced jobs (a subset of indirect jobs above) depend on purchases of goods and services by those employed by BAE. This includes jobs at grocery stores, construction firms, retail outlets, health care providers, government agencies, etc. These jobs would disappear if BAE's Sealy operations shut down. Operations at the Sealy plant generate \$445.2 million in wages and salary in the region. This includes wages and salaries paid directly to BAE workers plus wages and salaries paid to indirect and induced workers. This income and subsequent purchasing power would disappear should BAE shut down its Sealy operations.
- BAE pays an estimated \$5.1 million in state sales, franchise and unemployment taxes each year. This includes an estimated \$2.2 million in sales taxes, \$2.85 million in franchise taxes, and \$240,000 in unemployment insurance taxes.
- BAE pays an estimated \$1.9 million in local property taxes each year.

BAE Employee Impact

In addition to the taxes paid by the company, BAE's employees and the employees of firms that support BAE (i.e. the indirect jobs/workers) and BAE's employee's (i.e. induced jobs/workers) generate significant tax revenues for the region.

- BAE employees pay approximately \$7.1 million in property taxes in the Houston region each year. This includes \$850,777 in property taxes to Sealy ISD, \$210,995 to the City of Sealy, \$250,677 to Austin County and \$114,954 to other jurisdictions in Austin County.

- BAE employees pay an estimated \$1.2 million in annual sales taxes in the region. An accurate estimate of the amount of sales taxes paid to the city of Sealy and Austin County is not available.
- BAE employees pay nearly \$211,000 in vehicle registration fees each year, this includes \$56,000 in vehicles registration fees to Austin County.

Additional Impacts

- BAE has been an engine for growth in Sealy and Austin County. The plant supported 630 direct and 1,495 indirect jobs when it opened in 1992. Both direct and indirect employment has nearly quintupled since then.
- BAE is a major customer of the Ports of Houston, Galveston, Freeport and Beaumont, using these facilities to ship 1,000 or more trucks overseas each year.
- If the plant should shut down throwing 3,400 employees out of work, the burden to the state of Texas in unemployment benefits could exceed \$26.0 million.

Note: The economic impacts have been calculated by the Research Department of the Greater Houston Partnership using various models, e.g. ImpactData Source model, the Regional Input Modeling System (RIMS-II) developed by the U.S. Bureau of Economic Analysis, and the Partnership's own proprietary models. The calculations were based on data provided by BAE systems and from public agencies such as the Texas State Comptroller and the Austin County Appraisal District.

Fact Sheet

BAE Systems FMTV Program – October 2, 2009

About the FMTV

- The Family of Medium Tactical Vehicles (FMTV) is a series of military trucks and trailers built by BAE Systems in Sealy, Texas. The FMTVs perform a variety of roles for the U.S. Army, from cargo and troop carriers, to artillery and air defense missile weapons carriers.
- U.S. military personnel in Iraq and Afghanistan are currently using FMTVs.

FMTV Texas Impact

- 3,000 Texas employees work on the FMTV program in BAE Systems' Sealy facility.
- BAE Systems' Texas-based production of FMTVs contributes more than \$500 million to the Texas economy each year through employee salaries, contractor costs and vendor partnerships.

Production

- More than 56,000 FMTVs and trailers have been delivered to the Army with 29 variants produced to date.
- More than 3,200 BAE Systems employees support the FMTV program in Texas, Ohio, Arizona and Michigan.
- BAE Systems' workers produce more than 40 FMTVs per day at a 200-acre campus and manufacturing area of more than 900,000 square feet in Sealy, Texas.
- The International Organization for Standardization, an organization that sets manufacturing quality standards, certified BAE System's FMTV production quality among the highest in the industry.

Performance

- The U.S. Army coined the term "ultra-reliable" to describe the BAE Systems-built FMTV.
- The FMTV family shares 85 percent parts commonality among all vehicles in the fleet. This commonality significantly reduces the Army's logistics burden and operating and support costs.
- The Calman Mine Resistant Ambush Protected vehicle was designed, prototyped and tested in 2006. BAE Systems went from contract award to first vehicle delivered in only 43 days to set an industry record.

Protection

- Long-Term Armor Strategy (LTAS) is system designed by BAE Systems for the FMTV and is comprised of the armored cab, or A-Cab, and appliqué armor, or B-kit. The A-Cab configuration allows crews to operate the FMTVs in on- and off-road, non-tactical and low-threat tactical environments with minimal vehicle weight. The crews can increase their protection during periods of increased threat levels by installing the B-kits.
- The Army awarded BAE Systems \$3.7 billion in contracts in 2008 to manufacture 19,400 FMTVs, of which nearly 10,000 are of the LTAS configuration. Eight models of the LTAS FMTV are currently produced in Sealy, Texas.
- Introduced in 2003, the Low Signature Armored Cab (LSAC) is designed to protect the warfighter from assault-rifle rounds, land mines and artillery fragments.

Find the latest news, photos and videos about the FMTV at www.baesystems.com/fmtv.

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

Chris Edwards

John Sessions

Joe Barton

Ray Hauge

Mark A. Fogarty

John P. Olson

John Callison

K. W. L. Lomax

Pete Olson

F. Bray
Cond. Rock

Sam Johnson

K. May

Randy New

Henry Cullen

John Hensley

Lamar Smith

Ken L.

Ralph M. Hall

Rene Lambert

H. C. B.

Ann

Mac Thibault

Don A. Carter

McCaul	Chet Edwards
Sessions	Barton
Granger	Gonzalez
Ortiz	Brady
Culberson	Rodriguez
Conaway	Sam Johnson
Olson	Marchant
Neugebauer	Cuellar
Hensarling	Lamar Smith
Gene Green	Hall
Gohmert	Burgess
Poe	Thomberry
Carter	