

DOCUMENT RESUME

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[Investigations of Allegations Regarding Army Practices in Purchasing Language Laboratory Systems for Use by Foreign Countries]. PSAD-77-104; B-188636. April 28, 1977. 6 pp.

Report to Sen. Henry Bellmon; by Elmer B. Staats, Comptroller General.

Issue Area: Federal Procurement of Goods and Services:  
Definition of Performance Requirements in Relation to Need of the Procuring Agency (1902).

Contact: Procurement and Systems Acquisition Div.

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

Organization Concerned: Department of Defense; Department of the Army; Educational Media Div., Oklahoma City, OK; General Electronics Labs.

Congressional Relevance: House Committee on Armed Services; Senate Committee on Armed Services. Sen. Henry Bellmon.

Allegations were made by James J. Goodin of Educational Media Division, Oklahoma City, regarding certain Army practices in purchasing language laboratory systems for use by foreign countries. The allegations were: (1) that Army specifications were restrictive because they specified system features exclusive to the successful bidder's equipment; (2) that because three-motor reel-to-reel tape transports were generally not available, serious restrictions on competition for future purchases and future availability of spare parts were caused; and (3) that reel-to-reel transports are obsolete and a cassette tape recorder system might be more economical for language use training. Findings/Conclusions: The Army's specifications were not restrictive to equipment manufactured by the successful bidder. American manufacturer's three-motor reel-to-reel tape transports suitable for language laboratory system use are available as a special-order item. However, there was no documented evidence that reel-to-reel equipment is superior to cassette equipment for overseas use. Recommendations: The Secretary of the Army should conduct an impartial study to determine whether reel-to-reel or cassette tape transports are more suitable for use in foreign as well as domestic language laboratory systems. (SC)

02032



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

B-188636

APR 28 1977

The Honorable Henry Bellmon  
United States Senate

Dear Senator Bellmon:

In response to your June 30, 1976, request, we investigated allegations made by James J. Goodin, Vice President of Educational Media Division, Oklahoma City, Oklahoma, regarding certain Army practices in purchasing language laboratory systems for foreign countries' use. Goodin's allegations were as follows:

- Army specifications were restrictive because they specified the use of three-motor reel-to-reel tape transports and other system features exclusive to the successful bidder's equipment.
- Because three-motor reel-to-reel tape transports were generally not available, serious restrictions on competition for future purchases and future availability of spare parts were caused.
- Reel-to-reel tape transports are obsolete and a cassette tape recorder system might be more economical for language training use.

LANGUAGE LABORATORY SYSTEMS

The language laboratory system, an electronic teaching aid for language students, is used in classroom settings. The system has an instructor's console and up to 60 student positions. By using the system, students hear sounds of the language they are learning and immediately repeat those sounds into the recorder. Students can then compare their speech sounds with correct prerecorded sounds, thus speeding up the learning process.

The Sacramento Army Depot's Procurement Division has been designated to procure, ship, and install language laboratory systems in support of the Department of Defense's Military Assistance Services Funded Program and Security Assistance Program. Technicians at the Television-Audio Service Agency, which is located at the Sacramento Depot, handle inquiries from foreign countries concerning the procurement, installation, and maintenance of the systems.

PSAD-77-104

The technicians at the Agency also develop and prepare the technical equipment specifications used by the Procurement Division. The Defense Language Institute, at Lackland Air Force Base, Texas, has primary responsibility for (1) providing taped lesson material and (2) setting classroom-type language laboratory system requirements.

ALLEGATION THAT SPECIFICATIONS  
ARE RESTRICTIVE

The requirement for a three-motor reel-to-reel tape transport was first included in the Army specifications referenced in Invitation for Bids (DAAG08-75-B-0252), issued in April 1975. This requirement was developed because of the Army's technical opinion that three-motor, solenoid-operated tape transports were required to achieve needed reliability and maintenance requirements.

Technicians at the Agency told us that, although one-motor tape transports might meet operating specifications initially, the reliability of a mechanical linkage system greatly decreases with an increase in the frequency of use. We were also told that a one-motor tape transport's fast forward and rewind functions are too slow. Furthermore, they said that the mechanical stop/start of the tape sometimes causes tape spillage and breakage, which may prevent students from completing their lessons on time.

Both Defense Language Institute and Agency representatives told us they believe that the three-motor tape transports are more suitable for language laboratory applications than single-motor tape transports. When we found no studies, trip reports, maintenance reports, letters, or other documents supporting their belief, we asked them for the basis of their opinion. They replied that it was based on their experience.

We analyzed Army language laboratory system specifications for 1969 through 1976 to determine whether the specifications described equipment manufactured only by General Electronics Laboratories, the successful bidder. Defense Language Institute representatives told us that the specifications may appear to favor Laboratories because Laboratories' tape recorders were made to the Institute's specifications under contracts awarded in 1966 and 1969.

The technicians at the Television-Audio Service Agency maintain that the Army's specifications and requirements do not describe equipment manufactured only by Laboratories. They believe the specifications simply describe medium-duty tape recorders, basic audio consoles, and components assembled with adequate quality standards.

We did not find that the Army's specifications were restrictive to equipment manufactured by Laboratories because two other manufacturers can produce the tape transports. Laboratories, however, has been providing language laboratory systems manufactured to the Army's specifications for over 10 years. During that time, Laboratories has been willing to modify its equipment to meet changes in Army specifications. It has made changes to equipment anticipating the Army's needs.

ALLEGATION THAT THREE-MOTOR REEL-TO-REEL TAPE TRANSPORTS ARE NOT GENERALLY AVAILABLE

While we found that American manufacturer's three-motor reel-to-reel tape transports suitable for language laboratory system use are not available as a catalog, or "off-the-shelf," item they are available as a special-order item.

In addition to Laboratories, two manufacturers, Telex Communications, Inc., of Minneapolis, and REN Industries, Inc., of Chicago, told us that they can, and will, manufacture these tape transports to Army specifications as original equipment manufacture items if orders are placed with them. However, representatives of both companies informed us that they would have to review the specifications before estimating a unit price. This availability of three-motor reel-to-reel tape transports appears to satisfy Government requirements for competitive bidding.

During our visit to Laboratories in Boston, Massachusetts, company officials told us that they are working from an existing inventory of three-motor reel-to-reel tape transports. They said that, in the case of two Army contracts, they bid at about their break-even point. Laboratories officials also told us that when their current inventory of these tape transports is depleted, they will replenish it through a production run of new tape transports.

Laboratories appears to have a competitive advantage because it can manufacture these tape transports used in its equipment. On the other hand, Educational Media Division must purchase tape transports and add a margin for profit and overhead to any suppliers' price.

ALLEGATION THAT THE REEL-TO-REEL TAPE TRANSPORT IS OBSOLETE

We found that, in addition to Goodin's company, three other vendors had complained that the reel-to-reel tape transports were obsolete and unavailable and had recommended that

consideration be given to substituting a cassette system. The reason for this recommendation was availability, price, and ease of use.

Both Institute and Agency officials agree that efforts to improve the general state of the art in manufacturing tape recorders have been directed toward the cassette. In fact, as indicated earlier, suitable American-made reel-to-reel tape transports were not available from suppliers except as special-order items. Institute officials pointed out that a language school in Monterey, California is currently replacing all portable reel-to-reel student recorders with portable cassette recorders for both classwork and homework use. If their experience is good, they anticipate that all classroom reel-to-reel tape transports will eventually be replaced with cassette transports.

Institute and Agency officials said that while the development of tape recording equipment is now geared toward cassettes, cassette language laboratory systems are not suitable for overseas use. They contend that, because of the lack of qualified maintenance personnel overseas and because foreign students are unfamiliar with mechanical and electronic devices, sturdy and easily maintained equipment--including well-made three-motor reel-to-reel tape transports--is needed for overseas use.

However, we could not find documented evidence, such as studies, evaluations, comparisons, maintenance reports, letters, or trip reports supporting the assertion that reel-to-reel equipment is superior to the cassette type. Agency officials did say that if the Institute should require cassette tape transports for overseas use they would develop appropriate specifications insuring that the Government receives a good product. They anticipated that within 3 to 5 years they will be buying cassette systems. Agency officials said that the Institute's software, which is based on the use of reel-to-reel tape transports, would not permit the immediate use of the cassette tape transport.

We pointed out that the same foreign governments whom the Agency and the Institute insisted require three-motor reel-to-reel tape transports in their language laboratories purchased cassette systems in the open market. Institute officials told us that while they have no control over what foreign governments buy in the open market, when these governments ask the U.S. Government to buy them the best equipment available, the Institute must supply three-motor reel-to-reel tape transport systems.

## ARMY COMMENTS

We discussed our findings with Sacramento Depot officials, who were particularly concerned with our findings, and Television-Audio Service Agency officials.

Sacramento Depot officials agreed with our conclusion that the Agency had not supported its determination that the three-motor reel-to-reel tape transport represented the Government's minimum requirements. They expressed a desire to avoid further controversy and to settle this issue equitably. As a result, they told us they will (1) not award additional contracts at this time except for three systems for which procurement cannot be delayed and (2) submit the matter for a decision by a higher authority.

Agency officials disagreed with our conclusions. They believe that by processing a procurement calling for a substantial number of systems using the three-motor reel-to-reel tape transport, a sufficient bidder response would be generated assuring adequate competition. Further, Agency officials were convinced that the three-motor reel-to-reel tape transport currently represents the Government's minimum needs. The Agency believes that if an evaluation was conducted it would find the cost of the cassette tape transports equal to the cost of the reel-to-reel tape transports.

## CONCLUSION

We have consistently held that the drafting of specifications to meet the Government's minimum needs is the proper function of the procuring agency. We do not question an agency's determinations unless there is a showing that these determinations have no reasonable basis. In this case we saw no documented evidence supporting the Agency's determination on the cassette versus reel-to-reel issue. In our opinion consideration should be given to using cassette tape transports for foreign language laboratory systems.

According to officials at the Sacramento Army Depot, there will be a continuing need to purchase these systems for installation in foreign countries. In this regard the Depot has been requested by the Agency to award a contract to meet these requirements; however, the request again specifies three-motor reel-to-reel tape transports. As noted above, Depot procurement officials said that they were not planning to take any action on the request pending advice by higher command.

RECOMMENDATION

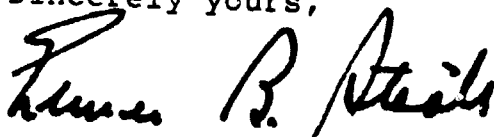
We recommend that the Secretary of the Army conduct an impartial study to determine whether reel-to-reel or cassette tape transports are most suitable for use in foreign as well as domestic language laboratory systems.

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As your office directed, we did not obtain written comments from the Department of Defense on this report. This report contains a recommendation to the Secretary of the Army which is set forth above.

We are sending copies of this report to the Secretaries of Defense and the Army. As agreed with your office, we are sending copies of this report to Senators Brooke and Kennedy. Copies are also being sent to the Chairmen, House and Senate Committees on Appropriations; the Chairman, House Committee on Government Operations; and the Chairman, Senate Committee on Governmental Affairs.

Sincerely yours,



Comptroller General  
of the United States