

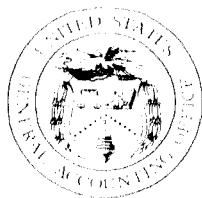
GAO

Report to the Chairman, Committee on  
Armed Services, House of  
Representatives

May 1990

PROCUREMENT

Efforts Still Needed to  
Comply With the  
Competition in  
Contracting Act



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National Security and  
International Affairs Division

B-208159

May 30, 1990

The Honorable Les Aspin  
Chairman, Committee on Armed Services  
House of Representatives

Dear Mr. Chairman:

In response to your request, we performed a follow-up review concerning the Department of Defense's (DOD) compliance with the Competition in Contracting Act of 1984 (CICA). In August 1987, we reported on five DOD procuring activities' compliance with CICA in awarding two categories of contracts: (1) awards based on other than full and open competition<sup>1</sup> and (2) awards reported as based on full and open competition and the submission of only one offer.<sup>2</sup> The contracts we examined had been awarded in September 1985, about 5 months after the contract solicitation and award provisions of CICA took effect. As agreed with your staff, our follow-up review, beginning in October 1988, included the same two categories of contracts. We examined random statistical samples of contracts awarded from April through June 1988 at the same five DOD activities we previously reviewed and one additional DOD activity to determine whether the problems we previously identified were still occurring.<sup>3</sup> Our projected results are representative of the DOD activities reviewed, but not necessarily DOD as a whole.

## Results in Brief

CICA requires that certain procedures be followed to assure agency officials and others of the appropriateness of agency decisions not to provide for full and open competition. We reviewed a random sample of 42 awards of this kind. Our results show significant improvement, compared to our previous review, regarding the procedures used and the assurance provided that such decisions were appropriate. However, as was the case in our previous review, we found widespread compliance problems concerning specific statutory and regulatory requirements

<sup>1</sup>Under the act, "full and open competition" basically means allowing all sources capable of satisfying the government's needs to compete for a contract award.

<sup>2</sup>Procurement: Better Compliance With the Competition in Contracting Act Is Needed (GAO/NSIAD-87-145, Aug. 26, 1987).

<sup>3</sup>In this report, our comparisons between the results of our previous and current reviews, which are based on projections to our statistical populations of contract awards, do not take into account this additional DOD procuring activity. Our comparative projections are based only on the results at the five DOD activities covered in both reviews.

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related to (1) written justifications for other than full and open competition and (2) public notices in the Commerce Business Daily (CBD) published to help survey the market and encourage competition for proposed awards.

We also reviewed a random sample of 16 contract awards reported as based on full and open competition and the submission of only one offer. We found that agency officials had used practices inconsistent with full and open competition for eight of these awards. Moreover, our results show a significant worsening of this condition in comparison to what we found in our previous review. The eight contracts were inappropriately awarded without written justification, certification, or approval. As a result, DOD did not have the assurance intended under CICA that opportunities for potential sources to compete for these awards were not missed.

Overall, for both of the samples we examined in this review, we identified many more problems of a significant nature at the Defense Logistics Agency's Defense General Supply Center than at the other DOD activities. (See tables IV.3 and IV.21.)

The data DOD collects on its contract awards indicate a positive trend in the use of competitive contracting during the past several years. CICA appears to be one of the reasons for this improvement. However, the limited data available indicates that procurement award processing time—the interval between the receipt by the procurement office of a purchase request and a contract award to fulfill the requirement—has increased at all five DOD activities for which we collected such data. According to procurement officials at these activities, the increases cannot be attributed to any one specific cause.

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## Awards Based on Other Than Full and Open Competition

We found that the DOD procuring activities' decisions not to provide for full and open competition were much less frequently based on questionable practices in our current review, as compared to our previous review. These practices related primarily to the use of certain footnotes in pre-award notices published in the CBD that either conflicted with CICA's requirements or were questionable and may have discouraged competition. Based on our previous review, we recommended that these footnotes not be used. Effective November 2, 1987, the CBD adopted this recommendation. As a result, during this review we found that CBD pre-award notices for a projected 19 percent of the awards in our statistical population contained such footnotes, compared to 91 percent for our

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previous review.<sup>4</sup> Moreover, almost all of the notices comprising the 19 percent were published in the CBD before November 2, 1987.

However, we still found many of the same compliance problems relating to specific statutory and Federal Acquisition Regulation (FAR)<sup>5</sup> requirements during this review as we found during our previous review. For example, we identified problems with written justifications for other than full and open competition for most of the awards. Deficiencies included (1) not properly preparing or certifying the accuracy of the justifications so that they included all the required elements of information, (2) not properly approving them, and (3) certifying the justifications “prematurely”—before the statutorily required time had elapsed for potentially competitive sources to respond to the pre-award CBD notices.

We also found that agency officials had not fully complied with certain requirements relating to pre-award CBD notices for most of the contract awards for which such notices were required. Deficiencies included (1) not publishing the required notices, (2) not providing required information or providing inaccurate information in the notices, and (3) not allowing enough time for potential offerors to respond to notices or issuing the solicitations too early.

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## One-Offer Awards Reported as Based on Full and Open Competition

Regarding the other statistically valid sample of contract awards we reviewed at the six activities, many were one-offer awards reported as, but based on practices inconsistent with, full and open competition. Thirteen of the contracts, including 8 based on practices inconsistent with full and open competition, were awarded at activities also included in our previous review. These eight cases represent a projected 95 percent of our population of contract awards. In our previous review, we found that 9 of the 19 DOD awards we examined were inconsistent with

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<sup>4</sup>See tables IV.25 and IV.26 for the confidence and precision estimates relating to all our projections and appendix VI for the limitations on our sampling. Details supporting the projected 19 percent and 91 percent are shown in tables IV.17 and IV.18, respectively.

<sup>5</sup>Procurement by the federal government is regulated primarily by the FAR system, which consists of FAR and agency regulations that implement and supplement it. FAR, a single governmentwide procurement regulation, is issued and maintained by DOD, National Aeronautics and Space Administration, and the General Services Administration. The Administrator for Federal Procurement Policy also has authority to revise FAR and is responsible for providing overall direction of government procurement policy.

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full and open competition; these 9 cases represented a projected 48 percent of our population.<sup>6</sup>

We attribute this deterioration largely to conditions at two procuring activities, the Defense General Supply Center and the San Antonio Air Logistics Center. That is, we identified problems with all three of our sample awards at each of these locations and each had a relatively large population of such contracts.

We found many of the same problems during the current and previous reviews. In three of the eight current cases based on practices inconsistent with full and open competition, agency officials had not reasonably complied with the statutory requirement to publish a pre-award CBD notice. In two other cases, the solicitation had been limited to a particular product of one manufacturer. In the three remaining cases—all at the Defense General Supply Center—the solicitation had been limited to a particular product of one manufacturer or alternate products meeting the agency's requirement; however, the solicitation had not described the essential features of the agency's requirement so that potential offerors of alternate products could know what would be acceptable.

Defense General Supply Center procurement officials said that they had followed Defense Logistics Agency guidance in awarding the three contracts. In November 1989, the Defense Logistics Agency revised its regulations to correct this problem. The revisions require written justification and approval for other than full and open competition when the solicitation does not provide access to complete, unrestricted technical data for the items being procured. Defense Logistics Agency officials said they estimate that (1) about 60 percent of the agency's fiscal year 1989 procurements exceeding \$25,000 each were based on solicitations that, under the newly revised regulations, would have been categorized, processed, and reviewed as other than full and open competition and (2) these procurements resulted in total obligations of about \$1.8 billion.

In addition, as we found in our previous review, most of our sample awards had not fully complied with statutory and regulatory requirements relating to the use of the CBD.

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<sup>6</sup>Although this projection might appear erroneous, it correctly reflects the different weights used to project the sample results (based on the number of awards included in our population) at each of the five activities. (See tables IV.21, IV.22, and VI.2.)

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## DOD's Position on Our 1987 Report and Our Evaluation

In its December 9, 1987, overall comments on our 1987 report, DOD said that we had reached significant conclusions based on a premature and limited review. DOD said (1) our review had been premature because it was based on contracts awarded in September 1985, only 6 months after CICA's implementation and (2) our report had not reflected the significant progress DOD had made in implementing CICA's provisions. In addition, DOD said that the scope of our review had been very restricted, with only a limited sample reviewed at designated activities. DOD said that, largely because of these limitations, we had not established a need for substantial changes. DOD, adding that its efforts to promote competition had produced significant results, cited the increased percentage of DOD dollars awarded competitively.

Although our current results did show some significant improvement, we continue to find significant compliance problems with DOD's contract awards based on other than full and open competition. In addition, our current results showed some significant worsening of conditions regarding one-offer awards reported as based on full and open competition.

Regarding our review scope, we believe that our sampling has provided a sound basis for our conclusions and recommendations. In our previous review, the populations from which our samples were drawn represented 30 percent (for awards based on other than full and open competition) and 21 percent (for one-offer awards reported as based on full and open competition) of all DOD contract dollars reported into its DD-350 prime contract reporting system that met our selection criteria. The comparable amounts for our current review are 23 percent of DOD awards based on other than full and open competition and 17 percent of DOD one-offer awards reported as based on full and open competition. (See app. VI for a fuller presentation of our sampling.)

Regarding DOD's statement about the results of its efforts to promote competition, our previous and current reports cite federal agencies' data on the upward trend in the competitiveness of contract awards.

We reiterate in this report several recommendations we made in our 1987 report. In its comments on that report, DOD disagreed that taking any of these recommended actions was necessary, except DOD said it was continuing to revise its acquisition training courses to improve the overall professionalism of contracting personnel. On the basis of our latest findings, we still believe that DOD needs to adopt these recommendations.

DOD did not agree with our 1987 report's recommendation to change FAR to provide that a solicitation restricted to a specific make and model does not meet the requirement for full and open competition. DOD stated, "As long as reprourement drawings are available, competition from many manufacturers is possible, resulting in full and open competition." We believe, however, that DOD's argument is flawed because the solicitations we examined provided that DOD would only accept a particular product manufactured by one contractor. Moreover, the CBD notices for all of the specific make and model solicitations we identified in our previous and current reviews stated that either (1) specifications, plans, or drawings were not available or (2) "solicitation documents" were not available.

We note that if this recommendation were adopted, the existing FAR 6.301(d) would require for such procurements (as it does for others not based on full and open competition) that offers be solicited from as many other sources as is practicable in the circumstances. Such sources could include dealers, licensees, and sellers of used equipment.

We have slightly revised our previous report's recommendation on the premature certification of justifications for other than full and open competition in an attempt to minimize adverse effects on administrative lead time and burden as well as to foster compliance with CICA.

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## Recommendations

We recommend that the Secretary of Defense take actions, such as those involving formal or informal training, written instructions, better supervision, and/or other improved management controls, to ensure that all personnel involved in awarding contracts of more than \$25,000 understand and comply with the requirements of CICA and FAR relating to:

- Written justifications for decisions not to provide for full and open competition. Such compliance should include (1) properly preparing and certifying the justifications so that they include all required elements of information, (2) properly approving the justifications, and (3) ensuring that justifications are not certified prematurely or that significant market survey results occurring after justifications have been prematurely certified are recognized and used to avoid awarding contracts without providing for full and open competition, whenever warranted.
- Use of the CBD, such as (1) the publication and content of notices of proposed awards and (2) solicitation issuance and response time in relation to the publication dates of such notices.

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We recommend that those responsible for the FAR, the Secretary of Defense and the Administrators of General Services, the National Aeronautics and Space Administration, and the Office of Federal Procurement Policy, revise FAR to state that restricting a solicitation to a specific make and model (1) does not meet the requirement for full and open competition and (2) requires written justification, certification, and approval for other than full and open competition in accordance with CICA.

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Appendix I presents our results regarding contract awards based on other than full and open competition. Appendix II presents our results regarding one-offer awards reported as based on full and open competition. Appendix III provides information on the competitiveness of DOD's contracts and procurement processing times. Appendixes IV and V provide details on both our current and previous reviews of contract awards. Appendix VI describes our objective, scope, and methodology, including the basis for our statistical projections.

As requested by your Office, we did not obtain official DOD comments on this report. However, we discussed our findings with DOD officials at headquarters and at the activities we visited.

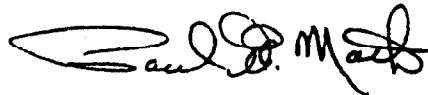
We are sending copies of this report to the Chairmen, House and Senate Committees on Appropriations, House Committee on Government Operations, and Senate Committee on Governmental Affairs. Copies are also being sent to the Secretaries of Defense, Army, Navy, and Air Force; the Administrators of General Services, the National Aeronautics and Space Administration, and the Office of Federal Procurement Policy; the Director, Office of Management and Budget; and other interested parties.



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Please contact me at (202) 275-4587 if you or your staff have any questions concerning this report. Other major contributors to this report are listed in appendix VII.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Paul F. Math". The signature is stylized with a large, sweeping initial "P" and a distinct "M".

Paul F. Math  
Director for Research, Development,  
Acquisition, and Procurement Issues



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# Contents

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Letter		1
<hr/>		
Appendix I		18
Significant	Frequency of the Use of Exceptions to Full and Open Competition	18
Improvement in	Agencies Inappropriately Awarded Six Contracts	19
Assurance That	Five Questionable Decisions to Award Contracts Based on Other Than Full and Open Competition	20
Agencies' Decisions	Most Awards in Our Sample Were or Probably Were Appropriately Based on Other Than Full and Open Competition	20
Not to Provide for Full and Open Competition Are Appropriate	Widespread Compliance Problems Relating to Written Justifications	21
	Widespread Problems in Fully Complying With Certain Requirements Relating to CBD Notices	22
	Significant Improvement Regarding the Use of CBD Footnotes Discouraging Competition	23
<hr/>		
Appendix II		25
Improvements Are	Agency Officials Often Used Practices Inconsistent With Full and Open Competition	26
Still Needed Regarding	Only 2 of the 16 Awards Fully Met the Statutory Requirements Relating to the Use of the CBD	27
One-Offer Awards		
Reported as Based on		
Full and Open		
Competition		
<hr/>		
Appendix III		29
DOD's Competition	Competitiveness of DOD Contract Awards	29
Trends and	Procurement Processing Times Have Increased	29
Procurement		
Processing Times at		
Selected DOD		
Activities		

---

Appendix IV Information, Including Comparable Projected Results, Relating to Our Current and Previous CICA- Compliance Reviews	34
Appendix V Additional Information on the Results of Our Current and Previous CICA- Compliance Reviews	48
Appendix VI Objective, Scope, and Methodology	53
Appendix VII Major Contributors to This Report	61
Tables	
Table III.1: Average PALT in Days	29
Table IV.1: CICA Exceptions Used During Our Current Review for Our Sample Contract Awards Based on Other Than Full and Open Competition	34
Table IV.2: CICA Exceptions Used During Our Previous Review for Our Sample Contract Awards Based on Other Than Full and Open Competition	34
Table IV.3: Sample Contract Awards, Identified During Our Current Review, for Which Decisions Not to Provide for Full and Open Competition Were Inappropriate or Questionable	35

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Table IV.4: Sample Contract Awards, Identified During Our Previous Review, for Which Decisions Not to Provide for Full and Open Competition Were Inappropriate or Questionable	35
Table IV.5: Sample Contract Awards, Identified During Our Current Review, for Which Decisions Not to Provide for Full and Open Competition Were or Probably Were Appropriate	36
Table IV.6: Sample Contract Awards, Identified During Our Previous Review, for Which Decisions Not to Provide for Full and Open Competition Were or Probably Were Appropriate	36
Table IV.7: Sample Contract Awards Based on Other Than Full and Open Competition, Identified During Our Current Review, for Which Justifications Did Not Fully Comply With CICA or FAR Requirements	37
Table IV.8: Sample Contract Awards Based on Other Than Full and Open Competition, Identified During Our Previous Review, for Which Justifications Did Not Fully Comply With CICA or FAR Requirements	37
Table IV.9: Sample Contract Awards Based on Other Than Full and Open Competition, Identified During Our Current Review, With Justifications Not Including Elements Required by CICA or FAR	38
Table IV.10: Sample Contract Awards Based on Other Than Full and Open Competition, Identified During Our Previous Review, With Justifications Not Including Elements Required by CICA or FAR	38
Table IV.11: Sample Contract Awards With Justifications Not Properly Approved, Which Were Identified During Our Current Review	39
Table IV.12: Sample Contract Awards With Justifications Not Properly Approved, Which Were Identified During Our Previous Review	39
Table IV.13: Sample Contract Awards, Identified During Our Current Review, for Which Contracting Officials' Certifications of the Justifications Were Premature	40
Table IV.14: Sample Contract Awards, Identified During Our Previous Review, for Which Contracting Officials' Certifications of Justifications Were Premature	40

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Table IV.15: Sample Contract Awards Based on Other Than Full and Open Competition, Identified During Our Current Review, for Which Required Pre-Award Notices Were Not Published in the CBD	41
Table IV.16: Sample Contract Awards Based on Other Than Full and Open Competition, Identified During Our Previous Review, for Which Required Pre-Award Notices Were Not Published in the CBD	41
Table IV.17: Sample Contract Awards Based on Other Than Full and Open Competition, Identified During Our Current Review, for Which Pre-Award Notices Were Published With Conflicting or Questionable Footnotes	41
Table IV.18: Sample Contract Awards Based on Other Than Full and Open Competition, Identified During Our Previous Review, for Which Pre-Award Notices Were Published With Conflicting or Questionable Footnotes	42
Table IV.19: Sample Contract Awards Based on Other Than Full and Open Competition, Identified During Our Current Review, Which Did Not Fully Comply With Requirements Relating to CBD Notices	42
Table IV.20: Sample Contract Awards Based on Other Than Full and Open Competition, Identified During Our Previous Review, Which Did Not Fully Comply With Requirements Relating to CBD Notices	42
Table IV.21: One-Offer Awards, Identified During Our Current Review, Reported As, but Based on Practices Inconsistent With Full and Open Competition	43
Table IV.22: One-Offer Awards, Identified During Our Previous Review, Reported As, but Based on Practices Inconsistent With Full and Open Competition	44
Table IV.23: One-Offer Awards Reported as Based on Full and Open Competition, Identified During Our Current Review, That Did Not Meet Statutory Requirements Relating to the Use of CBD Pre-Award Notices	44
Table IV.24: One-Offer Awards Reported as Based on Full and Open Competition, Identified During Our Previous Review, That Did Not Meet Statutory Requirements Relating to the Use of CBD Pre-Award Notices	45

---

Table IV.25: Sampling Error Rates and Probability of Change at the 95-Percent Confidence Level Between Our Current and Previous Reviews for Awards Based on Other Than Full and Open Competition	46
Table IV.26: Sampling Error Rates and Probability of Change at the 95-Percent Confidence Level Between Our Current and Previous Reviews for One-Offer Awards Reported as Based on Full and Open Competition	47
Table V.1: Sample Contract Awards, Identified During Our Current Review, With Justification-Related Problems by Required Approval Levels	48
Table V.2: Sample Contract Awards, Identified During Our Previous Review, With Justification-Related Problems by Required Approval Levels	49
Table V.3: Sample Contract Awards Based on Other Than Full and Open Competition, Identified During Our Current Review, for Which the Required Contents of the Pre-Award Notices Were Inaccurate, Incomplete, or Missing	49
Table V.4: Sample Contract Awards Based on Other Than Full and Open Competition, Identified During Our Previous Review, for Which the Required Contents of the Pre-Award Notices Were Inaccurate, Incomplete, or Missing	50
Table V.5: Sample Contract Awards Based on Other Than Full and Open Competition, Identified During Our Current Review, That Had Inaccurate, Incomplete, or Missing Elements in Their Published Pre-Award Notices	50
Table V.6: Sample Contract Awards Based on Other Than Full and Open Competition, Identified During Our Previous Review, That Had Inaccurate, Incomplete, or Missing Elements in Their Published Pre-Award Notices	50
Table V.7: Number of Sample Contract Awards Based on Other Than Full and Open Competition, Identified During Our Current Review, for Which the Statutory Solicitation Issuance or Response Time Requirements Were Not Met	51

---

Table V.8: Number of Sample Contract Awards Based on Other Than Full and Open Competition, Identified During Our Previous Review, for Which the Statutory Solicitation Issuance or Response Time Requirements Were Not Met	51
Table V.9: One-Offer Awards Reported as Based on Full and Open Competition, Identified During Our Current Review, for Which Pre-Award Notices Referred to Conflicting or Questionable Footnotes	51
Table V.10: One-Offer Awards Reported as Based on Full and Open Competition, Identified During Our Previous Review, for Which Pre-Award Notices Referred to Conflicting or Questionable Footnotes	52
Table VI.1: Original and Adjusted Population and Sample Sizes, Identified During Our Current Review, for New Contract Awards Based on Other Than Full and Open Competition	55
Table VI.2: Original and Adjusted Population and Sample Sizes, Identified During Our Current Review, for One-Offer Awards Reported as Based on Full and Open Competition	56
Table VI.3: Total DOD Population Sizes, Identified During Our Current Review, for New Contract Awards Based on Other Than Full and Open Competition	57
Table VI.4: Total DOD Population Sizes, Identified During Our Current Review, for New Contract Awards Based on Full and Open Competition and Receipt of One Offer	57
Table VI.5: Original and Adjusted Population and Sample Sizes, Identified During Our Previous Review, for New Contract Awards Based on Other Than Full and Open Competition	58
Table VI.6: Original and Adjusted Population and Sample Sizes, Identified During Our Previous Review, for One-Offer Awards Reported as Based on Full and Open Competition	59
Table VI.7: Total DOD Population Sizes, Identified During Our Previous Review, for New Contract Awards Based on Other Than Full and Open Competition	59
Table VI.8: Total DOD Population Sizes, Identified During Our Previous Review, for New Contract Awards Based on Full and Open Competition and Receipt of One Offer	60



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**Figures**

Figure I.1: Projected Results, Based on Our Current and Previous Reviews, of the Appropriateness of the Decisions Not to Provide for Full and Open Competition	19
Figure II.1: Projected Results for One-Offer Awards Reported as Full and Open Competition, Identified During Our Current and Previous Reviews	26
Figure III.1: Average PALT	30

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**Abbreviations**

ALC	Air Logistics Command
ASO	Aviation Supply Office
AVSCOM	Aviation Systems Command
CBD	Commerce Business Daily
CICA	Competition in Contracting Act
DGSC	Defense General Supply Center
DLA	Defense Logistics Agency
DOD	Department of Defense
FAR	Federal Acquisition Regulation
NAVSEA	Naval Sea Systems Command
PALT	procurement administrative lead time



# Significant Improvement in Assurance That Agencies' Decisions Not to Provide for Full and Open Competition Are Appropriate

CICA requires the use of certain procedures to assure agency officials and others of the appropriateness of agency decisions not to award contracts over \$25,000 based on full and open competition. We found significant improvement in this area since our previous review. For example, our current projected sample results show that the procedures the agencies used provided sufficient assurance, for a projected 66 percent of our statistical population of contracts, that all sources capable of meeting the government's needs were allowed to compete, whenever appropriate.<sup>1</sup> The results of our previous review showed that this was the case for only a projected 16 percent of contracts. Although the assurance CICA intended was lacking for the remainder of the decisions, our projected results in each of the reviews showed that some decisions were questionable or clearly inappropriate, but far more were probably appropriate. (See fig. I.1, and tables IV.3 through IV.6.) The lack of assurance can be attributed primarily to management control weaknesses relating to the notices of proposed awards that agency officials are statutorily required to publish in the CBD.

In both of our reviews, we found widespread compliance problems relating to written justifications for other than full and open competition as well as the use of the CBD. (App. IV provides details on and comparisons between our current and previous reviews. App. V provides additional details.)

## Frequency of the Use of Exceptions to Full and Open Competition

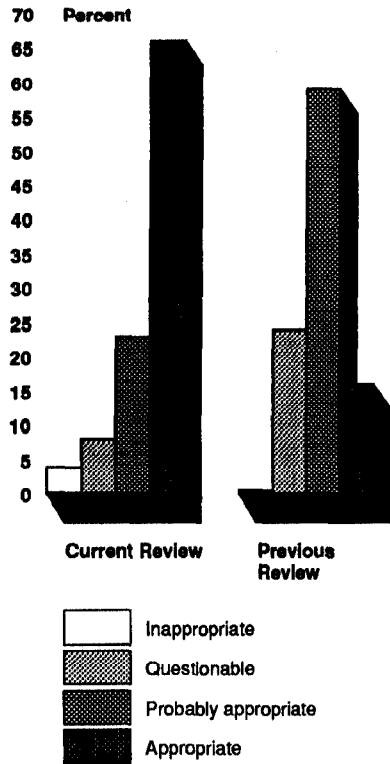
CICA requires executive agencies to base their contract awards on full and open competition, unless at least one of seven specified circumstances or exceptions is met.<sup>2</sup> Table IV.1 shows the frequency of the exceptions used for our 42 sample contract awards. All but one of the sample awards were based on CICA's first exception: property or services are available from only one source (or a limited number of sources) and no other type of property or services will satisfy the needs of the agency.

<sup>1</sup>See table IV.25 for the confidence and precision estimates relating to our projections in appendix I. Also see footnote 3 in the cover letter of this report.

<sup>2</sup>See *Procurement: Better Compliance With the Competition in Contracting Act Is Needed* (GAO/NSIAD-87-145), p. 112, for a list of the seven exceptions.

**Appendix I  
 Significant Improvement in Assurance That  
 Agencies' Decisions Not to Provide for Full  
 and Open Competition Are Appropriate**

**Figure I.1: Projected Results, Based on Our Current and Previous Reviews, of the Appropriateness of the Decisions Not to Provide for Full and Open Competition**



**Agencies  
 Inappropriately  
 Awarded Six  
 Contracts**

Agencies inappropriately awarded 6 of our 42 sample contract awards without providing for full and open competition. Agency officials had stated that these awards met CICA's first exception to full and open competition. However, we determined that the first exception did not apply to these awards and that the agencies actions had improperly restricted full and open competition. Five of these six contracts, which were awarded by the Defense Logistics Agency's (DLA) Defense General Supply Center (DGSC), were improperly restricted to the original manufacturer for health and safety reasons. The sixth contract, which was awarded by the Army's Aviation Systems Command (AVSCOM), was improperly restricted to the original manufacturer because the item had been incorrectly categorized as a safety of flight item. In all six of these cases, agency officials admitted that their mistakes had prevented full and open competition.

These six awards, which were awarded at activities also included in our previous review, represent a projected 4 percent of the awards in our population. In our previous review, we identified three awards in this category, representing a projected 0.5 percent of the population. (See tables IV.3 and IV.4.)

### Five Questionable Decisions to Award Contracts Based on Other Than Full and Open Competition

Agency officials cited the first exception allowed under CICA for all five decisions that we considered questionable. CICA provides that the first exception may normally be used only if a pre-award notice is published in the CBD encouraging competition. Response to the notice is intended to demonstrate whether the use of the first exception is appropriate. However, in four of these five cases, agency officials did not publish the required pre-award notices in the CBD. The fifth award was questionable because (1) the pre-award notice included footnote 40, which states: "This notice does not solicit additional proposals but is issued for the benefit of prospective subcontractors" and (2) agency officials did not prepare the statutorily required justification for other than full and open competition, which should demonstrate why full and open competition is not required. Three of the five cases were awarded at the same activities we previously reviewed. These three awards represent a projected 8 percent of the population. Our previous review identified 13 awards in this category, representing a projected 24 percent of the population. This is not a statistically significant change. (See tables IV.3 and IV.4.)

### Most Awards in Our Sample Were or Probably Were Appropriately Based on Other Than Full and Open Competition

We concluded that agency officials' decisions to award 31 contracts in our sample based on other than full and open competition either were appropriate (in 20 cases) or were probably appropriate (in 11 cases). Taken together, these awards represent a projected 86 percent of the awards in the population. (See table IV.5.) Even so, the 11 cases we classify as probably appropriate were lacking in the assurance CICA intended because of flaws in the agencies' market survey efforts. These flaws were less serious than those for awards in our previously defined "questionable" category. In 8 of these 11 cases, the statutorily required public notices of the proposed awards, published in the CBD, included footnotes that may have discouraged competition.

Of the 31 awards that either were appropriate or were probably appropriate, 26 were awarded at the same activities we previously reviewed. These 26 cases represent a projected 88 percent of the population. The comparable figure for our previous review was 60 cases, representing a

projected 76 percent of the population. This is not a statistically significant change.

Of the 26 recent cases, 10 cases were probably appropriate, representing a projected 23 percent of the population. This number compares with 32 cases identified in our previous review, representing a projected 60 percent of the population. This is a statistically significant change.

The remaining 16 recent cases were appropriate, representing a projected 66 percent of the population. This number compares with 28 cases identified in our previous review, representing a projected 16 percent of the population. This is a statistically significant change. (See tables IV.5 and IV.6.)

The improvement reflected in these comparisons primarily resulted from corrective actions taken by the Department of Commerce based on our 1987 report's recommendation that CBD pre-award notices not be allowed to include certain footnotes that either conflicted with CICA's requirements or were questionable and may have discouraged competition.

## **Widespread Compliance Problems Relating to Written Justifications**

Written justifications were required for all 42 of our sample contract awards that were based on other than full and open competition. We identified justification-related problems, indicating management control weaknesses, with 37 of the 42 awards. (See table IV.7.) These justification-related problems included one or more of the following:

- For 2 of the 42 awards, written justifications were not available as required. One, valued at \$34,000, was at the Army AVSCOM, and the other, valued at \$96,000, was at the Ogden Air Logistics Center (ALC).
- For 25 other awards, the requirements relating to 1 or more of the 13 elements of information to be included in justifications were not met. (See table IV.9.) Of the 25 justifications, 13 had more than one problem. Common problems were that, contrary to requirements, the justifications for (1) 18 contracts did not list the sources that had expressed in writing an interest in the acquisition, (2) 11 contracts did not explain why technical data packages, specifications, engineering descriptions, statements of work, or purchase descriptions suitable for full and open competition had not been developed or were not available, (3) 7 contracts did not demonstrate that the proposed contractor's unique qualifications or the nature of the acquisition required the use of the cited exception, and (4) 7 contracts did not accurately describe the market

survey performed and its results or did not provide a statement of the reasons that such a survey was not done.

- For nine of the awards, the required approval had not been received from appropriate agency officials. (See table IV.11.)
- For 22 of the awards, justifications were prematurely certified by contracting officials. (See table IV.13.) In these cases, contracting officials had certified to the accuracy and completeness of the justifications "to the best of [their] knowledge and belief." CICA and FAR require each justification to (1) describe the market survey done and the result<sup>3</sup> or (2) state the reasons a market survey was not done. The justifications for 11 of our sample awards had been certified before the actual publication dates of the required notices of proposed awards in the CBD. For the other 11 awards, contracting officials certified the justifications after the required notices were published but before the statutorily required response time had elapsed. As a result, none of the 22 justifications met CICA or FAR 6.303-2 requirements regarding justification contents.

We found a statistically significant increase since our previous review in the proportion of contract awards with justification-related problems. Of the 37 sample cases for which we identified problems, 30 were awarded at the same activities we previously reviewed. These 30 cases represent a projected 88 percent of the population. In our previous review, we identified 52 such cases, representing a projected 66 percent of the population. (See tables IV.7 and IV.8.)

## Widespread Problems in Fully Complying With Certain Requirements Relating to CBD Notices

Based on CICA and subsequent amendments to its provisions, FAR subpart 5.2 requires agencies to submit notices of proposed contract awards of \$10,000<sup>4</sup> and above for publication in the CBD, except in certain specified circumstances. CICA requires each of these notices to include a statement that all responsible sources may submit bids, proposals, or quotations that shall be considered by the agency. This statement, which is intended to encourage competition, applies to awards under the first exception to full and open competition, as well as to awards based on full and open competition.

<sup>3</sup>Potential competitors are required to be allowed to respond at least 30 days, and usually 45 days, from the date of publication of the CBD notice.

<sup>4</sup>For proposed contracts other than sole-source contracts, this threshold was changed to \$25,000 by the Defense Acquisition Improvement Act of 1986, Public Law 99-500, enacted on October 18, 1986.

Agency officials did not fully comply with certain requirements relating to CBD pre-award notices for 38 of the 41 awards for which such notices were required. The lack of compliance was as follows:

- The required notice was not published for four awards. (See table IV.15.)
- Notices for 33 awards included inaccurate information or did not provide required information. (See table V.3. For details on the required elements of information, see table V.5.)
- Notices for nine awards included footnotes that either conflicted with CICA's requirements or were questionable and may have discouraged competition. (See the next section.) Notices for eight of these awards also included inaccurate information or did not provide required information.
- For 14 awards, agency officials issued solicitations too early and/or did not allow potential competitors the required number of days to respond. (See table V.7.) Notices for 10 of these awards also included inaccurate information or did not provide required information.

We found no statistically significant change since our previous review in the proportion of contract awards that did not fully comply with these requirements. Of the 38 sample cases for which we identified problems, 31 were awarded at the same activities we previously reviewed. These 31 cases represent a projected 94 percent of the population. In our previous review, we identified 49 such cases, representing a projected 90 percent of the population. (See tables IV.19 and IV.20.)

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## **Significant Improvement Regarding the Use of CBD Footnotes Discouraging Competition**

In our 1987 report, we recommended that CBD notices of proposed awards to be based on either full and open or other than full and open competition not be allowed to include CBD footnotes 40, 41, or 46. We concluded that use of either of the first two footnotes conflicted with CICA, and use of the other was at least questionable. Effective November 2, 1987, the CBD announced that these footnotes would no longer be cited in notices of proposed procurements. During our current review, we found that CBD pre-award notices for nine of our sample awards based on other than full and open competition included one or more of these footnotes. (See table IV.17.) However, of these nine, notices for eight were published before November 2, 1987; the other notice was published on November 12, 1987.



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**Appendix I  
Significant Improvement in Assurance That  
Agencies' Decisions Not to Provide for Full  
and Open Competition Are Appropriate**

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Agencies included footnotes 40 or 41 in CBD notices for 8 of our 37 sample awards for which notices were published. The notice for one of the eight awards included both of these footnotes.

Footnote 40, which was included in notices for six awards, read as follows: "This notice does not solicit additional proposals but is issued for the benefit of prospective subcontractors." Footnote 41, which was included in notices for three awards, said, "This notice does not solicit proposals but is issued for the benefit of prospective above firm(s) for subcontracting opportunities."

Agencies also used footnote 46 in CBD pre-award notices for three sample awards. A notice for one of these awards also included footnotes 40 and 41, and a notice for another award also included note 41. Footnote 46 read as follows: "Synopsis published for informational purposes only. Solicitation documents are not available."

Of the nine notices we found in which these footnotes appeared, seven were awarded at the same activities we previously reviewed. These seven cases represent a projected 19 percent of the awards in our population. This number compares with 36 cases identified in our previous review, representing a projected 91 percent of the population. This is a statistically significant change. (See tables IV.17 and IV.18.)

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# Improvements Are Still Needed Regarding One-Offer Awards Reported as Based on Full and Open Competition

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Our review of a sample of 16 contracts, which the agencies reported as awarded based on full and open competition and the submission of only one offer, showed the following:

- Eight of the contracts were awarded using practices that were inconsistent with full and open competition.
- Fourteen of the awards did not fully meet the statutory requirements relating to CBD pre-award notices.

Thirteen of the contract awards reviewed, including all eight that were inconsistent with full and open competition, were awarded at the same activities we had previously reviewed. These eight cases represent a projected 95 percent of awards in the population.<sup>1</sup> This number compares with nine cases we identified in our previous review, representing a projected 48 percent of the population. This is a statistically significant change. (See fig. II.1 and tables IV.21 and IV.22.)

We attribute this deterioration largely to conditions at two procuring activities, DGSC and San Antonio ALC. That is, we identified problems with all three of our sample awards at each of these locations and each had a relatively large population of such contracts. (See table VI.2.)

FAR needs to be revised to correct some of the management control problems we found, and agency officials need to take action to resolve others. The problems we discuss in this appendix are the same as those we pointed out in our 1987 report. For the most part, DOD did not agree to take corrective actions in response to our 1987 recommendations.

CICA's definition of full and open competition focuses on the procedures used in awarding contracts rather than on the results of the procedures (the number of offers submitted). However, CICA does require agencies to (1) identify in their procurement reporting systems procurements resulting in the submission of an offer by only one responsible source and (2) designate such procurements as "noncompetitive procurements using competitive procedures." The 16 sample contracts discussed in this chapter fall into this category.

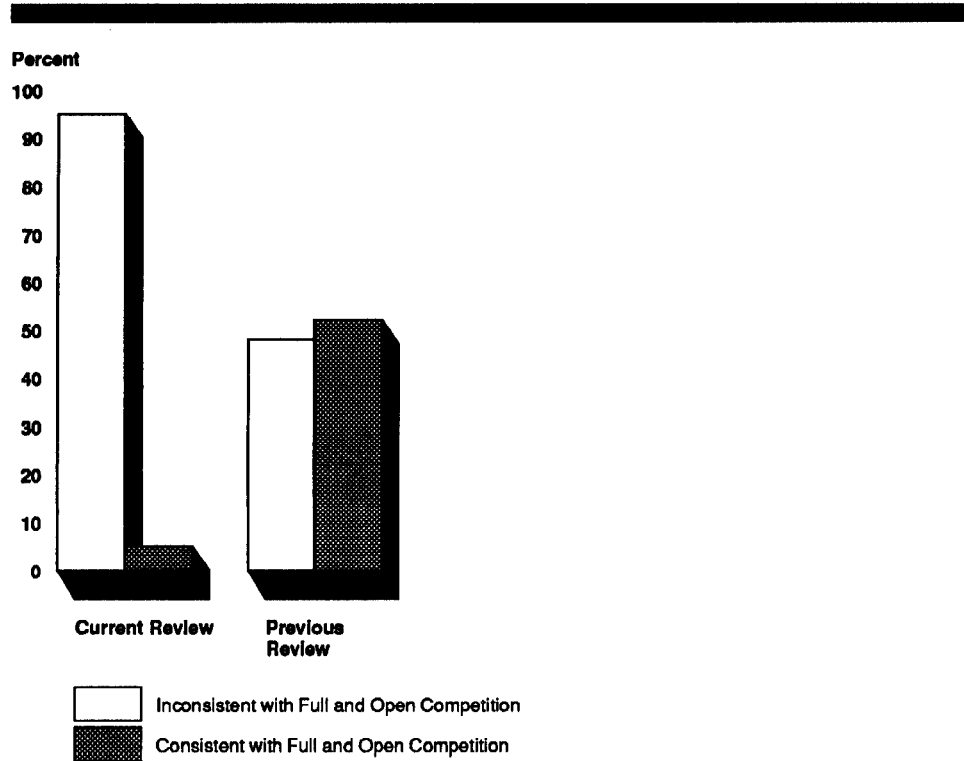
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<sup>1</sup>See table IV.26 for the confidence and precision estimates relating to our projections in appendix II. Also see footnote 3 in the cover letter of this report.

**Appendix II  
Improvements Are Still Needed Regarding  
One-Offer Awards Reported as Based on Full  
and Open Competition**

In addition to requiring that all responsible sources are allowed to compete for proposed awards exceeding \$25,000, CICA requires agency officials to specify their needs and to solicit offers in a manner designed to achieve full and open competition.

**Figure II.1: Projected Results for One-Offer Awards Reported as Full and Open Competition, Identified During Our Current and Previous Reviews**



**Agency Officials Often Used Practices Inconsistent With Full and Open Competition**

Eight of our 16 sample contracts were awarded using practices inconsistent with full and open competition:

For two of the awards, both at the San Antonio ALC, the solicitations were restricted to a specific make and model (that is, a particular product manufactured by only one contractor) and did not permit any alternate products to be offered. As we stated in our 1987 report, we believe that agency officials should have complied with CICA's requirements for

justification, certification, and approval of these awards because restriction of a procurement to a specific make and model does not fulfill CICA's requirement for full and open competition.<sup>2</sup>

- For all three awards at DGSC, the solicitations asked for a particular product of a named manufacturer or alternate products satisfying the government's requirement; however, the solicitations did not describe the essential features of the requirement so that potential offerors of alternate products could know what would be acceptable to the government. Moreover, DGSC did not have the data needed to evaluate any alternate products offered for the purpose of determining whether they met the government's needs in these cases. As we recommended in our previous report, agency officials should have complied with CICA's requirements for justification, certification, and approval of these awards because the solicitations were inconsistent with full and open competition.
- In three other cases, the procuring activities had not reasonably complied with the requirement to publish a notice of the proposed award in the CBD, and therefore, the government's market search was seriously flawed. In one of these cases, the required notice was not published in the CBD. In another case, the pre-award notice was published in an inappropriate CBD section. In the third case, the CBD pre-award notice covered only three of the five items contracted for and included footnote 46. The two items not covered in the notice accounted for 20 percent of the total contract dollar amount. Moreover, the use of footnote 46 in this case was inconsistent with full and open competition.

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## **Only 2 of the 16 Awards Fully Met the Statutory Requirements Relating to the Use of the CBD**

We found one or more compliance problems relating to the use of the CBD for 14 of the 16 awards in our sample that were reported as fully competitive. The CBD pre-award notice was not published for 1 award, and pre-award notices for 13 of the remaining 15 awards contained inaccurate or incomplete information. (See table IV.23.) We found one or more of the following specific problems for these 14 awards:

- Pre-award notices for four awards did not provide accurate descriptions of the property or services to be contracted for.
- Notices for six awards did not include the required statement encouraging competition.
- Notices for 11 awards did not meet the requirement to provide the name, address, and telephone number of the contracting officer.
- Agency officials issued the solicitation too early for two awards.

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<sup>2</sup>See GAO/NSIAD-87-145, ch 4.

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**Appendix II  
Improvements Are Still Needed Regarding  
One-Offer Awards Reported as Based on Full  
and Open Competition**

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- Notices for two awards included footnotes that may have discouraged responses from potential competitors. One included footnote 46 and one included footnote 73.<sup>3</sup> (See table V.9.)
- Notices for three awards did not cover all of the agency's requirements. One notice should have, but did not provide for a 100-percent option increase; one covered fewer than half of the total requirements; and the other listed only three of the five items contracted for.

Of the 14 cases, 11 were awarded at the same activities we previously reviewed. These 11 cases represent a projected 61 percent of the population. In our previous review, we identified 18 cases, representing a projected 93 percent of the population. This is not a statistically significant change. (See tables IV.23 and IV.24.)

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<sup>3</sup>Footnote 73 states that "Specifications, plans or drawings relating to the procurement described are not available and cannot be furnished by the government." This footnote was cited in error for this award; drawings were in fact available.

# DOD's Competition Trends and Procurement Processing Times at Selected DOD Activities

## Competitiveness of DOD Contract Awards

According to DOD, the percentage of the value of its contracts awarded competitively was about 43 percent in fiscal year 1984, before implementation of CICA. In fiscal year 1985, this figure increased to about 48 percent, in fiscal year 1986 to about 57 percent, in fiscal year 1987 to about 60 percent, in fiscal year 1988 to about 61 percent, and in fiscal year 1989 to about 65 percent. We did not independently verify this information.

## Procurement Processing Times Have Increased

Based on our previous review,<sup>1</sup> we reported that from fiscal year 1983 or 1984 to fiscal year 1986, procurement administrative lead time (PALT)<sup>2</sup> had increased at all five DOD activities we reviewed. Procurement officials at a majority of the DOD activities (1) did not attribute the PALT increases to any one specific cause and (2) said that it was too early to measure CICA's effect on PALT.

During our current review we found that for the same five DOD activities, PALT had increased from fiscal years 1985 to 1988. According to officials at the five activities, the increase in PALT since fiscal year 1985 cannot be attributed to any one specific cause. However, procurement officials at two activities (the AVSCOM and the Navy's Aviation Supply Office (ASO)) said that CICA is a major reason for the increase in PALT at their activities. Table III.1 summarizes the PALT data we obtained at the five activities.

**Table III.1: Average PALT in Days**

Procuring activity	Fiscal Year								
	1980	1981	1982	1983	1984	1985	1986	1987	1988
AVSCOM	a	a	a	a	147	191	190	249	256
ASO	51	53	81	56	114	106	126	148	196
Naval Sea Systems Command (NAVSEA)									
Headquarters	a	117	110	87	101 <sup>b</sup>	129	135	142	139
San Antonio ALC	70	69	66	78	125	111	110	125	130
DGSC	109	119	112	98	106	119	142	145	132

Note: Information shown for the various procuring activities is not comparable among activities because different types and categories of data were maintained at each activity.

<sup>a</sup>Information for this period was not maintained by the procuring activity or was not readily available.

<sup>b</sup>This number is based on the first 11 months of the fiscal year.

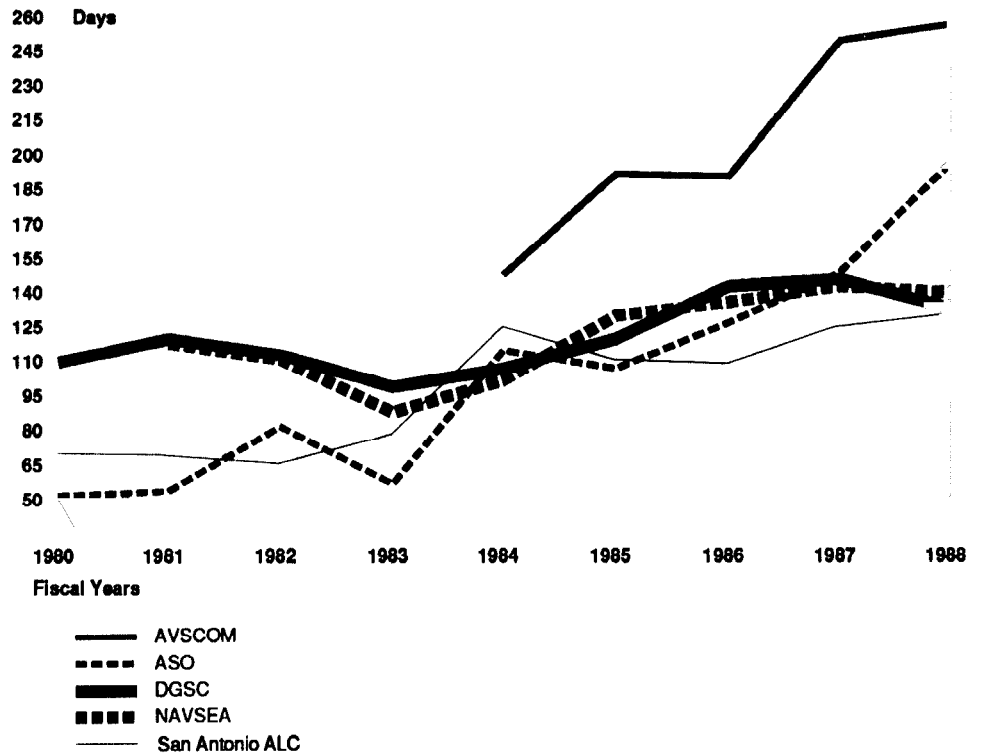
<sup>1</sup>See GAO/NSIAD-87-145, ch 6.

<sup>2</sup>PALT is generally defined as the interval between (1) receipt by the procurement office of a purchase request and (2) contract award to fulfill the requirement.

**Appendix III  
DOD's Competition Trends and Procurement  
Processing Times at Selected DOD Activities**

The average PALT changes are shown in figure III.1.

**Figure III.1: Average PALT**



Information shown for the various procuring activities is not comparable among activities because different types and categories of data were maintained at each activity.

PALT information for NAVSEA was not maintained or available for fiscal year 1980 and was available for only the first 11 months of fiscal year 1984.

PALT information for AVSCOM was not maintained or available for fiscal years 1980 through 1983.

The following sections summarize the reasons for recent increases in PALT, according to officials at the five procuring activities we visited during our current and previous reviews.

**AVSCOM**

AVSCOM officials stated that the Command Commodity Standard System provides the best available information for computing PALT. This system shows a significant increase in PALT over the past few years. To be consistent, we recomputed the PALT data included in our previous report for fiscal years 1984 through 1986, based on the new information.

We obtained PALT data on a yearly basis for fiscal years 1984 through 1988 for contract awards over \$25,000. PALT for these awards increased from 147 days in 1984 to 256 days in 1988.

We previously reported that a procurement official said that implementation of CICA was not a major cause of the PALT increase from fiscal year 1984 through the first 3 months of fiscal year 1986. However, according to the Chiefs of the Policy and Resources Management Division and the Resources Management Branch, CICA has played a major role in the recent PALT increase.

According to these officials, the following factors influenced PALT increases from fiscal years 1984 through 1988:

- the screening and breakout processes for procurements,
- policy and legal reviews on some procurements, and
- the preparation of justification and approval documents by the item manager and the breakout engineer.

Both officials said that they believed that CICA's requirements had increased PALT in fiscal years 1987 and 1988.

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## ASO

We obtained annual PALT data for fiscal years 1984 through 1988. The procuring activity's data system provided (1) the total number of contract awards, including small and large contracts, by procurement method (sealed bidding, competitive proposals, and noncompetitive negotiation) and (2) the overall average PALT by month and fiscal year. In May 1986, the activity switched to a different database to calculate PALT and added a new time measurement. Procurement personnel recalculated the previous years' PALT amounts using the new database. Consequently, these amounts differ from those we previously reported for fiscal years 1984 through 1986.

The average PALT, representing all procurements whether small or large, increased from 114 days in fiscal year 1984, to 126 days in fiscal year 1986. However, for large contracts, only (those over \$25,000) the increase during this period was more significant—from 191 to 246 days. According to procurement officials, this increase was due to the additional requirements imposed by CICA, which was enacted in 1984. An external study, dated June 1987, analyzed PALT and concluded that the following CICA requirements contributed to the increase in PALT:



- establishing a Competition Advocate's Office;
- processing justification and approval documents for sole-source procurements;
- allowing increased time before certain actions can be taken after publishing pre-award notices in the CBD; and
- requiring contractors to certify cost or pricing data for awards exceeding a reduced dollar threshold, which has increased PALT due to reviews of contractors' data.<sup>3</sup>

From fiscal years 1986 to 1988, average PALT increased significantly—from 126 to 196 days. However, for the large contracts, PALT increased from 246 to 353 days. According to procurement officials (1) this increase coincided with the fiscal year 1987 DOD Authorization Act, which mandated a reduction in awards based on unpriced orders, and (2) this requirement had a greater impact on PALT than CICA. These officials stated that the short time required to award unpriced orders had previously helped to offset the effect of awards requiring larger PALT.

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## NAVSEA Headquarters

We obtained annual PALT data, based on the total number of contract awards, for fiscal years 1984 through 1988. PALT increased from an average of 101 days in fiscal year 1984 to 139 days in fiscal year 1988. The Director of the Contracting Policy Division stated that there were many possible reasons for changes in PALT and that the increases could not be attributed to any one specific factor. According to the Director, the following factors might have contributed to the increases in PALT:

- changes in staff levels or experience;
- changes in the number and/or dollar value of procurement actions, which can affect the backlog of purchase requests;
- fiscal year budget constraints and funding level uncertainties; and
- learning curves involved in new procurement policies or directives, including CICA.

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## San Antonio ALC

We obtained annual PALT data for fiscal years 1986 through 1988. PALT averaged 110 days in fiscal year 1986 and increased to 130 days in 1988.

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<sup>3</sup>An Analysis of the Procurement Administrative Leadtime (PALT) at the Navy Aviation Supply Office (ASO), prepared by a Navy official and presented as a thesis to the Naval Postgraduate School, Monterey, California, June 1987.

According to the Chairman of the Center's Contract Committee, this PALT increase could not be attributed to CICA but rather to the following:

- a hiring freeze at the Center;
- the increased time contractors needed to provide cost and pricing data (this time has reportedly almost doubled, from 45 to 90 days);
- a lack of experienced buyers; and
- a lack of supervision.

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**DGSC**

We obtained PALT data on a monthly and an annual basis for fiscal years 1984 through 1988. The data, which included the number of contract actions, were broken down into large procurements (those over \$25,000) and small procurements. PALT for large procurements was further broken down into negotiated awards and sealed bid awards.

In fiscal year 1986, PALT for large procurements averaged 142 days; in fiscal year 1987, it rose to 145 days; and in fiscal year 1988, it dropped to 132 days.

According to procurement officials, PALT for fiscal year 1986 was influenced by the following factors:

- the implementation of CICA;
- requirements for cost and pricing data;
- a lack of trained personnel; and
- a backlog caused by the increased emphasis on ensuring price reasonableness, which created aged documents.

In fiscal year 1987, PALT increased an average of 3 days. Procurement officials said that two factors impacting PALT was:

- a continued backlog from fiscal year 1986 and
- funding constraints in the stock fund budget.

These officials also said that, during the latter part of fiscal year 1987, action was taken to reduce PALT. That is, 100 new buyers were hired to make up "SWAT" teams to work on awards of \$25,000 or less. Using these "SWAT" teams allowed experienced buyers to work on hard-to-buy or problem awards, and PALT for fiscal year 1988 was reduced because work loads reached more manageable levels.

# Information, Including Comparable Projected Results, Relating to Our Current and Previous CICA-Compliance Reviews

This appendix provides information on the results of our current and previous reviews.<sup>1</sup> The tables covering our current review include (1) subtotals for the five procuring activities that were covered in both reviews and (2) totals that include the additional activity covered only in our current review. Most of the tables provide projected results as a percentage of the relevant statistical population and sampling error rates at the 95-percent confidence level for each projection. See appendix VI for sample and population sizes and limitations.

**Table IV.1: CICA Exceptions Used During Our Current Review for Our Sample Contract Awards Based on Other Than Full and Open Competition**

Procuring activity	Exceptions		Total
	1	2	
AVSCOM (Army)	7	0	7
ASO (Navy)	7	0	7
NAVSEA (Navy)	6	1	7
San Antonio ALC (Air Force)	7	0	7
DGSC (DLA)	7	0	7
<b>Subtotal</b>	<b>34<sup>a</sup></b>	<b>1</b>	<b>35</b>
Ogden ALC (Air Force)	7	0	7
<b>Total</b>	<b>41<sup>b</sup></b>	<b>1</b>	<b>42</b>

Note: Exceptions 3 through 7 were not claimed for any of our sample contract awards. Other than full and open competition awards based on section 8(a) of the Small Business Act were not included in our population of contracts reviewed.

<sup>a</sup>These cases represent a projected 99.6 percent (plus 0.4 or minus 0.8 percent) of the population.

<sup>b</sup>These cases represent a projected 99.6 percent (plus 0.4 or minus 0.7 percent) of the population.

**Table IV.2: CICA Exceptions Used During Our Previous Review for Our Sample Contract Awards Based on Other Than Full and Open Competition**

Procuring activity	Exceptions		Total
	1	2	
AVSCOM (Army)	17	2	19
ASO (Navy)	19	1	20
NAVSEA (Navy)	13	1	14
San Antonio ALC (Air Force)	4	16	20
DGSC (DLA)	1	2	3
<b>Total</b>	<b>54<sup>a</sup></b>	<b>22<sup>b</sup></b>	<b>76</b>

Note: Exceptions 3, 4, 6, and 7 were not claimed for any of our sample contract awards. All three awards that were made under section 8(a) of the Small Business Act, based on CICA exception 5, have been excluded from the table because 8(a) awards were not covered in our current review.

<sup>a</sup>These cases represent a projected 89 percent (plus or minus 7 percent) of the population.

<sup>b</sup>These cases represent a projected 11 percent (plus or minus 7 percent) of the population.

<sup>1</sup>See our report Procurement: Better Compliance With the Competition in Contracting Act Is Needed (GAO/NSIAD-87-145, Aug. 26, 1987).

**Appendix IV  
Information, Including Comparable Projected  
Results, Relating to Our Current and Previous  
CICA-Compliance Reviews**

**Table IV.3: Sample Contract Awards, Identified During Our Current Review, for Which Decisions Not to Provide for Full and Open Competition Were Inappropriate or Questionable**

Procuring activity	Number of awards reviewed	Number of awards			Percentage inappropriate or questionable
		Inappropriate	Questionable	Total	
AVSCOM (Army)	7	1	1	2	29
ASO (Navy)	7	0	1	1	14
NAVSEA (Navy)	7	0	1	1	14
San Antonio ALC (Air Force)	7	0	0	0	0
DGSC (DLA)	7	5	0	5	71
<b>Subtotal</b>	<b>35</b>	<b>6<sup>a</sup></b>	<b>3<sup>b</sup></b>	<b>9<sup>c</sup></b>	<b>26</b>
Ogden ALC (Air Force)	7	0	2	2	29
<b>Total</b>	<b>42</b>	<b>6<sup>d</sup></b>	<b>5<sup>e</sup></b>	<b>11<sup>f</sup></b>	<b>26</b>

<sup>a</sup>These cases represent a projected 4 percent (plus or minus 4 percent) of the population.

<sup>b</sup>These cases represent a projected 8 percent (plus or minus 8 percent) of the population.

<sup>c</sup>These cases represent a projected 12 percent (plus or minus 12 percent) of the population.

<sup>d</sup>These cases represent a projected 3 percent (plus or minus 3 percent) of the population.

<sup>e</sup>These cases represent a projected 11 percent (plus or minus 10 percent) of the population.

<sup>f</sup>These cases represent a projected 14 percent (plus or minus 11 percent) of the population.

**Table IV.4: Sample Contract Awards, Identified During Our Previous Review, for Which Decisions Not to Provide for Full and Open Competition Were Inappropriate or Questionable**

Procuring activity	Number of awards reviewed	Number of awards			Percentage inappropriate or questionable
		Inappropriate	Questionable	Total	
AVSCOM (Army)	19	0	5	5	26
ASO (Navy)	20	0	5	5	25
NAVSEA (Navy)	14	3	2	5	36
San Antonio ALC (Air Force)	20	0	1	1	5
DGSC (DLA)	3	0	0	0	0
<b>Total</b>	<b>76</b>	<b>3<sup>a</sup></b>	<b>13<sup>b</sup></b>	<b>16<sup>b</sup></b>	<b>21</b>

Note: Exceptions 3, 4, 6, and 7 were not claimed for any of our sample contract awards. All three awards that were made under section 8(a) of the Small Business Act, based on CICA exception 5, have been excluded from the table because 8(a) awards were not covered in the current review.

<sup>a</sup>These cases represent 0.5 percent of the population. This is an actual, rather than projected, amount because we reviewed all of the contracts in the population at NAVSEA where these three contracts were awarded.

<sup>b</sup>These cases represent a projected 24 percent (plus or minus 13 percent) of the population.

**Appendix IV  
Information, Including Comparable Projected  
Results, Relating to Our Current and Previous  
CICA-Compliance Reviews**

**Table IV.5: Sample Contract Awards, Identified During Our Current Review, for Which Decisions Not to Provide for Full and Open Competition Were or Probably Were Appropriate**

Procuring activity	Number of awards			Percentage <sup>a</sup>		
	Probably appropriate	Appropriate	Total	Probably appropriate	Appropriate	Total
AVSCOM (Army)	1	4	5	14	57	71
ASO (Navy)	4	2	6	57	29	86
NAVSEA (Navy)	4	2	6	57	29	86
San Antonio ALC (Air Force)	0	7	7	0	100	100
DGSC (DLA)	1	1	2	14	14	29 <sup>b</sup>
<b>Subtotal</b>	<b>10<sup>c</sup></b>	<b>16<sup>d</sup></b>	<b>26<sup>e</sup></b>	<b>29</b>	<b>46</b>	<b>74<sup>b</sup></b>
Ogden ALC (Air Force)	1	4	5	14	57	71
<b>Total</b>	<b>11<sup>f</sup></b>	<b>20<sup>g</sup></b>	<b>31<sup>h</sup></b>	<b>26</b>	<b>48</b>	<b>74</b>

<sup>a</sup>Table IV.3 shows the distribution by procuring activity of the sample awards reviewed.

<sup>b</sup>Percentages do not add to totals due to rounding.

<sup>c</sup>These cases represent a projected 23 percent (plus or minus 14 percent) of the population.

<sup>d</sup>These cases represent a projected 66 percent (plus or minus 14 percent) of the population.

<sup>e</sup>These cases represent a projected 88 percent (plus or minus 12 percent) of the population.

<sup>f</sup>These cases represent a projected 22 percent (plus or minus 12 percent) of the population.

<sup>g</sup>These cases represent a projected 64 percent (plus or minus 13 percent) of the population.

<sup>h</sup>These cases represent a projected 86 percent (plus or minus 11 percent) of the population.

**Table IV.6: Sample Contract Awards, Identified During Our Previous Review, for Which Decisions Not to Provide for Full and Open Competition Were or Probably Were Appropriate**

Procuring activity	Number of awards			Percentage <sup>a</sup>		
	Probably appropriate	Appropriate	Total	Probably appropriate	Appropriate	Total
AVSCOM (Army)	9	5	14	47	26	74 <sup>b</sup>
ASO (Navy)	14	1	15	70	5	75
NAVSEA (Navy)	6	3	9	43	21	64
San Antonio ALC (Air Force)	3	16	19	15	80	95
DGSC (DLA)	0	3	3	0	100	100
<b>Total</b>	<b>32<sup>c</sup></b>	<b>28<sup>d</sup></b>	<b>60<sup>e</sup></b>	<b>42</b>	<b>37</b>	<b>79</b>

<sup>a</sup>See table IV.4 for the number of awards reviewed at each procuring activity.

<sup>b</sup>Percentages do not add to the total due to rounding.

<sup>c</sup>These cases represent a projected 59 percent (plus or minus 14 percent) of the population.

<sup>d</sup>These cases represent a projected 16 percent (plus or minus 8 percent) of the population.

<sup>e</sup>These cases represent a projected 76 percent (plus or minus 13 percent) of the population.

**Appendix IV  
Information, Including Comparable Projected  
Results, Relating to Our Current and Previous  
CICA-Compliance Reviews**

**Table IV.7: Sample Contract Awards Based on Other Than Full and Open Competition, Identified During Our Current Review, for Which Justifications Did Not Fully Comply With CICA or FAR Requirements**

<b>Procuring activity</b>	<b>Number of awards</b>	<b>Percent of awards for which justifications were required<sup>a</sup></b>
AVSCOM (Army)	7	100
ASO (Navy)	6	86
NAVSEA (Navy)	4	57
San Antonio ALC (Air Force)	6	86
DGSC (DLA)	7	100
<b>Subtotal</b>	<b>30<sup>b</sup></b>	<b>86</b>
Ogden ALC (Air Force)	7	100
<b>Total</b>	<b>37<sup>c</sup></b>	<b>88</b>

<sup>a</sup>Table IV.3 shows the distribution by procuring activity of the sample awards reviewed. All 42 sample awards were required to be justified in writing.

<sup>b</sup>These cases represent a projected 88 percent (plus 12 or minus 15 percent) of the population.

<sup>c</sup>These cases represent a projected 90 percent (plus 10 or minus 13 percent) of the population.

**Table IV.8: Sample Contract Awards Based on Other Than Full and Open Competition, Identified During Our Previous Review, for Which Justifications Did Not Fully Comply With CICA or FAR Requirements**

<b>Procuring activity</b>	<b>Number of awards</b>	<b>Percent of awards for which justifications were required<sup>a</sup></b>
AVSCOM (Army)	15	79
ASO (Navy)	12	60
NAVSEA (Navy)	13	93
San Antonio ALC (Air Force)	10	50
DGSC (DLA)	2	67
<b>Total</b>	<b>52<sup>b</sup></b>	<b>68</b>

<sup>a</sup>Table IV.4 shows the distribution by procuring activity of the 76 awards required to be justified in writing.

<sup>b</sup>These cases represent a projected 66 percent (plus or minus 14 percent) of the population.

**Appendix IV  
Information, Including Comparable Projected  
Results, Relating to Our Current and Previous  
CICA-Compliance Reviews**

**Table IV.9: Sample Contract Awards Based on Other Than Full and Open Competition, Identified During Our Current Review, With Justifications Not Including Elements Required by CICA or FAR**

<b>Procuring activity</b>	<b>Number of awards</b>	<b>Percent of awards for which justifications were required<sup>a</sup></b>
AVSCOM (Army)	6	86
ASO (Navy)	1	14
NAVSEA (Navy)	1	14
San Antonio ALC (Air Force)	4	57
DGSC (DLA)	7	100
<b>Subtotal</b>	<b>19<sup>b</sup></b>	<b>54</b>
Ogden ALC (Air Force)	6	86
<b>Total</b>	<b>25<sup>c</sup></b>	<b>60</b>

<sup>a</sup>Table IV.3 shows the distribution by procuring activity of the 42 awards required to be justified in writing.

<sup>b</sup>These cases represent a projected 49 percent (plus or minus 20 percent) of the population.

<sup>c</sup>These cases represent a projected 54 percent (plus or minus 18 percent) of the population.

**Table IV.10: Sample Contract Awards Based on Other Than Full and Open Competition, Identified During Our Previous Review, With Justifications Not Including Elements Required by CICA or FAR**

<b>Procuring activity</b>	<b>Number of awards</b>	<b>Percent of awards for which justifications were required<sup>a</sup></b>
AVSCOM (Army)	6	32
ASO (Navy)	10	50
NAVSEA (Navy)	7	50
San Antonio ALC (Air Force)	9	45
DGSC (DLA)	2	67
<b>Total</b>	<b>34<sup>b</sup></b>	<b>45</b>

<sup>a</sup>The 76 awards based on exceptions 1 and 2 were required to be justified in writing, but the 3 awards based on exception 5 were not. Table IV.4 shows the distribution of the 76 awards by procuring activity.

<sup>b</sup>These cases represent a projected 44 percent (plus or minus 15 percent) of the population.

**Appendix IV  
Information, Including Comparable Projected  
Results, Relating to Our Current and Previous  
CICA-Compliance Reviews**

**Table IV.11: Sample Contract Awards  
With Justifications Not Properly  
Approved, Which Were Identified During  
Our Current Review**

<b>Procuring activity</b>	<b>Number of awards</b>	<b>Percent of awards for which justifications were required<sup>a</sup></b>
AVSCOM (Army)	1	14
ASO (Navy)	4	57
NAVSEA (Navy)	0	0
San Antonio ALC (Air Force)	0	0
DGSC (DLA)	4	57
<b>Subtotal</b>	<b>9<sup>b</sup></b>	<b>26</b>
Ogden ALC (Air Force)	0	0
<b>Total</b>	<b>9<sup>c</sup></b>	<b>21</b>

<sup>a</sup>Table IV.3 shows the distribution by procuring activity of the 42 awards required to be justified in writing.

<sup>b</sup>These cases represent a projected 21 percent (plus or minus 14 percent) of the population.

<sup>c</sup>These cases represent a projected 18 percent (plus or minus 12 percent) of the population.

**Table IV.12: Sample Contract Awards  
With Justifications Not Properly  
Approved, Which Were Identified During  
Our Previous Review**

<b>Procuring activity</b>	<b>Number of awards</b>	<b>Percent of awards for which justifications were required<sup>a</sup></b>
AVSCOM (Army)	2	11
ASO (Navy)	7	35
NAVSEA (Navy)	0	0
San Antonio ALC (Air Force)	5	25
DGSC (DLA)	0	0
<b>Total</b>	<b>14<sup>b</sup></b>	<b>18</b>

<sup>a</sup>The 76 awards based on exceptions 1 and 2 were required to be justified in writing, but the 3 awards based on exception 5 were not. Table IV.4 shows the distribution of the 76 awards by procuring activity.

<sup>b</sup>These cases represent a projected 26 percent (plus or minus 14 percent) of the population.



**Appendix IV  
Information, Including Comparable Projected  
Results, Relating to Our Current and Previous  
CICA-Compliance Reviews**

**Table IV.13: Sample Contract Awards, Identified During Our Current Review, for Which Contracting Officials' Certifications of the Justifications Were Premature**

<b>Procuring activity</b>	<b>Number of awards</b>	<b>Percent of awards for which justifications were required<sup>a</sup></b>
AVSCOM (Army)	5	71
ASO (Navy)	1	14
NAVSEA (Navy)	4	57
San Antonio ALC (Air Force)	4	57
DGSC (DLA)	5	71
<b>Subtotal</b>	<b>19<sup>b</sup></b>	<b>54</b>
Ogden ALC (Air Force)	3	43
<b>Total</b>	<b>22<sup>c</sup></b>	<b>52</b>

<sup>a</sup>Table IV.3 shows the distribution by procuring activity of the 42 awards required to be justified in writing.

<sup>b</sup>These cases represent a projected 47 percent (plus or minus 21 percent) of the population.

<sup>c</sup>These cases represent a projected 46 percent (plus or minus 19 percent) of the population.

**Table IV.14: Sample Contract Awards, Identified During Our Previous Review, for Which Contracting Officials' Certifications of Justifications Were Premature**

<b>Procuring activity</b>	<b>Number of awards</b>	<b>Percent of awards for which justifications were required<sup>a</sup></b>
AVSCOM (Army)	10	53
ASO (Navy)	9	45
NAVSEA (Navy)	9	64
San Antonio ALC (Air Force)	2	10
DGSC (DLA)	0	0
<b>Total</b>	<b>30<sup>b</sup></b>	<b>39</b>

<sup>a</sup>The 76 awards based on exceptions 1 and 2 were required to be justified in writing, but the 3 awards based on exception 5 were not. Table IV.4 shows the distribution of the 76 awards by procuring activity.

<sup>b</sup>These cases represent a projected 46 percent (plus or minus 15 percent) of the population.

**Appendix IV  
Information, Including Comparable Projected  
Results, Relating to Our Current and Previous  
CICA-Compliance Reviews**

**Table IV.15: Sample Contract Awards Based on Other Than Full and Open Competition, Identified During Our Current Review, for Which Required Pre-Award Notices Were Not Published in the CBD**

Procuring activity	Number of contracts		Percent not published
	Required notice not published	Required to have notices published <sup>a</sup>	
AVSCOM (Army)	1	7	14
ASO (Navy)	1	7	14
NAVSEA (Navy)	1	6	17
San Antonio ALC (Air Force)	0	7	0
DGSC (DLA)	0	7	0
<b>Subtotal</b>	<b>3<sup>b</sup></b>	<b>34</b>	<b>9</b>
Ogden ALC (Air Force)	1	7	14
<b>Total</b>	<b>4<sup>c</sup></b>	<b>41</b>	<b>10</b>

<sup>a</sup>One award was exempt from this requirement, based on CICA's second exception. See table IV.1.

<sup>b</sup>These cases represent a projected 8 percent (plus or minus 8 percent) of the population.

<sup>c</sup>These cases represent a projected 9 percent (plus or minus 9 percent) of the population.

**Table IV.16: Sample Contract Awards Based on Other Than Full and Open Competition, Identified During Our Previous Review, for Which Required Pre-Award Notices Were Not Published in the CBD**

Procuring activity	Number of contracts		Percent not published
	Required notice not published	Required to have notices published <sup>a</sup>	
AVSCOM (Army)	2	17	12
ASO (Navy)	2	19	11
NAVSEA (Navy)	3	14	21
San Antonio ALC (Air Force)	1	4	25
DGSC (DLA)	0	1	0
<b>Total</b>	<b>8<sup>a</sup></b>	<b>55</b>	<b>15</b>

<sup>a</sup>These cases represent a projected 11 percent (plus or minus 10 percent) of the population.

**Table IV.17: Sample Contract Awards Based on Other Than Full and Open Competition, Identified During Our Current Review, for Which Pre-Award Notices Were Published With Conflicting or Questionable Footnotes**

Procuring activity	Number with conflicting or questionable footnotes	Number with notices published	Percent of those with notices published
ASO (Navy)	3	6	50
NAVSEA (Navy)	3	5	60
San Antonio ALC (Air Force)	0	7	0
DGSC (DLA)	0	7	0
<b>Subtotal</b>	<b>7<sup>a</sup></b>	<b>31</b>	<b>23</b>
Ogden ALC (Air Force)	2	6	33
<b>Total</b>	<b>9<sup>b</sup></b>	<b>37</b>	<b>24</b>

<sup>a</sup>These cases represent a projected 19 percent (plus or minus 14 percent) of the population.

<sup>b</sup>These cases represent a projected 21 percent (plus or minus 14 percent) of the population.

**Appendix IV  
Information, Including Comparable Projected  
Results, Relating to Our Current and Previous  
CICA-Compliance Reviews**

**Table IV.18: Sample Contract Awards Based on Other Than Full and Open Competition, Identified During Our Previous Review, for Which Pre-Award Notices Were Published With Conflicting or Questionable Footnotes**

<b>Procuring activity</b>	<b>Number with conflicting or questionable footnotes</b>	<b>Number with notices published</b>	<b>Percent of those with notices published</b>
AVSCOM (Army)	12	16	75
ASO (Navy)	17	17	100
NAVSEA (Navy)	4	11	36
San Antonio ALC (Air Force)	3	3	100
DGSC (DLA)	0	1	0
<b>Total</b>	<b>36<sup>a</sup></b>	<b>48<sup>b</sup></b>	<b>75</b>

<sup>a</sup>These cases represent a projected 91 percent (plus or minus 6 percent) of the population.

<sup>b</sup>A pre-award notice was not required, but was published, for 1 of these 48 awards.

**Table IV.19: Sample Contract Awards Based on Other Than Full and Open Competition, Identified During Our Current Review, Which Did Not Fully Comply With Requirements Relating to CBD Notices**

<b>Procuring activity</b>	<b>Number of contracts that did not comply with requirements</b>	<b>Percent of those required to have notices published<sup>a</sup></b>
AVSCOM (Army)	5	71
ASO (Navy)	7	100
NAVSEA (Navy)	6	100
San Antonio ALC (Air Force)	7	100
DGSC (DLA)	6	86
<b>Subtotal</b>	<b>31<sup>b</sup></b>	<b>91</b>
Ogden ALC (Air Force)	7	100
<b>Total</b>	<b>38<sup>c</sup></b>	<b>93</b>

<sup>a</sup>Table IV.15 shows the distribution by procuring activity of the 41 awards for which CBD pre-award notices were required.

<sup>b</sup>These cases represent a projected 94 percent (plus 6 or minus 8 percent) of the population.

<sup>c</sup>These cases represent a projected 95 percent (plus 5 or minus 7 percent) of the population.

**Table IV.20: Sample Contract Awards Based on Other Than Full and Open Competition, Identified During Our Previous Review, Which Did Not Fully Comply With Requirements Relating to CBD Notices**

<b>Procuring activity</b>	<b>Number of contracts that did not comply with requirements</b>	<b>Percent of those required to have notices published<sup>a</sup></b>
AVSCOM (Army)	11	65
ASO (Navy)	19	100
NAVSEA (Navy)	14	100
San Antonio ALC (Air Force)	4	100
DGSC (DLA)	1	100
<b>Total</b>	<b>49<sup>b</sup></b>	<b>89</b>

<sup>a</sup>Table IV.16 shows the distribution by procuring activity of the 55 awards for which CBD pre-award notices were required.

<sup>b</sup>These cases represent a projected 90 percent (plus or minus 7 percent) of the population.

**Appendix IV  
Information, Including Comparable Projected  
Results, Relating to Our Current and Previous  
CICA-Compliance Reviews**

**Table IV.21: One-Off Awards, Identified During Our Current Review, Reported As, but Based on Practices Inconsistent With Full and Open Competition**

Procuring activity	Total awards reviewed	Awards inconsistent with full and open competition			
		Total	Specific make/model	Inadequate specs/data	Pre-award notice not published or inadequate market search
AVSCOM (Army)	2	1	0	0	1 <sup>a</sup>
ASO (Navy)	3	1	0	0	1
NAVSEA (Navy)	2	0	0	0	0
San Antonio ALC (Air Force)	3	3	2	0	1
DGSC (DLA)	3	3	0	3	0
<b>Subtotal</b>	<b>13</b>	<b>8<sup>b</sup></b>	<b>2<sup>c</sup></b>	<b>3<sup>d</sup></b>	<b>3<sup>e</sup></b>
Ogden ALC (Air Force)	3	0	0	0	0
<b>Total</b>	<b>16</b>	<b>8<sup>f</sup></b>	<b>2<sup>g</sup></b>	<b>3<sup>h</sup></b>	<b>3<sup>i</sup></b>

<sup>a</sup>A CBD pre-award notice was required but not published for one award at AVSCOM.

<sup>b</sup>These cases represent a projected 95 percent (plus or minus 3 percent) of the population.

<sup>c</sup>These cases represent a projected 24 percent (plus or minus 23 percent) of the population.

<sup>d</sup>These cases represent 58 percent of the population. This is an actual rather than projected amount because we reviewed all of the contracts in the population at DGSC where these 3 contracts were awarded.

<sup>e</sup>These cases represent a projected 14 percent (plus or minus 14 percent) of the population.

<sup>f</sup>These cases represent a projected 91 percent (plus or minus 3 percent) of the population.

<sup>g</sup>These cases represent a projected 23 percent (plus or minus 22 percent) of the population.

<sup>h</sup>These cases represent 55 percent of the population. See footnote d above.

<sup>i</sup>These cases represent a projected 13 percent (plus or minus 13 percent) of the population.

**Appendix IV  
Information, Including Comparable Projected  
Results, Relating to Our Current and Previous  
CICA-Compliance Reviews**

**Table IV.22: One-Offer Awards, Identified During Our Previous Review, Reported As, but Based on Practices Inconsistent With Full and Open Competition**

Procuring activity	Total awards reviewed	Awards inconsistent with full and open competition			
		Total	Specific make/model	Inadequate specs/data	Pre-award notice not published or inadequate market search
AVSCOM (Army)	3	1	0	0	1 <sup>a</sup>
ASO (Navy)	5	2	1	0	1 <sup>a</sup>
NAVSEA (Navy)	1	0	0	0	0
San Antonio ALC (Air Force)	5	3	3	0	0
DGSC (DLA)	5	3	0	3	0
<b>Total</b>	<b>19</b>	<b>9<sup>b</sup></b>	<b>4<sup>c</sup></b>	<b>3<sup>d</sup></b>	<b>2<sup>e</sup></b>

<sup>a</sup>A CBD pre-award notice was required but not published for this award.

<sup>b</sup>These cases represent a projected 48 percent (plus or minus 31 percent) of the population.

<sup>c</sup>These cases represent a projected 15 percent (plus or minus 15 percent) of the population.

<sup>d</sup>These cases represent a projected 22 percent (plus or minus 17 percent) of the population.

<sup>e</sup>These cases represent a projected 12 percent (plus or minus 12 percent) of the population.

**Table IV.23: One-Offer Awards Reported as Based on Full and Open Competition, Identified During Our Current Review, That Did Not Meet Statutory Requirements Relating to the Use of CBD Pre-Award Notices**

Procuring activity	Awards with		Statutory requirement not met because		
	Notices published <sup>a</sup>	Requirements not met	Notice lacked statement encouraging competition	Notice lacked adequate solicitation data	Solicitation issued too early
AVSCOM (Army)	1	2 <sup>b</sup>	1	0	1
ASO (Navy)	3	3 <sup>c</sup>	3	3	0
NAVSEA (Navy)	2	2	2	2	0
San Antonio ALC (Air Force)	3	3	0	3	1
DGSC (DLA)	3	1 <sup>d</sup>	0	0	0
<b>Subtotal</b>	<b>12</b>	<b>11<sup>e</sup></b>	<b>6</b>	<b>8</b>	<b>2</b>
Ogden ALC (Air Force)	3	3	0	3	0
<b>Total</b>	<b>15</b>	<b>14<sup>f</sup></b>	<b>6</b>	<b>11</b>	<b>2</b>

<sup>a</sup>A CBD pre-award notice was required but not published for one award at AVSCOM.

<sup>b</sup>This includes one award for which a CBD pre-award notice was required but not published.

<sup>c</sup>This includes two awards for which CBD pre-award notices were published with conflicting or questionable footnotes.

<sup>d</sup>The notice for this award did not cover all of the requirements for which the agency contracted.

<sup>e</sup>These cases represent a projected 61 percent (plus or minus 38 percent) of the population.

<sup>f</sup>These cases represent a projected 63 percent (plus or minus 36 percent) of the population.

**Appendix IV  
Information, Including Comparable Projected  
Results, Relating to Our Current and Previous  
CICA-Compliance Reviews**

**Table IV.24: One-Offer Awards Reported as Based on Full and Open Competition, Identified During Our Previous Review, That Did Not Meet Statutory Requirements Relating to the Use of CBD Pre-Award Notices**

Procuring activity	Awards with		Statutory requirement not met because		
	Notices published <sup>a</sup>	Requirements not met	Notice lacked statement encouraging competition	Notice lacked adequate solicitation data	Inadequate solicitation response time
AVSCOM (Army)	2	3 <sup>b,c</sup>	1	1	1
ASO (Navy)	4	5 <sup>b,c</sup>	4	4	0
NAVSEA (Navy)	1	1	1	1	0
San Antonio ALC (Air Force)	5	5 <sup>b</sup>	5	3	2
DGSC (DLA)	5	4	2	0	4
<b>Total</b>	<b>17</b>	<b>18<sup>d</sup></b>	<b>13</b>	<b>9</b>	<b>7</b>

<sup>a</sup>A CBD pre-award notice was required but not published for two additional awards, one at AVSCOM and one at ASO.

<sup>b</sup>This includes awards for which CBD pre-award notices were published with conflicting or questionable footnotes.

<sup>c</sup>This also includes one award for which a CBD pre-award notice was required but not published.

<sup>d</sup>These cases represent a projected 93 percent (plus 7 or minus 14 percent) of the population.

**Appendix IV  
Information, Including Comparable Projected  
Results, Relating to Our Current and Previous  
CICA-Compliance Reviews**

**Table IV.25: Sampling Error Rates and Probability of Change at the 95-Percent Confidence Level Between Our Current and Previous Reviews for Awards Based on Other Than Full and Open Competition**

Category of findings	Current review		Previous review		Probability of change
	Percent of population	Sampling error percent	Percent of population	Sampling error percent	
Inappropriate award <sup>a</sup>	4	4	0.5	0	Undefined
Questionable award <sup>a</sup>	8	8	24	13	Not significant
Inappropriate or questionable award <sup>a</sup>	12	12	24	13	Not significant
Appropriate award <sup>b</sup>	66	14	16	8	Significant
Probably appropriate award <sup>b</sup>	23	14	59	14	Significant
Probably appropriate or appropriate award <sup>b</sup>	88	12	76	13	Not significant
Justification and approval: <sup>c</sup>					
Did not comply with CICA or FAR	88	+12 or -15	66	14	Significant
Did not include required elements	49	20	44	15	Not significant
Not properly approved	21	14	26	14	Not significant
Approval certification premature	47	21	46	15	Not significant
Pre-award notices: <sup>d</sup>					
Not published in the CBD	8	8	11	10	Not significant
Conflicting or questionable footnotes	19	14	91	6	Significant
Did not comply with requirements	94	+6 or -8	90	7	Not significant

<sup>a</sup>See tables IV.3 and IV.4.

<sup>b</sup>See tables IV.5 and IV.6.

<sup>c</sup>See tables IV.7 through IV.14.

<sup>d</sup>See tables IV.15 through IV.20.

**Appendix IV  
Information, Including Comparable Projected  
Results, Relating to Our Current and Previous  
CICA-Compliance Reviews**

**Table IV.26: Sampling Error Rates and Probability of Change at the 95-Percent Confidence Level Between Our Current and Previous Reviews for One-Offer Awards Reported as Based on Full and Open Competition**

Category of findings	Current review		Previous review		Probability of change
	Percent of population	Sampling error percent	Percent of population	Sampling error percent	
Awards reported as, but inconsistent with, full and open competition <sup>a</sup>	95	3	48	31	Significant
Solicitations restricted to specific make and model <sup>a</sup>	24	23	15	15	Not significant
Solicitations provided inadequate specification or data <sup>a</sup>	58	0	22	17	Significant
Pre-award notices not published or inadequate market search <sup>a</sup>	14	14	12	12	Not significant
Pre-award notices that did not comply with requirements <sup>b</sup>	61	38	93	+7 or -14	Not significant

<sup>a</sup>See tables IV.21 and IV.22.

<sup>b</sup>See tables IV.23 and IV.24.



# Additional Information on the Results of Our Current and Previous CICA-Compliance Reviews

This appendix provides additional information on the results of our current and previous reviews. The tables covering our current review include (1) subtotals for the five procuring activities that were covered in both reviews and (2) totals that include the additional activity covered only in our current review. We did not project these numbers to the populations or statistically compare these results for the two reviews.

**Table V.1: Sample Contract Awards, Identified During Our Current Review, With Justification-Related Problems by Required Approval Levels**

Procuring activity	Required approval levels				Total
	\$25,001 -\$100,000 <sup>a</sup>	\$ 100,001 -\$1,000,000 <sup>b</sup>	\$1,000,001 -\$10,000,000 <sup>c</sup>	\$10,000,001 or more <sup>d</sup>	
AVSCOM (Army)	6	1	0	0	7
ASO (Navy)	3	3	0	0	6
NAVSEA (Navy)	0	1	2	1	4
San Antonio ALC (Air Force)	4	2	0	0	6
DGSC (DLA)	6	1	0	0	7
<b>Subtotal</b>	<b>19</b>	<b>8</b>	<b>2</b>	<b>1</b>	<b>30</b>
Ogden ALC (Air Force)	4	3	0	0	7
<b>Total</b>	<b>23</b>	<b>11</b>	<b>2</b>	<b>1</b>	<b>37</b>

Note: CICA and FAR require that justifications be approved in writing by certain agency officials, depending on the dollar value of the proposed award, as follows:

<sup>a</sup>An official at a level above the contracting officer.

<sup>b</sup>The competition advocate for the procuring activity.

<sup>c</sup>The head of the procuring activity.

<sup>d</sup>The senior procurement executive.

**Appendix V  
Additional Information on the Results of Our  
Current and Previous CICA-Compliance  
Reviews**

**Table V.2: Sample Contract Awards, Identified During Our Previous Review, With Justification-Related Problems by Required Approval Levels**

Procuring activity	Required approval levels				Total
	\$25,001 -\$100,000 <sup>a</sup>	\$ 100,001 -\$1,000,000 <sup>b</sup>	\$1,000,001 -\$10,000,000 <sup>c</sup>	\$10,000,001 or more <sup>d</sup>	
AVSCOM (Army)	5	9	1	0	15
ASO (Navy)	7	4	1	0	12
NAVSEA (Navy)	7	3	3	0	13
San Antonio ALC (Air Force)	3	2	5	0	10
DGSC (DLA)	2	0	0	0	2
<b>Total</b>	<b>24</b>	<b>18</b>	<b>10</b>	<b>0</b>	<b>52</b>

Note: CICA and FAR require that justifications be approved in writing by certain agency officials, depending on the dollar value of the proposed award, as follows:

<sup>a</sup>An official at a level above the contracting officer.

<sup>b</sup>The competition advocate for the procuring activity.

<sup>c</sup>The head of the procuring activity.

<sup>d</sup>The senior procurement executive.

**Table V.3: Sample Contract Awards Based on Other Than Full and Open Competition, Identified During Our Current Review, for Which the Required Contents of the Pre-Award Notices Were Inaccurate, Incomplete, or Missing**

Procuring activity	Number of contracts with required notices inaccurate or incomplete	Percent of those with notices published <sup>a</sup>
AVSCOM (Army)	3	50
ASO (Navy)	6	100
NAVSEA (Navy)	5	100
San Antonio ALC (Air Force)	7	100
DGSC (DLA)	6	86
<b>Subtotal</b>	<b>27</b>	<b>87</b>
Ogden ALC (Air Force)	6	100
<b>Total</b>	<b>33</b>	<b>89</b>

<sup>a</sup>Table IV.17 shows the distribution by procuring activity of the 37 awards that had notices published.

**Appendix V  
Additional Information on the Results of Our  
Current and Previous CICA-Compliance  
Reviews**

**Table V.4: Sample Contract Awards Based on Other Than Full and Open Competition, Identified During Our Previous Review, for Which the Required Contents of the Pre-Award Notices Were Inaccurate, Incomplete, or Missing**

<b>Procuring activity</b>	<b>Number of contracts with required notices inaccurate or incomplete</b>	<b>Percent of those with notices published<sup>a</sup></b>
AVSCOM (Army)	9	56
ASO (Navy)	17	100
NAVSEA (Navy)	11	100
San Antonio ALC (Air Force)	3	100
DGSC (DLA)	1	100
<b>Total</b>	<b>41</b>	<b>85</b>

<sup>a</sup>Table IV.18 shows the distribution by procuring activity of the 48 awards that had notices published.

**Table V.5: Sample Contract Awards Based on Other Than Full and Open Competition, Identified During Our Current Review, That Had Inaccurate, Incomplete, or Missing Elements in Their Published Pre-Award Notices**

<b>Required element</b>	<b>Number of awards with problems</b>
An accurate description of the property or services	2
The name, address, and phone number of the contracting officer	25
A statement that all responsible sources may submit a bid, proposal, or quotation, which shall be considered by the agency <sup>a</sup>	7
A statement of the reason justifying the use of other than competitive procedures and the identity of the intended source	17

Note: Many of the 33 notices lacked more than one of the required elements. Table V.3 shows the distribution of the 33 awards.

<sup>a</sup>FAR 5.207(c)(2)(xvi) instructs agencies to include this statement in the notice, as required by CICA. FAR 5.207(d)(3) requires agencies to refer to numbered note 22 if the proposed contract is intended to be awarded on a sole-source basis. For seven awards, agencies' notices did not refer to numbered note 22 or include the statement.

**Table V.6: Sample Contract Awards Based on Other Than Full and Open Competition, Identified During Our Previous Review, That Had Inaccurate, Incomplete, or Missing Elements in Their Published Pre-Award Notices**

<b>Required element</b>	<b>Number of awards with problems</b>
An accurate description of the property or services	3
The name, address, and phone number of the contracting officer	35
A statement that all responsible sources may submit a bid, proposal, or quotation, which shall be considered by the agency <sup>a</sup>	6
A statement of the reason justifying the use of other than competitive procedures and the identity of the intended source	29

Note: Many of the 41 notices lacked more than one of the required elements. Table V.4 shows the distribution of the 41 awards.

<sup>a</sup>FAR 5.207(c)(2)(xvi) instructs agencies to include this statement in the notice, as required by CICA. FAR 5.207(d)(3) requires agencies to refer to numbered note 22 if the proposed contract is intended to be awarded on a sole-source basis. For six awards, agencies' notices did not refer to numbered note 22 or include the statement.

**Appendix V  
Additional Information on the Results of Our  
Current and Previous CICA-Compliance  
Reviews**

**Table V.7: Number of Sample Contract Awards Based on Other Than Full and Open Competition, Identified During Our Current Review, for Which the Statutory Solicitation Issuance or Response Time Requirements Were Not Met**

Procuring activity	Solicitation issued too early	Percent of contracts reviewed <sup>a</sup>	Proper response time not provided	Percent of contracts reviewed <sup>a</sup>	Both problems existed
AVSCOM (Army)	3	43	1	14	1
ASO (Navy)	5	71	0	0	0
NAVSEA (Navy)	2	29	0	0	0
San Antonio ALC (Air Force)	3	43	0	0	0
DGSC (DLA)	0	0	0	0	0
<b>Subtotal</b>	<b>13</b>	<b>37</b>	<b>1</b>	<b>3</b>	<b>1</b>
Ogden ALC (Air Force)	1	14	0	0	0
<b>Total</b>	<b>14</b>	<b>33</b>	<b>1</b>	<b>2</b>	<b>1</b>

<sup>a</sup>Table IV.3 shows the distribution by procuring activity of the sample awards reviewed.

**Table V.8: Number of Sample Contract Awards Based on Other Than Full and Open Competition, Identified During Our Previous Review, for Which the Statutory Solicitation Issuance or Response Time Requirements Were Not Met**

Procuring activity	Solicitation issued too early	Percent of contracts reviewed <sup>a</sup>	Proper response time not provided	Percent of contracts reviewed <sup>a</sup>	Both problems existed
AVSCOM (Army)	0	0	0	0	0
ASO (Navy)	0	0	0	0	0
NAVSEA (Navy)	6	38	6	38	5
San Antonio ALC (Air Force)	1	5	0	0	0
DGSC (DLA)	1	33	0	0	0
<b>Total</b>	<b>8</b>	<b>10</b>	<b>6</b>	<b>8</b>	<b>5</b>

<sup>a</sup>Table IV.4 shows the distribution by procuring activity of the sample awards reviewed.

**Table V.9: One-Offer Awards Reported as Based on Full and Open Competition, Identified During Our Current Review, for Which Pre-Award Notices Referred to Conflicting or Questionable Footnotes**

Procuring activity	Number with notices published	Number using conflicting or questionable notes
AVSCOM (Army)	1	0
ASO (Navy)	3	2 <sup>a</sup>
NAVSEA (Navy)	2	0
San Antonio ALC (Air Force)	3	0
DGSC (DLA)	3	0
<b>Subtotal</b>	<b>12</b>	<b>2</b>
Ogden ALC (Air Force)	3	0
<b>Total</b>	<b>15</b>	<b>2</b>

<sup>a</sup>One CBD pre-award notice referred to note 46, and the other erroneously referred to note 73.

**Appendix V  
 Additional Information on the Results of Our  
 Current and Previous CICA-Compliance  
 Reviews**

**Table V.10: One-Offer Awards Reported  
 as Based on Full and Open Competition,  
 Identified During Our Previous Review,  
 for Which Pre-Award Notices Referred to  
 Conflicting or Questionable Footnotes**

<b>Procuring activity</b>	<b>Number with notices published</b>	<b>Number using conflicting or questionable notes</b>
AVSCOM (Army)	2	1
ASO (Navy)	4	3
NAVSEA (Navy)	1	0
San Antonio ALC (Air Force)	5	5
DGSC (DLA)	5	0
<b>Total</b>	<b>17</b>	<b>9</b>

# Objective, Scope, and Methodology

This report summarizes the results of our follow-up review of DOD's compliance with CICA in awarding contracts from April to June 1988. It also provides information on the results of our previous review, which covered contracts awarded in September 1985, shortly after CICA's requirements took effect. (See GAO/NSIAD-87-145, Aug. 1987.)

Our objective was to determine whether the compliance problems we previously identified still existed at the DOD locations we reviewed. As agreed with the Office of the Chairman of the House Committee on Armed Services, our review covered six locations in three military services and DLA:

- AVSCOM (Army), St. Louis, Missouri;
- ASO (Navy), Philadelphia, Pennsylvania;
- NAVSEA Headquarters (Navy), Arlington, Virginia;
- Ogden ALC, Hill Air Force Base, Ogden, Utah;
- San Antonio ALC, Kelly Air Force Base, San Antonio, Texas; and
- DGSC (DLA), Richmond, Virginia.

We reviewed contract awards falling into two categories: (1) contract awards based on other than full and open competition and (2) contract awards reported as based on full and open competition, but for which only one offer was submitted.

To review both categories, we examined random, statistical samples of contracts that were for over \$25,000 and were awarded during the third quarter of fiscal year 1988 by the six procuring activities. Our sample included (1) 42 awards based on other than full and open competition and (2) 16 awards reported as based on full and open competition, but for which only one offer was submitted. At each activity, we randomly selected up to seven of the first category and up to three of the second category of contract awards. In some cases, we were not able to find enough contract awards meeting our selection criteria.

We limited our review to new contract awards, as opposed to contract modifications or orders under existing contracts.

Our statistical sample of 42 new contract awards based on other than full and open competition involved initial obligations of \$18.9 million. The population from which the sample was drawn included a projected 1,592 new awards initially obligating \$610 million at the six locations. The statistical sample of 16 new awards reportedly based on full and

open competition involved initial obligations of \$2.5 million. The statistical population included a projected 370 new contract awards, which initially obligated \$46 million.

The populations from which we drew our samples represented 57 percent for our first category and 27 percent for our second category of all DOD contract actions that were recorded in its DD-350 prime contract reporting system and that met our selection criteria.

Tables VI.1 through VI.4 provide information on population and sample sizes relating to our current review. Tables VI.5 through VI.8 provide similar information for our previous review.

For each of our sample awards, we examined the contract and supporting documentation in the contract file and discussed the procurement with agency personnel, such as the contracting officer and the program or technical personnel who had requested the procurement. In several cases, we also contacted potential offerors to get their views on such matters as the capabilities of sources other than the winning contractor to satisfy the government's requirements.

We based our statistical projections comparing the results of our two reviews on data on the five activities we visited in both reviews. We based these projections on stratified sampling estimates, given the population sizes, sample sizes, and the numbers of cases found to have particular characteristics. Given our sample size, projections to individual activities are unwarranted. Projected results are more properly thought of as ranges. However, we have used single number estimates, at the midpoint of the ranges, for simplicity of presentation. Projections of dollars have been rounded to the nearest million and projections of percentages to the nearest whole percent.

We performed most of our field work between October 1988 and March 1989. Although we did not request official agency comments on a draft of this report, we discussed our findings with agency officials and included their comments where appropriate. We performed our review in accordance with generally accepted government auditing standards.

**Appendix VI  
Objective, Scope, and Methodology**

**Table VI.1: Original and Adjusted Population and Sample Sizes, Identified During Our Current Review, for New Contract Awards Based on Other Than Full and Open Competition**

Dollars in thousands

Activity	Original population		Original sample		Revised sample <sup>a</sup>		Revised population <sup>b</sup>		Percent of population reviewed <sup>c</sup>	
San Antonio ALC	588	\$154,591	7	\$885	7	\$885	588	\$154,591	1	1
DGSC	14	1,970	7	1,325	7	1,296	12	1,783	58	73
AVSCOM	292	57,169	7	682	7	682	292	57,169	2	1
ASO	605	261,656	7	1,306	7	1,495	602	256,867	1	1
NAVSEA	41	145,291	7	13,807	7	13,807	41	145,291	17	10
<b>Subtotal</b>	<b>1,540</b>	<b>620,677</b>	<b>35</b>	<b>18,005</b>	<b>35</b>	<b>18,165</b>	<b>1,355<sup>d</sup></b>	<b>451,000<sup>d</sup></b>	<b>3</b>	<b>4</b>
Ogden ALC	237	58,340	7	777	7	777	237	58,340	3	1
<b>Total</b>	<b>1,777</b>	<b>\$679,017</b>	<b>42</b>	<b>\$18,782</b>	<b>42</b>	<b>\$18,942</b>	<b>1,592<sup>e</sup></b>	<b>\$610,000<sup>e</sup></b>	<b>3</b>	<b>3</b>

<sup>a</sup>Because agency personnel had miscoded some of the contract actions, some contracts in our original sample did not belong in our population. We replaced these miscoded contracts with others in our population from the same activity. We deleted two contracts at DGSC for \$187,000 and three contracts at ASO for \$4,789,000. We deleted no contract actions at the other four locations visited.

<sup>b</sup>We adjusted the size of our population based on the number of sample contracts that did not belong in it.

<sup>c</sup>The percentages in this column are based on the "revised sample" amounts divided by the "revised population" amounts.

<sup>d</sup>Amounts in this column do not add to the total because the sample sizes were not sufficient to project for each individual activity. However, we are 95-percent confident that the total population for the five activities contains 1,355 contract awards plus or minus 180 and that the value of these awards is \$451 million plus or minus \$83 million.

<sup>e</sup>Amounts in this column do not add to the total because the sample sizes were not sufficient to project for each individual activity. However, we are 95-percent confident that the total population for all six activities contains 1,592 contract awards plus or minus 180 and that the value of these awards is \$610 million plus or minus \$81 million.



**Appendix VI  
Objective, Scope, and Methodology**

**Table VI.2: Original and Adjusted Population and Sample Sizes, Identified During Our Current Review, for One-Off Awards Reported as Based on Full and Open Competition**

Dollars in thousands

Activity	Original population		Original sample		Revised sample <sup>a</sup>		Revised population <sup>b</sup>		Percent of population reviewed <sup>c</sup>	
San Antonio ALC	125	\$24,731	3	\$266	3	\$266	125	\$24,731	2	1
DGSC	205	14,129	3	147	3	147	205	14,129	1	1
AVSCOM	6	939	3	288	2	143	2	143	100	100
ASO	40	7,940	3	214	3	660	37	4,646	8	14
NAVSEA	3	4,165	3	4,165	2	1,114	2	1,114	100	100
<b>Subtotal</b>	<b>379</b>	<b>51,904</b>	<b>15</b>	<b>5,080</b>	<b>13</b>	<b>2,330</b>	<b>354<sup>d</sup></b>	<b>45,000<sup>d</sup></b>	<b>4</b>	<b>5</b>
Ogden ALC	26	4,118	3	593	3	135	24	3,552	13	4
<b>Total</b>	<b>405</b>	<b>\$56,022</b>	<b>18</b>	<b>\$5,673</b>	<b>16</b>	<b>\$2,465</b>	<b>370<sup>e</sup></b>	<b>\$46,000<sup>e</sup></b>	<b>4</b>	<b>5</b>

<sup>a</sup>Because agency personnel had miscoded some of the contract actions, some contracts in our original sample did not belong in our population. We replaced these miscoded contracts with others in our population from the same activity whenever possible. However, in some instances, replacement contracts were unavailable. We deleted four contracts at AVSCOM for \$796,000, three at ASO for \$3,294,000, one at NAVSEA for \$3,051,000, and two at Ogden ALC for \$566,000. We deleted no actions at the other two locations we visited.

<sup>b</sup>We adjusted the size of our population based on the number of sample contracts that did not belong in it.

<sup>c</sup>The percentages in this column are based on the "revised sample" amounts divided by the "revised population" amounts.

<sup>d</sup>Amounts in this column do not add to the total because the sample sizes were not sufficient to project for each individual activity. However, we are 95-percent confident that the total population contains 354 contract awards plus or minus 16 and that the value of these awards is \$45 million plus or minus \$7 million.

<sup>e</sup>Amounts in this column do not add to the total because the sample sizes were not sufficient to project for each individual activity. However, we are 95-percent confident that the total population contains 370 contract awards plus or minus 20 and that the value of these awards is \$46 million plus or minus \$7 million.

**Appendix VI  
Objective, Scope, and Methodology**

**Table VI.3: Total DOD Population Sizes, Identified During Our Current Review, for New Contract Awards Based on Other Than Full and Open Competition**

Dollars in thousands

Activity	DOD population		Original population of selected activities reviewed		Percent of DOD population included in review <sup>a</sup>	
	Count	Amount	Count	Amount	Count	Amount
Air Force	998	\$908,587	825 <sup>b</sup>	\$212,931	83	23
Army	573	585,314	292 <sup>c</sup>	57,169	51	10
Navy	1,325	1,417,275	646 <sup>d</sup>	406,947	49	29
DLA	117	25,356	14 <sup>e</sup>	1,970	12	8
DOD-other	86	31,644	0	0	0	0
<b>Total</b>	<b>3,099</b>	<b>\$2,968,176</b>	<b>1,777</b>	<b>\$679,017</b>	<b>57</b>	<b>23</b>

<sup>a</sup>The percentages in this column are based on the "original population of selected activities reviewed" amounts divided by the "DOD population" amounts.

<sup>b</sup>This number represents actions at Ogden and San Antonio ALCs.

<sup>c</sup>This number represents actions at AVSCOM.

<sup>d</sup>This number represents actions at ASO and NAVSEA Headquarters.

<sup>e</sup>This number represents actions at DLA's DGSC.

**Table VI.4: Total DOD Population Sizes, Identified During Our Current Review, for New Contract Awards Based on Full and Open Competition and Receipt of One Offer**

Dollars in thousands

Activity	DOD population		Original population of selected activities reviewed		Percent of DOD population included in review <sup>a</sup>	
	Count	Amount	Count	Amount	Count	Amount
Air Force	290	\$128,416	151 <sup>b</sup>	\$28,849	52	22
Army	154	27,525	6 <sup>c</sup>	939	4	3
Navy	314	61,319	43 <sup>d</sup>	12,105	14	20
DLA	731	96,473	205 <sup>e</sup>	14,129	28	15
DOD-other	24	7,743	0	0	0	0
<b>Total</b>	<b>1,513</b>	<b>\$321,476</b>	<b>405</b>	<b>\$56,022</b>	<b>27</b>	<b>17</b>

<sup>a</sup>The percentages in this column are based on the "original population of selected activities reviewed" amounts divided by the "DOD population" amounts.

<sup>b</sup>This number represents actions at Ogden and San Antonio ALCs.

<sup>c</sup>This number represents actions at AVSCOM.

<sup>d</sup>This number represents actions at ASO and NAVSEA Headquarters.

<sup>e</sup>This number represents actions at DLA's DGSC.

**Appendix VI  
Objective, Scope, and Methodology**

**Table VI.5: Original and Adjusted Population and Sample Sizes, Identified During Our Previous Review, for New Contract Awards Based on Other Than Full and Open Competition**

Dollars in thousands

Activity	Original population		Original sample		Revised sample <sup>a</sup>		Revised population <sup>b</sup>		Percent of population reviewed <sup>c</sup>	
San Antonio ALC	33	\$42,321	20	\$27,825	20	\$28,584	32	\$42,160	63	68
DGSC	5	657	5	658	3	261	3	261	100	100
AVSCOM	189	131,855	20	8,328	19	7,785	187	131,331	10	6
ASO	756	411,315	20	16,486	20	16,299	734	402,513	3	4
NAVSEA	23	34,656	20	32,527	14	14,422	14	14,422	100	100
<b>Total</b>	<b>1,006</b>	<b>\$620,804</b>	<b>85</b>	<b>\$85,824</b>	<b>76</b>	<b>\$67,351</b>	<b>579<sup>d</sup></b>	<b>\$590,687</b>	<b>18</b>	<b>11</b>

<sup>a</sup>Because agency personnel had miscoded some of the contract actions, some contracts in our original sample did not belong in our population. We replaced these miscoded contracts with others in our population from the same activity. We deleted 1 action at San Antonio ALC for \$161,000, 2 at DGSC for \$397,000, 1 at AVSCOM for \$291,000, 22 at ASO for \$8,802,000, and 7 at NAVSEA for \$18,674,000. Additionally, all three sample awards that were made under section 8(a) of the Small Business Act, based on CICA exception 5, have been excluded from the table because 8(a) awards were not covered in our current review. Therefore, we also deleted one action at AVSCOM for \$252,585 and two at NAVSEA for \$1,559,677.

<sup>b</sup>We adjusted the size of our population based on the number of sample contracts that did not belong in it.

<sup>c</sup>The percentages in this column are based on the "revised sample" amounts divided by the "revised population" amounts.

<sup>d</sup>Amounts in this column do not add to the total because the sample sizes were not sufficient to project to each individual activity. However, we are 95-percent confident that the total population contains 579 contract awards plus or minus 115.

**Appendix VI  
Objective, Scope, and Methodology**

**Table VI.6: Original and Adjusted Population and Sample Sizes, Identified During Our Previous Review, for One-Offer Awards Reported as Based on Full and Open Competition**

Dollars in thousands

Activity	Original population	Original sample	Revised sample <sup>a</sup>	Revised population <sup>b</sup>	Percent of population reviewed <sup>c</sup>
San Antonio ALC	10	\$1,330	5	\$281	50
DGSC	62	3,890	5	333	8
AVSCOM	4	1,344	4	1,344	100
ASO	96	71,908	5	1,439	5
NAVSEA	1	407	1	407	100
<b>Total</b>	<b>173</b>	<b>\$78,879</b>	<b>20</b>	<b>\$3,804</b>	<b>11</b>

<sup>a</sup>Because agency personnel had miscoded some of the contract actions, some contracts in our original sample did not belong in our population. We replaced these miscoded contracts with others in our population from the same activity whenever possible. However, in some instances, replacement contracts were unavailable. We deleted one action at AVSCOM for \$722,000. We deleted no actions at the other four locations we visited.

<sup>b</sup>For these awards, our sample size does not permit us to project our results to the population. Therefore, the numbers and dollar values for these awards relate to the sample contract awards rather than to the population. We adjusted the size of our population based on the number of sample contracts that did not belong in it.

<sup>c</sup>The percentages in this column are based on the "revised sample" amounts divided by the "revised population" amounts.

**Table VI.7: Total DOD Population Sizes, Identified During Our Previous Review, for New Contract Awards Based on Other Than Full and Open Competition**

Dollars in thousands

Activity	DOD population	Original population of selected activities reviewed	Percent of DOD population included in review <sup>a</sup>
Air Force	827	\$505,580	4
Army	878	560,412	22
Navy	1,999	794,110	39
DLA	69	22,354	7
DOD-other	337	203,648	0
<b>Total</b>	<b>4,110</b>	<b>\$2,086,104</b>	<b>24</b>

<sup>a</sup>The percentages in this column are based on the "original population of selected activities reviewed" amounts divided by the "DOD population" amounts.

<sup>b</sup>This number represents actions at San Antonio ALC.

<sup>c</sup>This number represents actions at AVSCOM.

<sup>d</sup>This number represents actions at ASO and NAVSEA Headquarters.

<sup>e</sup>This number represents actions at DLA's DGSC.

**Appendix VI  
Objective, Scope, and Methodology**

**Table VI.8: Total DOD Population Sizes, Identified During Our Previous Review, for New Contract Awards Based on Full and Open Competition and Receipt of One Offer**

Dollars in thousands

Activity	DOD population		Original population of selected activities reviewed		Percent of DOD population included in review <sup>a</sup>	
	Number	Amount	Number	Amount	Number	Amount
Air Force	281	\$100,342	10 <sup>b</sup>	\$1,330	4	1
Army	409	105,502	4 <sup>c</sup>	1,344	1	1
Navy	427	118,156	97 <sup>d</sup>	72,315	23	61
DLA	376	32,814	62 <sup>e</sup>	3,890	16	12
DOD-other	51	12,015	0	0	0	0
<b>Total</b>	<b>1,544</b>	<b>\$368,829</b>	<b>173</b>	<b>\$78,879</b>	<b>11</b>	<b>21</b>

<sup>a</sup>The percentages in this column are based on the "original population of selected activities reviewed" amounts divided by the "DOD population" amounts.

<sup>b</sup>This number represents actions at San Antonio ALC.

<sup>c</sup>This number represents actions at AVSCOM.

<sup>d</sup>This number represents actions at ASO and NAVSEA Headquarters.

<sup>e</sup>This number represents actions at DLA's DGSC.

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