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**United States Government Accountability Office**  
Washington, DC 20548

**PRESS RELEASE**

December 27, 2007

We are, today, issuing a decision, sustaining, in part, the September 19, 2007 protest filed by Pemco Aeroplex, Inc., challenging the Department of the Air Force's award of a contract to Boeing Aerospace Operations, Inc. for depot maintenance of KC-135 aircraft. The decision is issued pursuant to this Office's protective order and may not be released to the public; a redacted version for public release is being prepared.

Pemco's protest maintained that the Air Force's evaluation was flawed in various aspects, including the evaluation of offerors' past performance, mission capability, and cost/price. Our decision sustains the protest challenging the cost/price evaluation because the record does not reflect any Air Force analysis as to the realism of certain changes Boeing introduced in its final proposals, or the potential risk associated with those changes; the solicitation required such analysis. We have recommended that the Air Force perform and document the required realism and risk analysis; the agency is required to report to our Office if it has not implemented our recommendation within 60 days. Except as discussed below, our decision denies Pemco's other protest allegations.

Pemco's protest submissions included allegations of bias with regard to Charles Riechers, the source selection authority for this procurement. In mid-October, Mr. Riechers was found dead, an apparent suicide. The Air Force subsequently advised our Office that both local law enforcement and federal government investigative authorities are conducting an ongoing investigation into "the root cause" of Mr. Riecher's death; it is our understanding that this investigation will encompass matters that may have a bearing on Pemco's allegations of bias. In light of the ongoing investigation, and consistent with this Office's past practice, our decision does not express any opinion regarding Pemco's bias allegations.

For further information or questions, contact:

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