



CONTRACT LAW DIVISION

Office of the Assistant General Counsel for Finance and Litigation



Biweekly Report—Period Ending July 5, 1997

Will-Burt Co. v. DOC - GAO B-277308.1

Will-Burt Co. protests the award to Allen Osborne Associates, Inc. by MASC of 11 telescoping masts. Will-Burt alleges that the award to Allen Osborne at the negotiated price of \$127,9798, instead of to Will-Burt at its offered price of \$65,978, violates FAR 15.013(b). Will-Burt also alleges that the award violates the Buy American Act because Allen Osborne is a distributor for telescoping masts manufactured in Great Britain. We provided GAO the fax transmission report confirming that the written debriefing was sent to Will-Burt on May 29, 1997. GAO is currently investigating whether this protest is timely. Amy Freeman and Terry Lee have the case.

Franchise Funds/Activities

Jerry Walz and Terry Lee met with Gerry Lucas, Director-EASC, to discuss NOAA's plan to explore a major franchising effort in environmental clean-up activities. Terry Lee also attended a meeting in Norfolk with NOAA and Navy staff to further discuss the issues. NOAA desires to assume environmental clean-up functions, currently being done by two Navy environmental detachments, as part of its franchise activities. The concept is to add the environmental clean-up functions as part of the environmental compliance activities already undertaken by NOAA/EASC. There appear to be two financial considerations: (1) potential liability to NOAA for the cost of "carrying" the environmental detachments, and (2) liability associated with the work itself. Management concerns are: (1) FTE ceilings; (2) operation of the environmental detachments; and (3) quality of service. Transfer of the detachments to NOAA/EASC auspices would include current federal employees, although it is envisioned that 200 more FTE's will be needed. It is anticipated that, if approved, an agreement between the Navy and NOAA will be completed by August 30, 1997.

Discussions with the Ukrainian Government

Ken Lechter, representing the Division, participated on a team of U. S. government officials that met last week in Kiev, Ukraine to discuss with Ukraine its processes affecting trade and investment. This initiative resulted from recent agreements between Vice President Gore and President Kuchma. One of the targeting

processes was Ukraine's government procurement system. Other members of the team represented the Office of Government Ethics, USAID, the Ukraine desk of ITA, and Ambassador Morningstar's office from the State Department. First, we met representatives of U. S. companies doing business in Ukraine to determine whether systemic problems could be identified. We also met with high ranking Government officials to assess what progress they were making on reforms as well as to press for prompt action consistent with the agreements arising from Gore-Kuchma. The delegation advised that technical assistance would be considered if prompt action was forthcoming. A meeting with the Deputy Minister of the Economy revealed that they were putting together a working group to discuss the drafting and implementation of a procurement code. We suggested that issues such as a centralized procurement policy office, administrative bid protest mechanisms, the inclusion of procurement integrity and conflict of interest provisions, and divorcing contract award decisions from political appointees should be considered. Finally, we met with the Deputy Prime Minister who advised that President Kuchma was prepared to sign a decree committing the government to reforms in transparency.

