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

B-174798

October 27, 1972

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Dear Mr. Chairman:

In response to your request received December 16, 1971, and subsequent discussions with your office, we have obtained information on the status of actions taken by the Air Force to solicit competition for the operation and maintenance contract at Arnold Engineering Development Center (AEDC) and to develop an in-house operation of the Center. Since our January 1972 discussions in your office, we have been monitoring Air Force actions on these matters. 35

Early in 1972, Air Force officials advised us they intended to solicit competitive bidding on the AEDC contract, compare in-house cost estimates against the lowest acceptable bid, and then adopt the most economical method of performance. After further consideration they concluded in late summer 1972 that operations at AEDC would continue under ARO, Incorporated, the incumbent contractor.

Although Air Force officials expressed concern about the long incumbency of the contractor since 1950, they believe that highest priority programs would be imperiled by removal of the contractor before fiscal year 1975. They believe that (1) the demanding workload at AEDC precludes the introduction of a successor contractor, and (2) the Air Force could not attract sufficient key management, professional and technical personnel for an in-house operation, even from the incumbent contractor, without degradation and disruption of current programs.

At the present time we are reviewing the management of contract versus in-house operations in selected Federal agencies and we will be pleased to provide you with a copy of our report when the review is completed.

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We trust the above information has been responsive to your request.

Sincerely yours,

(signed) Tom Morris

Thomas D. Morris  
Assistant Comptroller General

*ATR*

The Honorable David H. Henderson  
Chairman, Subcommittee on Manpower and Civil Service  
Committee on Post Office and Civil Service  
House of Representatives

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