

DOCUMENT RESUME

05217 - [B0525437]

*Relegated  
2/28/78*

Review of Air Force Award Procedures concerning Repair Contracts of J75 Afterburner Cylinders. PSAD-78-78; B-146874. February 16, 1978. Released February 23, 1978. 2 pp.

Report to Rep. William R. Cotter; by R. W. Gutmann, Director, Procurement and Systems Acquisition Div.

Issue Area: Federal Procurement of Goods and Services (1900).

Contact: Procurement and Systems Acquisition Div.

Budget Function: National Defense: Department of Defense - Procurement & Contracts (058).

Organization Concerned: Birken Mfg. Co.; Department of the Air Force; Department of the Air Force: Air Logistics Center, Oklahoma City, OK.

Congressional Relevance: Rep. William R. Cotter.

Birken Manufacturing Company indicated that the Air Force improperly prevented it from competing because it was not a qualified repair source even though the company and its predecessor were the original manufacturer of the items. Officials at the Oklahoma City Air Logistics Center where the repair contracts were awarded stated that, under the center's procedures, the normal qualification requirement for Birken would have been waived if no other qualified firm was available. However, another firm qualified and had received sole-source repair contracts for several years. According to center personnel, the ability to manufacture an item does not assure the ability to repair it. The Air Force contract award and qualification procedures were generally adequate, but activities requiring repair services should qualify more than one source, if possible, and this was not done by the center. Qualification testing of Birken's repair process has been initiated and, if it is satisfactory, the company will be allowed to compete in future repair contracts. (HTW)

5437



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

**RESTRICTED** — Not to be released outside the General Accounting Office except on the basis of specific approval of the Director of Congressional Relations.

FEB 16 1978

B-146874

The Honorable William R. Cotter  
House of Representatives

RELEASE 1)  
2/23/78

Dear Mr. Cotter:

Your August 26, 1977, letter requested that we investigate the Air Force procedures for awarding contracts to repair J75 afterburner cylinders. Birken Manufacturing Company, your constituent, indicated to you that the Air Force improperly prevented it from competing because it was not a qualified repair source even though Birken and its predecessor company were the original manufacturer of the cylinders and components.

We examined the contract files and procedures at the Oklahoma City Air Logistics Center where the repair contracts were awarded. Center officials informed us that under its procedures, the normal qualification requirement for Birken would have been waived based on its being an original manufacturer, if no other qualified firm was available. However, Union Carbide Corporation qualified and had received annual sole-source repair contracts for several years. Air Force personnel at the center told us that their experience proved that the ability to manufacture a new item does not assure an ability to repair the item. Until Birken's inquiry early in 1977, no other firm had expressed an interest in qualifying.

The Air Force contract award and qualification procedures generally appear adequate. However, activities requiring repair services are supposed to, if possible, qualify more than one source; this was not done by the center. Since the date of your request, Birken and the center have initiated qualification testing of Birken's repair process and the results should be available at the end of March 1978. If Birken repairs two cylinders to the satisfaction of the center, the Air Force will allow it to compete in future repair contracts.

PSAD-78-78  
(950443)

- - - -

We discussed our findings with Air Force personnel at the center, and they generally agreed with them. As arranged with your office, we are sending copies to interested committees and to affected parties, with further distribution to the public 7 days after the issue date.

Sincerely yours,

A handwritten signature in black ink, appearing to read "R. W. Gutmann". The signature is written in a cursive style with a horizontal line underlining the name.

R. W. Gutmann  
Director