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B-134277, Dec. 18, 1957

Number: B-134277

Date: 1957-12-18

B-134277, DEC. 18, 1957

TO HONORABLE H. V. HIGLEY, ADMINISTRATOR, VETERANS ADMINISTRATION:

REFERENCE IS MADE TO YOUR LETTER DATED NOVEMBER 25, 1957, FORWARDING CERTAIN INFORMATION IN CONNECTION WITH CONTRACT NO. V1005P-7125 WITH WORTHY CHEMICALS, INC.

WE ARE ENCLOSING A COPY OF OUR LETTER OF TODAY TO THE HONORABLE CHET HOLIFIELD IN THIS MATTER. AS INDICATED THEREIN, NO PRESENT ACTION BY THIS OFFICE IS CONTEMPLATED. HOWEVER, WE NOTE THAT A COPY OF VETERANS ADMINISTRATION SPECIFICATION NO. 6020100 WAS NOT TRANSMITTED WITH YOUR LETTER OF NOVEMBER 25, 1957, AND WE ARE UNABLE TO DETERMINE WHETHER CONSIDERATION HAS BEEN OR IS BEING GIVEN TO THE PRINCIPAL QUESTION RAISED BY URELL, INC., NAMELY, WHETHER A SOLUTION AS CONCENTRATED AS THAT FURNISHED BY WORTHY CHEMICALS IS CAPABLE OF STORAGE WITHOUT DETERIORATION. IT IS ASSUMED, FROM YOUR STATEMENT THAT ALL REPLACEMENT MATERIAL HAS BEEN SATISFACTORY AND IN CONFORMANCE WITH YOUR AGENCY SPECIFICATIONS, THAT SOME ADEQUATE METHOD OF TESTING THE KEEPING QUALITIES OF THE SOLUTIONS HAS BEEN APPLIED, IT BEING NOTED THAT THE REPORT OF THE BUREAU OF STANDARDS FORWARDED WITH YOUR LETTER STATED THAT NO DETERMINATION HAD BEEN MADE AS TO CONFORMITY OF THE SAMPLES TESTED WITH THAT REQUIREMENT.

IT IS ALSO NOTED THAT YOUR REPORT INDICATES THE CENTRAL OFFICE WAS NOT AWARE, AT THE TIME CONTRACT NO. V1005P-7125 WAS AWARDED, THAT DEFECTIVE MATERIALS HAD PREVIOUSLY BEEN DELIVERED BY THE CONTRACTOR UNDER AWARDS DATED MAY 8, 1956, AND JANUARY 3, 1957. LACK OF SUCH INFORMATION IS ATTRIBUTED TO THE TIME LAG BETWEEN DELIVERIES TO YOUR SUPPLY DEPOTS AND SUBSEQUENT DELIVERIES THEREFROM TO YOUR USING STATIONS. SUCH ADVICE INDICATES THAT PURCHASES ARE BEING MADE AND MATERIAL CARRIED IN STOCK FOR MORE THAN A YEAR PRIOR TO ISSUANCE FOR USE. THIS RAISES SERIOUS QUESTIONS BOTH AS TO THE ADVISABILITY OF BUYING MATERIALS OF THIS NATURE MORE THAN A YEAR IN ADVANCE OF PRESENT NEEDS, AND AS TO COMPLIANCE WITH THE RULE THAT APPROPRIATIONS ARE AVAILABLE ONLY FOR BONA FIDE NEEDS OF THE CURRENT FISCAL YEAR. ACCORDINGLY, IT IS SUGGESTED THAT YOUR PRESENT PROCUREMENT AND INSPECTION PROCEDURES BE REVIEWED, AND THAT SOME MEASURES BE ADOPTED TO PREVENT SUCCESSIVE AWARDS IN THE FUTURE TO A CONTRACTOR WHO HAS DELIVERED OR IS IN THE PROCESS OF DELIVERING DEFECTIVE MATERIALS UNDER PRIOR CONTRACTS.

WITH RESPECT TO THE ERROR IN BID EVALUATION WHICH RESULTED IN THE AWARD OF CONTRACT NO. V1005P-7125 TO WORTHY CHEMICALS, WE BELIEVE THAT REPETITION OF SUCH ERRORS COULD BE EXTREMELY DETRIMENTAL TO PUBLIC CONFIDENCE IN OUR COMPETITIVE BIDDING SYSTEM. ACCORDINGLY, IT IS SUGGESTED THAT YOUR PRESENT EVALUATION PROCEDURES BE REVIEWED WITH A VIEW TO MINIMIZING THE POSSIBILITY OF ERRORS OF THIS NATURE IN THE FUTURE.