DECISION

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

FILE: B-216651 DATE: February 11, 1985

MATTER OF: Sooner Defense of Florida, Inc.

DIGEST:

1. Participation in an Industrial Mobilization Base does not guarantee award of any of an agency's current requirements.

2. Award of a sole-source contract is justified when there is only one producer which can meet the government's delivery schedule requirements.

Sooner Defense of Florida, Inc. (Sooner) protests the modification of an existing Honeywell, Inc. contract (No. DAAA09-84-G-0022/00101) with the Army for M758 ammunition fuzes which substantially increased the quantity of fuzes to be acquired under the contract. We deny the protest.

Sooner and Honeywell are both listed by the Department of the Army as Industrial Mobilization Base producers of the M758 fuze. Honeywell designed the fuze and has always been a producer. The Army is developing Sooner as a second source. To that end, the Army issued a contract to Sooner in February 1983 for 300,000 fuzes. The balance of the fiscal year (FY) 1983 requirement and a small initial quantity of the FY 1984 requirement were later awarded to Honeywell. In September 1984, the Army modified Honeywell's contract to provide for an additional 1,058,256 fuzes. In effect, the Army has procured its entire FY 1984 requirement of 1,272,588 fuzes from Honeywell on a sole-source basis.

The Army takes the position that its delivery schedule dictated the award of the entire FY 1984 requirement to Honeywell. The Army argues that the delivery schedule was critical because the fuze is supplied as government furnished material (GFM) to ammunition producers and that stocks of the fuzes were depleted which caused the Army to

be late in furnishing GFM to those producers. The Army contends that Sooner was experiencing performance problems under its FY 1983 contract, causing it to be delinquent under that contract. Therefore, in the Army's opinion, Sooner was not a viable source to meet the Army's critical delivery schedule.

Sooner attributes its problems under its FY 1983 contract to allegedly defective Army-furnished specifications. The thrust of this argument appears to be that, but for the problems caused by the government's defective specifications, Sooner would have been successful under its FY 1983 contract. In substance, Sooner contends that the sole-source to Honeywell could not be justified since there would have been two known sources were it not for the Army's own defective specifications. In addition, Sooner points out that it costs the government more to procure the entire FY 1984 requirement from Honeywell since the Honeywell price is approximately 25 percent higher than Sooner's. Sooner also argues that a part of the FY 1984 fuze requirement should have been awarded to it because it is an Industrial Mobilization Base producer of the fuze and it needs the award to maintain an active production line.

We have held that an entire fiscal year requirement can be awarded to one of several Industrial Mobilization Base producers regardless of the impact on dormant producers. See National Presto Industries, Inc., B-195679, Dec. 19, 1979, 79-2 CPD ¶ 418. Although sole-source procurements are subject to close scrutiny, we will not object to a sole-source unless it is shown that the agency acted without a reasonable basis. A sole-source award is justified where time is of the essence and only one known source can meet the government's needs within the required time. S.A.F.E. Export Corp., B-207722.2, Apr. 5, 1983, 83-1 CPD ¶ 358.

We conclude that the Army reasonably determined that a sole-source award to Honeywell was justified. The protester does not contest the Army's position that the fuzes were urgently needed to support the Army's obligation to the ammunition producers. At the time the decision was made to procure the entire FY 1984 requirement from Honeywell, Sooner had not demonstrated to the Army that it could successfully produce the fuzes, regardless of the

reasons for the failure, which had been neither identified nor resolved at that time. We note that this question is presently the subject of a disputes proceeding. Given the uncertainty about Sooner's ability to perform at the time the decision was made, the Army acted reasonably in procuring this urgent requirement from Honeywell on a sole-source basis. See Introl Corp., B-210321, June 1, 1983, 83-1 CPD ¶ 591.

The protest is denied.

for Comptroller General
of the United States