

EDO Principal Correspondence Control

FROM: DUE: 05/10/00 EDO CONTROL: G20000224
DOC DT: 04/12/00
Senator Charles S. Robb FINAL REPLY:

TO:

Dennis Rathbun, OCA

FOR SIGNATURE OF : ** GRN ** CRC NO: 00-0292

Travers, EDO

DESC:

FMF Corporation -- Fitness Center Contract
(Matthew Custer)

ROUTING:

Travers
Paperiello
Miraglia
Norry
Blaha
Burns
Bird, HR
Little, SBCR

DATE: 04/28/00

ASSIGNED TO: CONTACT:
ADM Springer

SPECIAL INSTRUCTIONS OR REMARKS:

Ref. G20000037.

Template: SECY-017

E-RIDS: SECY-01

OFFICE OF THE SECRETARY
CORRESPONDENCE CONTROL TICKET

Date Printed: Apr 28, 2000 09:26

PAPER NUMBER: LTR-00-0292 LOGGING DATE: 04/28/2000
ACTION OFFICE: EDO

AUTHOR: CHARLES ROBB
AFFILIATION: SEN
ADDRESSEE: DENNIS RATHBUN
SUBJECT: REQUEST ASSISTANCE IN SAVING THE JOBS OF FOUR EMPLOYEES UNDER THE
FITNESS CENTER CONTRACT #NRC-38-98-282

ACTION: Signature of EDO
DISTRIBUTION: CHAIRMAN

LETTER DATE: 04/12/2000
ACKNOWLEDGED No
SPECIAL HANDLING: OCA TO ACK
NOTES: LTR. RECEIVED IN SECY ON APRIL 28, 2000
FILE LOCATION: ADAMS
DATE DUE: 05/12/2000 DATE SIGNED:

EDO --G20000224

CHARLES S. ROBB
VIRGINIA

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The Ironfronts, Suite 310
1011 East Main Street
Richmond, VA 23219
(804) 771-2221
Email: senator@robb.senate.gov
http://robb.senate.gov

United States Senate

WASHINGTON, DC 20510-4603

April 12, 2000

COMMITTEES:
ARMED SERVICES
FINANCE
INTELLIGENCE
JOINT ECONOMIC COMMITTEE
Democratic Policy Committee

Mr. Dennis K. Rathbun
Director
Office of Congressional Affairs
Nuclear Regulatory Commission
Washington, D.C. 20555-0001

REC'D BY

Dear Mr. Rathburn:

28 APR 01

Enclosed is correspondence relating to an inquiry that was forwarded to your office. As my files do not reflect a final response, it would be helpful if you would advise me on the current status of this case.

I would greatly appreciate your assistance in expediting this matter. Please respond directly to my office at the address listed above.

In your reply, please refer to FMF Corporation.

Again, thank you for any assistance you might provide.

Sincerely,



Charles S. Robb

CSR/aea

Washington Office:

Russell Senate Office Building
First and Constitution Avenue, NE
Room 154
Washington, DC 20510
(202) 224-4024

Regional Offices:

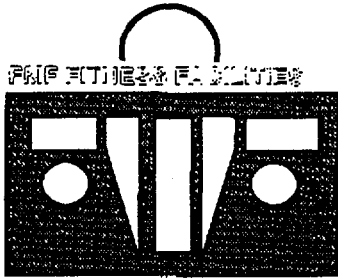
Dominion Towers, Suite 107
999 Waterside Drive
Norfolk, VA 23510
(757) 441-3124

First Union Bank Building
Main Street
Clintwood, VA 24228
(540) 926-4104

First Citizens Bank Building
530 Main Street
Danville, VA 24541
(804) 791-0330

B. B. & T. Bank Building
310 First Street, SW, Suite 102
Roanoke, VA 24011
(540) 985-0103





FMF CORPORATION TELEFAX

FMF CORPORATION
PO BOX 378
STERLING, VA 20167-0378
TEL: (703) 450-0339
FAX: (703) 450-0656

PLEASE DELIVER THE FOLLOWING FAX:

TO: **NAME:** Amy Anderson
COMPANY: Senator Robb
FAX NO: (804) 771-8313
FROM: **NAME:** Matthew D. Custer
DATE: 1/19/00
NO. OF PAGES (INCLUDING COVER PAGE):4

MESSAGE:

IF ALL PAGES ARE NOT RECEIVED, OR ARE UNCLEAR, PLEASE
CALL US AT (703) 450-0339. THANK YOU



January 19, 2000

The Honorable Charles S. Robb
United States Senate
154 Russell Senate Office Bldg.
Washington, DC 20510

Dear Senator Robb:

My name is Matthew Custer. I am president of FMF Corporation, a small business located in Sterling Virginia. We provide Corporate fitness and wellness services to U.S. Government agencies. One hundred percent of our revenue is from U.S. Government contracts. We currently are successfully operating the Nuclear Regulatory Commission's fitness Center in Rockville, Maryland under Contract number #NRC-38-98-282. It was awarded to us September 18, 1998 with a 6 month base year plus three 12 month option years. We are currently in our 10th month of our first option year. March 27, 2000 is the last day of our 1st option year. This contract represents 25% of our business and employs 4 full time employees.

I am requesting your immediate assistance in helping us save the jobs of four employees and retain this small business set aside contract that we are successfully performing for the Nuclear Regulatory Commission. We have just discovered that our contract is not being renewed for the next two option years. Instead, our contract requirements are being placed within a restricted large business contract that involves the medical health unit currently being operated by Hummers Associates. This combined contract opportunity was posted January 12, 2000. The NRC has included in the new solicitation strict requirements that preclude FMF from being eligible to bid. The change was political in nature and the reasons given to us, in our opinion, do not warrant the changes under the benefits NRC is claiming to gain.

The NRC is using the new trial "Focused Source Selection" process for obtaining an award for these newly combined services. This new procurement procedure has seven steps. The second step of the process involves interested contractors to submit very detailed capability statements by January 27, 2000. Just a two week time frame to react to this new contract request. The NRC will not accept any submissions after January 27, 2000. The NRC will then evaluate all accepted submissions and select the top 3 contractors to send the actual contract solicitation requesting a technical and price proposal. The proposal must include small business subcontracting plans. As you can see the system is very restrictive and leaves no real vehicle or time for small business

FMF CORPORATION - P.O. BOX 378 - STERLING - VIRGINIA - 20167-0378
TEL. (703) 450-0339 FAX. (703) 450-0658

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The Honorable Charles S. Robb
January 19, 2000
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to identify and market themselves as a small business subcontractor to the prime contractors.

It is also of my opinion that this solicitation process is not competitive in nature and gives the existing Health unit Contractor, Hummers and Associates, an advantage over any other bidder. A little history is necessary here. Prior to FMF being awarded our small business set aside contract with NRC, Hummers had both the health unit and fitness center contracts. Hummers was going to be awarded the fitness center contract again but was eliminated by a small business size challenge. They were found to be a large business, thus unable to be awarded the contract.

I have also learned that this change to combine the two contracts was supposedly "in the works" prior to our contract being awarded and Hummers' health unit contract was extended. If this was the case, why was our contract awarded with a base year and three option years? FMF recruits and retains professionals based on the longevity of contracts. The NRC demands top quality professionals. We now must face our employees with the reality that their jobs will be eliminated long before they were led to believe. This tarnishes FMF's reputation in the close knit community of fitness professionals in the Metro area.

As stated in the NRC Draft Statement of Work, the NRC reason for eliminating our contract is as follows: "By encompassing all aspects of the wellness program under one (1) contract, the agency can ensure comparable services to all employees, minimize duplication of effort, and provide an integrated holistic health improvement program in the most cost-effective manner."

Currently, our fitness staff coordinates with the health unit and does not have duplication of effort as implied. Both contracts together already provide an integrated holistic health improvement program. In fact the NRC health news letter is a joint effort between the health unit and the fitness center. The corporate fitness business is very competitive in the Metro area with over a dozen qualified small companies providing services to various government agencies at very competitive rates. Much lower rates than any large business can offer. Having our specialty business swallowed under the umbrella of large business contracts can only cost the government more for the same services. Yet the NRC states that combining the two different contracts will be cost effective. As to all NRC employees receiving comparable services, 2000 of the 3000 employees are assigned to the Rockville complex. The other 1000 employees are assigned to five different locations around the country. There are no on-site NRC fitness centers at these other locations. The new draft Statement of Works requires the contractor to procure NRC employee memberships

The Honorable Charles S. Robb.
January 19, 2000
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from public fitness centers within a 15 minute drive of the regional offices. Instead of the government procuring the services directly from the public fitness center at the going rate for a general membership, the NRC will also be paying the prime contractor's added expense to procure these services. This is not cost effective.

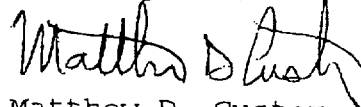
As a constituent, I am asking for a speedy inquiry and your full effort addressing the NRC to:

1. Remove our current contract segments from the draft statement of work. These segments are already successfully being performed by a small business with comparable services to all employees, with minimized duplication of effort, in a integrated holistic health improvement program that is cost-effective. Demand the renewal of our next option year.
2. Demand the Postponement of the solicitation indefinitely until it is determined by you and your office that the NRC employees will actually benefit from the elimination of our contract and the new contract arrangement will be cost effective.
3. Demand postponement of the NRC trial "Focused Source Selection" process for obtaining an award until it is determined by you that small businesses have ample time and a vehicle to identify and market to large businesses to be considered as subcontractors.

If the NRC moves forward in this process, not only will we unfairly lose a contract, we're afraid that precedent will be set and more and more small businesses will be unfairly excluded from obtaining future government contracts.

Thank you so much for you and your staffs time helping our company with this critical issue.

Best regards,



Matthew D. Custer,
President

United States Senate

WASHINGTON, DC 20510-4603

OFFICIAL BUSINESS

Mr. Dennis K. Rathbun
Director
Office of Congressional Affairs
Nuclear Regulatory Commission
Washington, D.C. 20555-0001

Charles S. Robb
U.S.S.