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*Wardell*

**DECISION**



**THE COMPTROLLER GENERAL  
OF THE UNITED STATES**  
WASHINGTON, D. C. 20548

FILE: B-205680

DATE: April 20, 1982

MATTER OF: Stancil Corporation

*21564*

**DIGEST:**

Sole-source procurement is adequately justified on bases of standardization and interchangeability which result in cost savings of over \$1 million due to standard spare parts inventory and protester has not shown its product to be mechanically or electrically interchangeable. Also, purchase could not be made from Federal Supply Schedule contract because of Maximum Order Limitation therein.

Stancil Corporation (Stancil) protests the Federal Aviation Administration's (FAA) proposed sole-source procurement of forty-four 10-channel and forty-seven 20-channel Magnasync/Moviola Corporation (Magnasync) recorders and reproducers, with an option for 24 more of each type, pursuant to request for proposal (RFP) No. 81-27390.

We find Stancil's protest to be without merit.

The history of this sole-source procurement began in early 1978 when the FAA decided that it should make a determination in regard to whether standardization of recorders and reproducers in its Air Traffic Control and Flight Service Station facilities and interchangeability of parts were necessary and in the public interest. At that time, the FAA tested and evaluated recorders manufactured by Magnasync, Stancil and Dictaphone Corporation. The result was that only Magnasync satisfied the FAA's minimum requirements, including compatibility with existing recording systems.

On April 17, 1978, a Determination and Findings (D&F), pursuant to the Federal Property and Administrative Services Act of 1949, §§ 302(13) and 307, 41 U.S.C. §§ 252(c)(13) and 257 (1976), was made to standardize the FAA's recorders and reproducers and authorized the negotiation of contracts for the equipment. But, this D&F did not authorize any procurements on a sole-source basis. Subsequently, 350 Magnasync recorders were procured by the FAA. It was the FAA's position, as set forth in its D&F, that standardization of the recording system would save approximately \$1,035,000 concerning inventory maintenance of space modules and parts (common and peculiar) for the period covered by the D&F. In addition, training costs would be reduced.

The FAA, on June 23, 1981, issued a Sole-Source Justification which provided that this negotiated procurement should be made on a sole-source basis to Magnasync because that firm's recorders and reproducers met the existing system requirements and were compatible with the existing recording systems. Also, the tape recording reels from other recording systems could not be utilized in the existing system. Furthermore, the FAA stated:

"There is no other equipment commercially available to fill the requirement. [Magnasync] is the only source for this equipment."

Stancil's position is that it manufactures equal or superior recorders and reproducers that are also interchangeable and compatible with the existing system and probably would cost less. Stancil objects to the FAA's determination that its equipment would not meet the requirements of this procurement. Stancil further argues that the sole source eliminates competition, does not serve the public interest and questions the FAA's failure to use the General Services Administration's (GSA) Federal Supply Schedule (Schedule) for the procurement of this equipment. Stancil's final objection is that the FAA should not have relied on the April 17, 1978, D&F as justification for negotiation and the subsequent sole-source procurement.

Under the authority of 41 U.S.C. § 252(c)(10) (1976) and Federal Procurement Regulations (FPR) § 1-3.210(a)(1) (1964 ed, circ. 1), agencies are permitted to conduct sole-source procurements. However, because of the requirement for maximum practical competition in the conduct of Government procurements, agency decisions to procure sole source must be adequately justified and are subject to close scrutiny. Precision Dynamics Corporation, 54 Comp. Gen. 1114 (1975), 75-1 CPD 402. These decisions will be upheld if there is a reasonable or rational basis for them. Winslow Associates, 53 Comp. Gen. 478 (1974), 74-1 CPD 14. We have recognized the propriety of a sole-source procurement where only one source of supply can provide an item that is compatible and interchangeable with existing equipment. Precision Dynamics Corporation, supra.

Following the submission of an unsolicited proposal from Stancil, the FAA performed a technical review of the interchangeability of component parts between the Stancil and Magnasync recorders. The review disclosed that the tape reels on the Magnasync recorder are mounted vertically, while a horizontal mount was used on the Stancil recorder. In addition, the tape transport assemblies and card rack assemblies were different and not mechanically interchangeable and the amplifier circuit board assemblies of each differed in physical size and electronics on the printed circuit boards (PCB's). The FAA points out that the number of pins on the PCB's and the pin connections is different. Therefore, the PCB's are not interchangeable. Moreover, the FAA compared other PCB's in Magnasync's Technical Manual with the unsolicited Stancil proposal and found no common or similar PCB's. The FAA concluded that the Stancil recorders did not comply with the standardization requirements of the D&F since its recorders were not mechanically and electrically interchangeable with the Magnasync recorders or spare modules and parts (common and peculiar).


Based on our review of the record, we find that the FAA has reasonably justified its need for interchangeability and standardization because of the cost saving in maintaining a single manufacturer's

spare parts inventory. Moreover, it appears that Stancil's recorders and component parts are not interchangeable with Magnasync's.

Concerning the use of the GSA's Federal Supply Schedule contract, the size of the instant procurement exceeded the maximum order limitation contained in that contract. However, while withholding the basic award pending the resolution of this protest, the FAA has advised that due to an urgent requirement, safe control and operations of aircraft within the National Airspace System and pursuant to FPR § 1-2.407-8(b)(4)(i) (1964 ed., amend. 68, Jan. 1970), a delivery order has been issued to Magnasync under its current Schedule contract for eight 20-channel recorders and seven 20-channel reproducers. The latter method was utilized since the amount of the order was less than the \$250,000 Maximum Order Limitation.

Finally, regarding the propriety of the 1978 D&F as the basis for this sole-source procurement, as noted above, on June 23, 1981, the FAA issued a separate sole-source justification for this procurement, which we find adequate.

The protest is denied.

for   
Comptroller General  
of the United States