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REPORT BY THE U.S.

General Accounting Office

Sole-Source Award Of A Contract For Aerial Reconnaissance Cameras To Zeiss Avionics Systems, Inc.

Defense Acquisition Regulations require the use of competition to the maximum extent practical. This report addresses the Navy's actions which led to the sole-source award of a contract for 38 aerial reconnaissance cameras and presents GAO's conclusions concerning the propriety of those actions.



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UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548

NATIONAL SECURITY AND
INTERNATIONAL AFFAIRS DIVISION

September 22, 1983

B-204273

The Honorable Charles H. Percy
United States Senate

The Honorable Alan J. Dixon
United States Senate

The Honorable Philip M. Crane
House of Representatives

In response to your December 21, 1982, request, we reviewed the events leading to the Navy's decision to award Zeiss Avionics Systems, Inc.,¹ a \$10 million, multiyear, sole-source contract for 38 aerial reconnaissance cameras to be used in the Marine Corps RF-4B reconnaissance aircraft. The contract, awarded on November 16, 1982, provides for the total Marine Corps requirement.

We found that the Navy

- did not seek the participation of alternative suppliers as provided by the Armed Services Procurement Act (10 U.S.C. 2304(g)) and Defense Acquisition Regulations, (DAR 1-300.1 and 3-101(d)) and
- worked exclusively with Zeiss to develop a camera, which resulted in Zeiss being the only supplier that could have reasonably been expected to respond to a source solicitation.

In response to a draft of this report, the Department of Defense concluded that the lack of documentation to support the Navy's assertions gives rise to an appearance of bias (see app. III). As requested, we obtained information on the questions you originally posed to the Navy and attached to your request (see app. II.). A chronology of events leading to the sole-source award is shown in appendix I.

¹/Zeiss Avionics Systems, Inc., of California is a marketing organization for the Carl Zeiss Foundation of Germany. Zeiss Avionics was established to sell and distribute Zeiss cameras in the United States.

SCOPE AND METHODOLOGY

Rather than assessing each element of the sole-source justification, we compared the Navy's actions leading up to the procurement with actions that should have been taken had the Navy adhered to the Defense Acquisition Regulations providing for competition in defense procurement.

We interviewed officials and reviewed various files applicable to the procurement at the following organizations: (1) the Reconnaissance and Photographic Systems Division of the Naval Air Systems Command which was responsible for coordinating the procurement, (2) the Naval Air Rework Facility, North Island, California, which tested the Zeiss Cameras, (3) the Naval Supply Center, San Diego, California, which was responsible for contract administration, (4) the Air Force Air Logistic Center, Hill Air Force Base, Ogden, Utah, which conducted the laboratory tests of the Zeiss cameras and awarded the final contract, and (5) Headquarters, Marine Corps, which was responsible for generating the requirement. We also met with officials of CAI to determine the availability of documentation regarding their communications with the Navy. We confirmed information obtained from the Navy with officials of Zeiss Avionics, Inc. Our review was made in accordance with generally accepted government audit standards.

NAVY DID NOT SEEK
ALTERNATIVE SUPPLIER PARTICIPATION

According to the Marine Corps requirements officer, in 1976, the Marine Corps changed the tactics it had been using to carry out its photographic reconnaissance mission. The Marine Corps believed that survivability and mission success were improved by flying very low and fast during reconnaissance missions when surface to air missiles were a threat.

The Marine Corps had been using two cameras, the KS-87B and KA-56, for low altitude reconnaissance. The KS-87B is produced by CAI and the KA-56 is produced by Fairchild. Both suppliers have produced reconnaissance cameras for the Navy for many years and are considered by the Navy to be the major U.S. suppliers of such cameras. However, in December 1978, the Navy decided that neither the KA-56 nor the KS-87B provided the capability needed for a very low and fast reconnaissance mission. The KA-56 is a panoramic camera, which is subject to distortion, and therefore, it was judged unsuitable. The KS-87B had been in use for some time and the Navy believed it did not provide sufficient resolution or area coverage.

The Reconnaissance and Photographic Systems Division of the Naval Air Systems Command (NAVAIR-547) is responsible for initiating programs for procuring cameras to meet the Marine Corps' needs. In response to the new requirement, NAVAIR-547 began looking for a camera with the capability needed for low and fast reconnaissance missions. According to the NAVAIR-547 technical specialist who coordinated this project, Zeiss was the only manufacturer with a camera that appeared to have the capability of filling the need. He told us that Zeiss had developed two cameras under North Atlantic Treaty Organization (NATO) contracts, a KA-107A used for low altitude reconnaissance and a KA-108 for stand-off reconnaissance. He also told us that he knew CAI and Fairchild did not have new reconnaissance cameras because of his routine contacts with these firms.

The technical specialist said he did not specifically discuss with either CAI or Fairchild the Navy's need or plan to buy a new camera to satisfy the requirement. Further, he decided the requirement was too small to justify development by the Navy. He also did not discuss with either supplier whether it would be interested in undertaking a development effort with its own funds to meet this specific need. Using this as his rationale, the technical specialist initiated the process that culminated in the sole-source award to Zeiss.

While we believe it was appropriate for the Navy to consider Zeiss, the Navy's decision not to contact other suppliers (CAI and Fairchild) to at least verify that they were not interested in funding their own development was not in accordance with the provision of the Armed Services Procurement Act (10 U.S.C. 2304(g)) and the Defense Acquisition Regulations (DAR 1-300.1 and 3-101(d)), that specify the use of competition to the maximum extent practical. Had the Navy adhered to this requirement, it would have advised these suppliers of its needs and provided them with an opportunity to decide whether or not they wanted to compete. Further, by obtaining their responses the Navy would have been in a better position to decide whether competition or a sole-source award was more appropriate.

THE NAVY'S ACTIONS
FAVORED ZEISS

DAR 3-106.2(C), 3-504.2(C), and 3-507.2(b) require that potential suppliers be treated equitably. However, between December 1978 when the Navy asked the Marine Corps to flight test Zeiss cameras and September 1981 when it publicly announced the Marine Corps requirement, the Navy took actions that put Zeiss in a position of being the only supplier that could reasonably be expected to respond to the source solicitation.

It did this in two ways. First, it worked exclusively with Zeiss to develop a new camera, and second, it waited until a prototype of that camera had been tested before it publicly announced its requirements for an off-the-shelf camera.

Advance information led to the development of a new camera

In September 1978, NAVAIR-547 made arrangements with the North Island Naval Air Rework Facility to prepare and conduct the tests of two reconnaissance cameras, the Zeiss KA-107A and KA-108. The KA-107A is a tri-lens, low altitude camera with a mechanical film drive. The KA-108 is a single lens, stand-off camera with an electronic film drive. The tests are part of the process required to obtain approval for service use which must be obtained before any camera can be purchased. In March 1979, the Navy awarded Zeiss a contract (NOO123-79-C-0495) for the two cameras to be used in the test and evaluation to be conducted by North Island.

In January 1980, to further expedite the approval for service use, the Navy wrote and asked Zeiss for test results it had obtained while performing the NATO contracts. In that letter, the Navy stated:

"* * * As you are aware the Navy program plans for the KA-107C and KA-108A cameras to be delivered under contract NOO123-79-C-0495 lead to procurement in quantity in FY82, for the RF-4B application* * *".

Apparently, Zeiss was made aware of the Navy's plan before January 1980. Also, the letter indicated that the Navy planned to begin buying Zeiss cameras in 1982.

Because of a minor change in wiring, the KA-107A camera provided to the Navy for testing was designated the KA-107C. Testing of the KA-107C began in June 1980. During the tests, Zeiss engineers observed that the Marine Corps was pleased with the quality of the photography but was concerned about the speed at which the camera advanced film. The Zeiss engineers concluded that the Marine Corps wanted a faster film advance than that offered by the KA-107C.

Earlier, in May 1980, Zeiss had briefed the Navy about future plans for an electronic drive camera system. The Navy was, therefore, aware that Zeiss had plans for a new camera. Accordingly, the Navy and Zeiss met in August 1980 to discuss the

possibility of a new camera. Then in September 1980, before tests of the KA-107C were completed, Zeiss submitted a proposal to define the new camera, which combined features of the KA-107C and the KA-108. Despite these changes the proposed new camera was still referred to as the KA-107C.

In the meantime, the tests were completed on the original KA-107C. The test report concluded that this camera met the Marine Corps' operational requirement and recommended that it be procured. According to the officials at the North Island Naval Air Rework Facility, who conducted the test and evaluation, the camera performed as well or better than claimed. They stated the film advance problem was caused by a failure in the RF-4B to provide the camera with accurate speed and altitude data and was not a problem in the camera. Notwithstanding the test results, the Marine Corps stated it preferred the new camera, which had an electronic film drive, rather than the mechanical KA-107C.

In November 1980, the Commanding General of the Third Marine Aircraft Wing requested purchase of what he called the electronically cycled KA-107C, which, in effect, was the camera Zeiss had proposed in September 1980. In December 1980, a representative of the North Island Naval Air Rework Facility went to Germany to discuss the proposed camera with Zeiss officials and to reach an agreement on its specifications. The Navy approach had thus evolved from testing the existing KA-107A and KA-108 to developing a new hybrid camera with Zeiss.

The Navy deferred public announcement until the new camera was developed and tested

Rather than publicly announcing the requirement for a new camera at this time (November, 1980), the Navy decided to get approval for service use for the new camera by modifying the scope of the existing contract. The modification included the agreed upon specifications for the new camera, although still called the KA-107C, and provided data necessary to fulfill the requirement for approval for service use.

Normally, when a modification of an item results in a material change in the scope of a contract, the item should be competitively procured. The Navy, however, chose to treat this effort as a continuation of its evaluation of the KA-107C camera. It said the technology for the modified camera existed in the KA-107C and KA-108 cameras. Our review confirmed this. However, the changes worked out between the Navy and Zeiss resulted in a substantially different camera.

The new camera was not off-the-shelf equipment. An off-the-shelf item, according to DAR 14.001.7, is one produced and placed in stock by a contractor before receiving orders for the item. Therefore, because the camera did not exist at this point, it was not an off-the-shelf item.

By approaching this as a continuation of its original evaluation, the Navy deferred public announcement of its requirement for the new camera until September 1, 1981, when it issued a solicitation. This was the first public disclosure by the Navy of its requirement. The solicitation stated that the Navy was looking for suppliers with "off-the-shelf" equipment that met what are essentially the specifications of the new Zeiss camera. It also stated that responses were to address all conditions in the solicitation and provide certification by either government or independent laboratory of all claims regarding performance. Zeiss was the only supplier to respond to the solicitation. It was quite unlikely that any other suppliers would have a camera meeting those specifications because the Navy had been working exclusively with Zeiss to define the new camera.

CURRENT STATUS OF THE
CAMERA PROCUREMENT

On December 13, 1982, the Secretary of the Navy wrote to Senator Dixon and stated

"* * * Assuming CAI or another contractor develops a camera that satisfies the [Marine Corps'] RF-4B requirements, the Navy will welcome competition to satisfy these future requirements * * *."

The Navy, however, had awarded a multiyear contract on November 16, 1982, to Zeiss for 38 cameras, the Marine Corps total requirement. The contract provides funding for 10 cameras in fiscal year 1982, 8 in fiscal year 1983, 14 in fiscal year 1984, and 6 in fiscal year 1985.

In compliance with the Secretary's commitment, NAVAIR-547 published a source solicitation in the Commerce Business Daily during the week of July 4, 1983. The solicitation called for prospective suppliers to submit two cameras for evaluation. The evaluation will determine if the cameras perform as claimed and if approval for service use can be obtained. Zeiss is expected to submit a letter stating its cameras have been subjected to evaluation.

The Navy intends to complete the evaluation by October 15, 1983. If any of the cameras pass the evaluation and are considered competitors to the Zeiss cameras, the Navy will conduct a competition. If Zeiss loses out in the competition, the Navy will terminate that portion of the November 16, 1982, contract governing the 1984 and 1985 requirements of 20 cameras. If termination action is taken, the Navy will have to pay termination charges.

CONCLUSIONS

The Navy did not determine the willingness of potential suppliers to participate and worked exclusively with Zeiss. These actions are contrary to regulations requiring the use of competition to the maximum extent practical. Further, NAVAIR-547 disclosed specific requirements and procurement plans to Zeiss that it did not provide to U.S. suppliers. These actions are also contrary to the regulations requiring equitable treatment of potential suppliers.

NAVAIR's public announcement of its requirements and the specifications to be met by potential suppliers took place after a Zeiss prototype had been developed, delivered, and tested. These specifications were essentially those agreed to by NAVAIR-547 and Zeiss for the new camera. As a result, Zeiss was the only supplier that could have reasonably been expected to respond to the source solicitation.

As arranged with your office, we are sending copies of this report to Senator Warner. Unless you publicly announce its contents earlier, we plan no further distribution of this report until 10 days from the date of the report. At that time we will send copies to interested parties and make copies available to others upon request.

Sincerely yours,



Frank C. Conahan
Director

CHRONOLOGY OF EVENTS
LEADING UP TO THE SOLE SOURCE
CONTRACT WITH ZEISS AVIONICS SYSTEMS, INC.

1978

- June Navy visited the facilities of Carl Zeiss Oberkochen, West Germany, and recommended the KA-108 for the P-3 stand-off system. The KA-107 was recommended for test and evaluation for future consideration. It was also pointed out that over 50 percent of the system was American made (primarily ground support equipment).
- July Zeiss Avionics Systems, Inc., became a distinct corporate entity under Carl Zeiss, Inc., New York, Zeiss' American holding company.
- September A program was proposed for Navy service use evaluation of KA-107A and KA-108 cameras in RF-4B aircraft.
- October The Navy initiated purchase request for KA-107 and KA-108 cameras.
- Memorandum of understanding that exempted the Federal Republic of Germany from the requirements of the Buy American Act was approved.
- December Coordination memorandum prepared to document request for Marine Corps support for the flight test and exclusion of the Naval Air Development Center.

1979

- March Contract awarded (NOO123-79C-0495) for one KA-107A camera and KA-108 camera.
- June Amendment one to NOO123-79C-0495 changed the camera designation from a KA-107A to KA-107C.
- Unsolicited proposal for automatic test set from Zeiss.
- July A draft of the program budget to begin procurement of KA-107 and KA-108 cameras in 1982 was provided to the Naval Air Rework Facility.
- September A copy of the Marine Corps' operational requirement was provided to Naval Air Rework Facility.

1980

- January Navy letter to Zeiss "As you are aware the Navy's program plans for the KA-107 and KA-108 lead to procurement in quantity beginning in FY-82".
- May Zeiss briefed the Navy on plans for electronic camera with interchangeable lenses.
- June Flight test began on mechanical KA-107C.
- July A contract for \$320,000 to develop a universal test set was awarded sole source to Zeiss Avionics Systems, Inc. (Outcome of unsolicited proposal of June 1979.)
- September Zeiss submitted a proposal to define an electronic KA-107C.
- November Commanding General of the Third Marine Aircraft Wing requested that the Naval Air Rework Facility purchase the electronic KA-107C.
- December Zeiss prepared proposals for design modifications to the KA-107C for future production. Proposals resulted from observations by Marine, Navy, and Zeiss personnel during flight tests.
- Naval Air Rework Facility sent a representative to Germany to discuss the KA-107C modifications and to assure compliance with Navy requirements for future procurements for the RF-4B and other follow-on programs.

1981

- May Test and evaluation plan approved for electronic KA-107C.
- June A test version of the new camera was delivered to the Navy.
- Commandant of the Marine Corps approved operational requirement.
- July The Navy decided to change the universal test set to include testing the KA-107C electronic camera.
- August The Air Force completed lab tests on the new camera.

1981

September Commerce Business Daily source solicitation stating the Navy's requirements for a new camera purchase was published.

INFORMATION ON THE
QUESTIONS ATTACHED TO THE REQUEST

As requested, we are providing information that is relevant to some of the 18 questions you originally addressed to the Navy. We have used the same number for each question that was used in your original request.

Question 3

Why did naval personnel state to representatives of CAI Recon/Optical in the Spring of 1979 that the sole purpose of the initial acquisition of the Zeiss KA-107 camera was an unsolicited routine technical evaluation directed at no specific requirement?

Response

We cannot provide a definitive answer to what was or was not said during discussions between the Navy and CAI. Although NAVAIR-547 officials denied making such a statement, they could not provide any documentation (i.e., minutes of meetings, memoranda of records, or informal notes) to indicate that they had not. Similarly, CAI officials could not provide documentation indicating they had made specific inquiries.

Question 4

Was there collusion between naval personnel and Zeiss to the exclusion of U.S. industry?

Response

We did not find evidence of collusion or conflict of interest. However, as discussed in the report, we did find that the Navy's actions precluded U.S. camera manufacturers from a fair chance to decide whether they wanted to compete.

Question 5

What is the Navy's justification for (a) awarding to Zeiss in July 1980, a \$320,000 sole source contract for an automatic test set for the KA-107/KA-108 cameras, and (b) developing with Zeiss and approving in April 1981 an Integrated Logistics Support Plan for the KA-107C camera, when the Navy admits the Marine Corps formal request for a new camera was not made until June 1981?

Response

- (a) The \$320,000 contract awarded in July 1980 was for the development of a universal test set that could test all cameras. These test sets are being purchased under the

November 1982 camera contract. However, we found that in June 1979, Zeiss submitted an unsolicited proposal for unique test equipment to the NAVAIR- 547 technical specialist who then sent it to the North Island Naval Air Rework Facility. The unique test equipment could only be used to test the KA-107 and KA-108 cameras. In August 1979, Zeiss awarded a letter contract to TRICOR Systems, Incorporated, its subcontractor, to begin development of the unique test equipment. Between August 1979 and July 1980, an official of the Naval Air Rework Facility advised Zeiss that the Navy was interested in the universal test set, not in the unique test equipment. Zeiss then advised TRICOR that its development should lead to a universal set. The Navy then awarded the July 1980 sole-source contract to Zeiss for the development of the universal test set.

- (b) An integrated logistics support plan is required for all procurements. Usually, a support plan is not prepared until the requirement has been formally approved. However, the process of obtaining formal approval for the operational requirement (the camera) was initiated by the Commanding Officer of the Marine Corps reconnaissance squadron located in El Toro, California, in March 1980. In fact, a draft of the requirement had been provided to the North Island Naval Air Rework Facility in September 1979 to aid it in planning the test and evaluation of the KA-107 and KA-108 cameras scheduled for May 1980. The Commanding Officer forwarded the operational requirement to the Commanding General, Third Marine Aircraft Wing, for endorsement. The Commanding General approved the requirement in April 1980 and submitted it to the Commandant, Headquarters, Marine Corps. Since the Commandant did not approve the requirement until June 1981, there was a delay of 14 months. One reason for this delay, according to one Marine Corps headquarters official, was that the requirement was misplaced. Another headquarters official stated that if the approval took 14 months, the requirement probably did not have a high priority. Since the process of obtaining approval for the operational requirement was initiated in March 1980, it appears NAVAIR-547 obtained agreement with Zeiss on a support plan under the assumption that formal approval would subsequently be obtained.

Question 12

Why did the Navy proceed without informing Congressional representatives as the Navy had promised to do with further flight tests of the Zeiss camera in September 1982, when Assistant Secretary Pyatt explicitly stated to the Congressional delegation that there would be no further activity of any kind on this procurement until the delegation's questions were resolved?

Response

NAVAIR-547 officials believed that the Assistant Secretary meant no further procurement action would be taken and that this agreement did not extend to flight test activity. These officials stated that funds had already been committed for the September 1982 flight test.

Question 13

In the Determination and Findings (D&F) required by the Armed Services Procurement Act of 1947 and the implementing Defense Acquisition Regulation, what basis is cited as justifying a sole source procurement to Zeiss? When was the D&F signed? By whom?

Response

There were two D&Fs prepared for the camera procurement. One D&F, dated April 12, 1982, justified awarding a multiyear contract on a sole-source basis. It was signed by Paul H. Reid, Contracting Officer, and approved by Colonel Alan R. Williamson, Director, Contracting and Manufacturing, Ogden Air Logistics Center, Ogden, Utah. The D&F states "(ii) the items are expected to be obtainable only from a sole source, Zeiss Avionics Systems, Inc. during the entire multiyear period. (See attached sole source justification.)" The sole-source justification referred to was a Navy Military Interdepartmental Purchase Request (MIPR).

Because the Air Force is the buyer of all aerial reconnaissance cameras for the Department of Defense, the Navy submitted a MIPR to the Air Force, requesting the procurement and justifying the sole-source award to Zeiss. Air Force personnel did not question the sole-source justification even though reconnaissance cameras had been purchased for many years from CAI and this was Zeiss's first contract, they said that they do not normally question Navy MIRPs, however, they agreed it would have been appropriate to do so.

The sole-source justification relied on by the Air Force states:

"* * * the sole source procurement of the K-107C is justified based on (a) the absence of an alternate supplier of the type camera required, (b) the dollar value of the procurement versus the cost of RDT&E plus procurement, and (c) the small force level (i.e. 28 A/C) and programmed service life of the host aircraft, the RF-4B. (RDT&E would not result in the delivery of a production item until the RF-4B phase out).* * *"

The second D&F, dated October 12, 1982, was signed by James C. McCowan, Contracting Officer, and approved by Captain Debra A. Blagg, Chief Photographic Section, Directorate of Contracting and Manufacturing, Ogden Air Logistics Center. This D&F justified using the negotiation method of procurement instead of formal advertising.

When we asked why Paul H. Reid did not remain the contracting officer through contract award, Air Force officials stated that he was transferred to another group.

Question 14

Why is the Navy continuing to insist that only the KA-107C camera meets the RF-4B requirements, knowing of the problems with the Zeiss camera, when CAI can produce a competitive camera satisfying the Navy's publicly stated criteria and meeting the Navy's announced production delivery schedule?

Response

The Navy is not buying the original KA-107C but rather a KS-153A that Zeiss specifically designed to meet Navy/Marine Corps' needs. As explained on page 5 the Navy's approach evolved from testing the existing KA-107C and KA-108 cameras to developing a new camera with Zeiss. The Navy referred to this new camera as a KA-107C. However, the Air Force, in preparing the justifications for a sole-source contract award to Zeiss, designated the camera as KS-153A.

As to whether CAI can produce a competitive camera, the Navy has stated that it will hold a competition if CAI produces a camera that meets the stated criteria.

Question 17

With respect to the Navy's assertion that the sole source contract with Zeiss Avionics captures the majority of total price for U.S. business and provides for production expansion and technology transfer to Tricor Systems, Inc. located in Dundee, Illinois, has the Navy satisfied itself that such offers are credible?

Response

As indicated earlier (see questions 5), Zeiss had awarded Tricor a letter contract for test equipment in August 1979, earlier than your inquiries. The Navy provided data indicating U.S. suppliers would receive about 57 percent of the total

contract price and Zeiss of Germany would receive about 43 percent (\$5,130,000). Of this amount, \$700,000 is for materials and camera components purchased from U.S. vendors. The camera is produced and/or assembled 100 percent by Zeiss of Germany. The remainder of the contract price, about \$5,000,000, is for sub-contracts awarded by Zeiss Avionics of California to U.S. suppliers. The data, as presented, assumes the currency fluctuation provision contained in the contract will have no impact on payments.

We did not verify the data because it was received late in our review.

Question 18

Has the Navy at any time disclosed sensitive or classified information to Zeiss Avionics, a company owned and controlled by the Carl Zeiss Foundation of Germany?

Response

NAVAIR-547 officials, North Island Naval Air Rework Facility personnel, and the contracting officers said that there was no classified information relating to the contract. In addition, we did not observe any classified information or documents during the course of our review.



RESEARCH AND
ENGINEERING

THE UNDER SECRETARY OF DEFENSE

WASHINGTON D C 20301

18 AUG 1983

Mr. Frank C. Conahan
Director, National Security and
International Affairs Division
U.S. General Accounting Office
Washington, D.C. 20548

Dear Mr. Conahan:

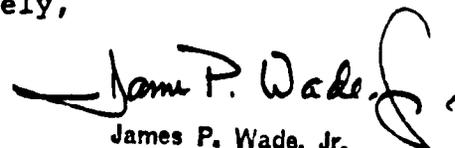
This is the Department of Defense (DoD) response to your letter to the Secretary of Defense transmitting the General Accounting Office (GAO) draft report, "Sole Source Award of a Contract for Aerial Reconnaissance Cameras to Zeiss Avionics Systems, Inc.," (GAO Code No. 942241/OSD Case No. 6307).

Based on DoD's review of this procurement, it has been concluded that while no illegalities have occurred, the lack of documentation to support the Navy's assertions gives rise to an appearance of bias. Accordingly, the Navy will be requested to investigate the adequacy of its guidance to nonprocurement personnel on the preferred means of conducting engineering development and requirements definition activities involving the private sector and to take any necessary corrective action.

The Navy and all other procuring activities will be advised that in the future, for any procurement where there is an appearance of bias and the acquisition record cannot be adequately documented, the case will be thoroughly evaluated with a view toward possible cancellation.

Your interest in bringing this matter to our attention is appreciated.

Sincerely,


James P. Wade, Jr.
Acting

(942241)

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