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UNITED STATES GENERAL ACCOUNTING OFFICE

WASHINGTON, D.C. 20548

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LOGISTICS AND COMMUNICATIONS DIVISION

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B-179639

JAN 29 1974

cltr The Honorable James L. Buckley
United States Senate

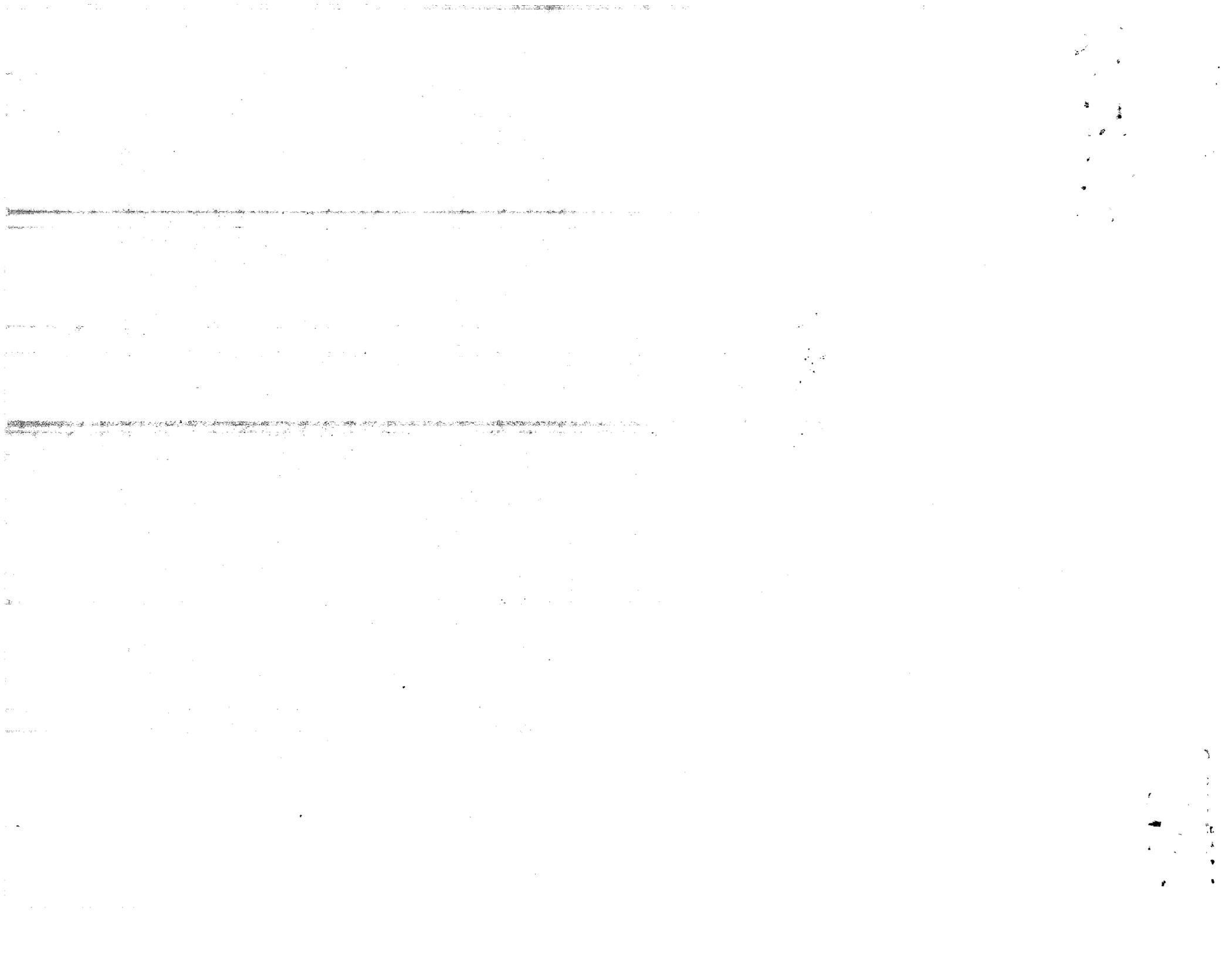
Dear Senator Buckley:

Your letter which we received on September 13, 1973, requested that we consider a complaint by Mr. Matthew Rosta that the Corps of Engineers, Department of the Army, accepted 70-gallon, 2-year guarantee water heaters for use in a facilities rehabilitation project at Camp Drum, Watertown, New York, when 75-gallon, 10-year guarantee water heaters were called for in the contract specifications. According to Mr. Rosta, the Corps should have solicited new bids based on the change. 305

We found that (1) the specifications regarding water heaters were not changed, (2) 75-gallon, 10-year guarantee water heaters were being installed, and (3) the rehabilitation project was expected to be completed in December 1973. However, at one time the Corps had tentatively accepted a proposal to use 70-gallon, 2-year guarantee water heaters but later rejected the proposal.

The Corps awarded the contract for the rehabilitation project at Camp Drum to the Small Business Administration, which, in turn, subcontracted the work. On July 2, 1973, the subcontractor proposed using 70-gallon, 2-year guarantee water heaters in the project instead of the specified 75-gallon, 10-year guarantee heaters. Because the recovery rate of the 70-gallon heater was higher than that of the prescribed 75-gallon heater, the Corps tentatively accepted the proposed change. However, it was subsequently determined that the 10-year guarantee requirement could not be met on the 70-gallon heaters. On September 11, 1973, the Corps rejected the proposed use of 70-gallon heaters and told the subcontractor to comply with the original specifications. 2

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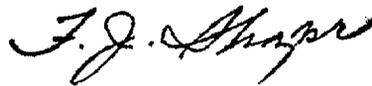


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As a matter of interest, the Corps, by letter dated September 25, 1973, replied to a protest on this matter sent to the Corps by Mr. Rosta. In its reply, the Corps gave Mr. Rosta essentially the same facts stated above.

We hope this information will meet your needs. As you requested, we are returning the enclosures to your letter.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "F. J. Shafer".

F. J. Shafer
Director

Enclosures - 3

