

DECISION



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

FILE: B-211554

DATE: August 30, 1983

MATTER OF: Salem Manufacturing & Sales, Inc.

DIGEST:

Agency decision after receipt of offers that procurement should be restricted to original equipment manufacturer's (OEM's) part is upheld since agency lacked OEM's drawing, only OEM's parts had been adequately tested, and qualification of alternate parts offered by protester cannot be determined until adequate testing criteria are developed.

Salem Manufacturing & Sales, Inc. (Salem), protests the Defense Construction Supply Center, Columbus, Ohio, ordering any impellers from Ingersoll-Rand (Ingersoll) under request for quotations (RFQ) No. DLA700-83-Q-J158. Impellers are critical parts used in the high-pressure air systems of nuclear submarines and ballistic missile submarines.

Salem essentially questions the propriety of the Navy rejecting its offered part and accepting the Ingersoll part as the only approved source. Salem indicates that although the Navy claims it has insufficient data to evaluate alternate offers, the Navy has approved its part and drawings in four previous awards. Salem argues the Navy could evaluate the drawings it submitted under previous contracts. Furthermore, Salem believes that the Navy's designation of the part as engineering critical without investigating the willingness or ability of other sources to produce parts may perpetuate an unjustified sole-source.

We deny the protest.

The RFQ was issued on January 14, 1983, for 38 impellers, Ingersoll part No. 182535-247 and Salem part No. SMS 182535-247. Offers were received from Ingersoll and Salem at a unit price of \$290 and \$204, respectively. On February 15, 1983, Ingersoll advised the Navy that the part had been previously designated critical by the Navy and Ingersoll was the only acceptable source. On March 23, the Navy concurred that the part was a critical item which, in

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accordance with DD Form 1418, dated August 18, 1982, should be procured from Ingersoll only.

DD Form 1418 advises that the Ingersoll part was subjected to 2,000 hours of qualification and reliability testing during the initial production phase to comply with specification requirements for mean time between failure. The high degree of compression failure in ships of the fleet resulted in an investigation and review of the Navy's system for approving suppliers for compression parts. The Navy decided that all alternate parts should be subjected to the same quality and reliability testing as the Ingersoll part prior to their approval as alternate parts.

The Navy reports that, prior to designating the part critical, it purchased the part from Salem in 1981 and 1982 and that these purchases were based on comparing Salem's drawing with that of Ingersoll. The Navy indicates, however, it does not currently possess either company's drawing. The Navy further reports that while the Salem part has never received an unsatisfactory report, the technical acceptability of the part cannot now be determined in the absence of current Ingersoll drawings or current procedures for testing the Salem part. To rectify the situation, the Navy reports it currently is making an effort to develop test criteria so that alternate offers may be evaluated.

Considering the facts of this case, we find no basis to question the Navy's actions. A procuring activity properly may restrict a procurement for spare parts to the only approved source of supply where insufficient data or insufficient test results prevent assuring the requisite reliability and interchangeability of critical parts. See Defense Acquisition Regulation § 1-313(c) (1976 ed.); Compressor Engineering Corporation, B-206879, October 29, 1982, 82-2 CPD 383. However, as noted, the Navy is developing test criteria for evaluating alternate offers to preclude a continuing sole-source situation.

Accordingly, the protest is denied.

for Milton J. Aronson
Comptroller General
of the United States