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UNITED STATES GENERAL ACCOUNTING OFFICE

WASHINGTON, D.C. 20548

PROCUREMENT AND SYSTEMS
ACQUISITION DIVISION

B-198591

APR 30 1980

General Alton D. Slay
Commander
Air Force Systems Command
Andrews Air Force Base
Washington, D.C. 20334

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Dear General Slay:

Subject: Allegations of Improper Procedures
and Waste in Air Force Flight
Simulator Operation and Maintenance
Contracts (PSAD-80-48)

We have completed a limited review of alleged improper procedures and waste in flight simulator operation and maintenance at the Air Force Human Resources Laboratory, Williams Air Force Base, Arizona. Three contractors--General Electric Company, The Singer Company's Link Division, and Systems Engineering Laboratories--maintain major subsystems of the simulator under sole source, non-personal services engineering maintenance contracts.

Shortly after initiating our work, we learned that Brigadier General Titus C. Hall, Deputy for Systems, Aeronautical Systems Division had completed a review of the same allegations on December 14, 1979. Consequently, our work consisted primarily of an analysis of General Hall's report, and information obtained during two visits to the Laboratory.

We believe that General Hall's report adequately addresses all the allegations except one concerning sole source contracting for engineering maintenance of the Laboratory's Advanced Simulator for Pilot Training. Maintenance contracts with General Electric, Systems Engineering Laboratories and Singer/Link were initiated in January 1975. General Hall's study concluded that although the technical data package for the Systems Engineering Laboratories contract is adequate for competitive bidding, the packages for the General Electric and Singer/Link contracts are not. Whether the Laboratory

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should take steps to adequately improve the technical data packages for the Singer/Link and General Electric efforts was not addressed.

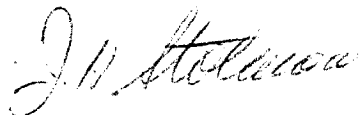
The three contracts expire on September 30, 1980. On March 18, 1980, the Laboratory synopsisd future years' expected requirements in the Commerce Business Daily, with the intent of promoting competition by informing potential sources of the planned procurements. Considering the lack of adequate technical data, we question whether competition can be obtained for the work currently being performed by General Electric and Singer/Link.

We recommend that you require an independent cost effectiveness study on whether the Laboratory should improve the technical data to the level needed to obtain competition for these services. The study should also consider the cost effectiveness of using one contract, rather than three separate contracts, for simulator maintenance.

We are sending copies of this report to the Director, Office of Management and Budget; the Secretary of the Air Force; and the Commander, Air Force Human Resources Laboratory.

We appreciate the courtesies and cooperation extended to our staff during our review. We would appreciate receiving your comments on the matters discussed above within 30 days and being advised of actions you plan to take on General Hall's recommendations.

Sincerely yours,



J. H. Stolarow
Director