

DIGEST - L - Cont



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

B-176538

JAN 12 1973

Dear Mr. Secretary:

Reference is made to the letter of October 4, 1972, from the Administrator, Federal Railroad Administration, reporting on the protest of the Space Research Corporation (SRC) against the award of contract No. DOT-FR-20042 to Terraspace, Inc., by the Federal Railroad Administration (FRA).

Although we have by decision^{B-176538} of today (copy enclosed) denied the protest, we are concerned with the adequacy of the investigation of Terraspace's ability to perform the contract. As indicated in the decision, we do not object to the approach taken by FRA in isolating the questions of the adequacy of Terraspace's facilities, credit and ability to meet the delivery schedule. However, from our review of the record, we doubt that the investigation was as thorough as it should have been in the area of facilities and ability to meet the delivery schedule. Specifically, it appears that little effort was made to determine whether Terraspace's proposed subcontractors were technically capable of performing. Instead, substantial reliance was placed on the analysis conducted under the original solicitation and on Terraspace's successful performance of a similar contract with the Bureau of Mines. For example, concern was initially expressed about SRC's ability to successfully manufacture the nozzle of the cannon, and yet it does not appear from our record that Terraspace's approach to this problem was the subject of a current investigation.

We would appreciate your review of this matter with a view toward possible future corrective action. Please advise us of whatever action you take on our recommendation.

Sincerely yours,

R.F.KELLER

Deputy Comptroller General
of the United States

Enclosure

The Honorable
The Secretary of Transportation