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

RELEASED

INTERNATIONAL DIVISION

DECEMBER 10, 1980

B-199954

The Honorable Charles H. Percy  
United States Senate



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Dear Senator Percy:

Subject: [Evaluation of General Binding Corporation Inquiry] (ID-81-17)

This is in response to your letter of October 23, 1980, requesting our evaluation of comments made in a letter of September 10, 1980, from the General Binding Corporation. The Corporation's letter raises certain questions and makes various assertions, including that they are

"\* \* \* confident that it can immediately supply to the State Department a laminate with better security features than those of Data Guard at a lower cost than that being presently paid by the U.S. government. \* \* \*

We do not have the technical expertise necessary to determine the validity of the various assertions made and the merits of the Corporation's statement that they could deliver a product that would meet Department requirements.

In our August 21, 1980, letter (ID-80-56) to you we concluded the State Department complied with the applicable statutory and regulatory requirements for the award of a sole-source contract. Information given in the September 10, 1980, Corporation letter would not alter this opinion. We appreciate the Corporation's concern for being able to compete for a contract with an estimated \$6.5 million potential sales over the next 10 years for laminates to be used to secure passport information.

As stated in our August 21, 1980, letter, the laminate contract with the 3M Company expired on July 26, 1980. At that time, no decision had been made whether a sole-source or competitive contract would be used to satisfy future laminate requirements, however, the State Department contracting office indicated that future requests for a sole-source contract for lamination material would have to be justified on the basis of a review of currently available products which meet the requirements of the Department.

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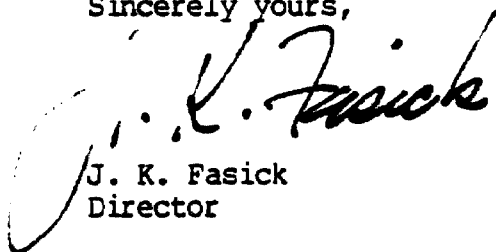
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In November 1980, the Department informed us that they would expect to develop a Request for Proposal to meet laminate requirements after the Travel Document Issuance System (TDIS) has been accepted in the Washington Passport Agency. The acceptance test is scheduled for February 1981. At such time that the Department requires additional lamination materials, the General Binding Corporation would have the opportunity to present to the Department the product that they could currently provide to satisfy the Department's laminate needs.

You also requested being brought up to date on any further developments with regard to the TDIS. Currently, we have a self-initiated review in progress on the operation of the Department of State Office of Passport Services. Included in the scope of this review is the TDIS. We will include you on the distribution for a copy of our report which we plan to issue in early 1981.

Sincerely yours,

A handwritten signature in black ink, appearing to read "J. K. Fasick". The signature is written in a cursive style with a large, sweeping initial "J".

J. K. Fasick  
Director