

Congress of the United States
House of Representatives
Washington, D.C. 20515

September 18, 1986

The Honorable Caspar W. Weinberger
Secretary of Defense
The Pentagon
Washington, D.C. 20301

Dear Secretary Weinberger:

On September 22, 1985, an Air Force contract was awarded to Gull Inc. to produce an Automated Data Collection/ Fuels Dispensing Prototype System for installation at Mather Air Force Base in California. The contract specified that the prototype system be delivered within 150 days of the contract award, and that the system be installed within 180 days of the contract award.

The Air Force's initial objective was to purchase and implement a prototype system using off-the-shelf items to determine the feasibility and cost effectiveness in the use of microchip technology in Air Force Fuels Management. This prototype system is directed at eliminating the present error-prone system of data collection, manual documentation of forms and paperwork handling processes, and improve the overall concept of petroleum fuels accountability via automation. The ultimate goal of the system is to provide worldwide automation of fuels accounting on the flightline and in the bulk fuels storage areas.

It appears that Gull, Inc. was awarded the contract solely on its low bid. Although specifications called for an "off-the-shelf" components, Gull had no such item and stated in their protest rebuttal that they planned to "invent" required components.

Prior to the contract award, the Air Force requested that potential suppliers bring in their product for inspection and discussion. Of the 15 suppliers responding, Liquid Controls Corporation of North Chicago, Illinois, was the only company to bring a meter for inspection. Air Force personnel were so impressed they asked Liquid Controls to visit other AF installations for inspection of their product. Air Force specifications for this contract were developed with Liquid Controls' product in mind.

Liquid Controls had worked some three years with the Air Force completely at their own expense in anticipation of winning the contract. While they were the second lowest bidder on the contract, they have a proven "off-the-shelf" product to fit the Air Force's needs.

As of this date, one year after the contract was awarded, Gull, Inc. has failed to deliver any equipment to Mather Air Force Base and has no precise future date for installing the system. The Air Force should consider disqualifying Gull, Inc. due to contract non-performance, and should consider reissuing the contract to Liquid Controls.

The Illinois Congressional delegation fully supports your efforts to gain automated control of Air Force fuel usage. It is our hope that the Air Force will expedite this effort by changing the contractor for this project.

Thank you for your consideration of our request. We look forward to working with your office to resolve this matter.

Sincerely,

Alvin J. [unclear]
William L. [unclear]
Temple B. [unclear]
William E. [unclear]
Frank [unclear]
John [unclear]
Charles A. Hayes
W. J. [unclear]
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