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

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DATE: April 2, 1984

MATTER OF:
Steenmeyer Corporation; ASC Pacific, Inc.

DIGEST:

GAO cannot question Navy's determination to issue sole-source contracts for roofing construction and repair projects for naval facilities on Adak Island--an island located 1,200 miles from Anchorage, Alaska, at the end of the Aleuntian Island chain.

Steenmeyer Corporation (Steenmeyer) and ASC Pacific, Inc. (ASC), protest allegedly restrictive specifications in several invitations for bids for roofing work, issued by the Department of the Navy, Western Division, Naval Facilities Engineering Command (Navy), San Bruno, California, in August and September 1983.

Steenmeyer and ASC essentially contend that the Navy's stipulation that only one manufacturer's product (Kaiser Aluminum Company's "Zip-Rib" roofing panels) is acceptable for these roofing projects places an undue restriction on competition and contravenes procurement policies which encourage full and open competition to the maximum extent practicable. We deny the protests.

On January 3, 1984, the Navy decided to award the contracts, notwithstanding the pendency of the protests, on the basis that a failure to award would result in jeopardizing the completion of the contracts during the May-September 1984 Adak construction season.

In support of the specification, the Navy advises that the Zip-Rib roofing system represents the minimum needs of the government. The Navy has also included a copy of the original request in 1981 to specify Zip-Rib as the proprietary system for all future new construction and repair projects at Adak. The request is supported with extensive narrative, which reads as follows:

> "Adak is a remote island located 1200 miles from Anchorage at the end of the Aleutian Island chain. Transport of most construction materials

is accomplished by barging from Seattle on a limited schedule of one trip per month. Weather conditions often cause delays in shipment.

"Passenger transportation for civilian repair crews is available only [on] a single flight to Adak four days a week. These flights are also subject to weather delays.

"Weather conditions at Adak are severe. Temperatures range from zero degrees to 70 degrees, with peak winds of over 120 miles per hour. . . . Annual rainfall is about 70 inches, occurring in all months of the year. Snowfall approaches 20 inches per month, occurring from October to May. It is the high precipitation coupled with extreme winds that are the prime factors in recent roof failures at Adak. These extreme climate conditions also limit the time available to install roofing materials under acceptable conditions. Bituminous roofing, for example, must be installed in dry weather conditions, a situation all too rare at Adak.

"Available storage facilities at Adak are limited. This precludes stocking the products of many different roofing manufacturers for repair purposes.

"Many of the buildings at Adak house expensive and sensitive equipment. A roof failure at these facilities could seriously impair the strategic mission of Adak.

"The above mentioned conditions make it imperative that roofing with proven integrity be installed at Adak to prevent disastrous failures.

"Reasons for specifying standing seam roofing: [There followed a list of six features which are not disputed by the protesters.]

"Advantages of aluminum standing seam roofing over steel standing seam roofing: [disputed by ASC]

"Aluminum has greater resistance to corrosive marine environments such as are found at Adak. Salt content in the moist air at Adak accelerates deterioration of steel surfaces. Some manufacturers attempt to prevent this problem by coating steel surfaces with an aluminum alloy. The protective zinc coating of galvanized steel is lost when the material is bent sharply, scratched, or punctured for fasteners. This is unsatisfactory since the coating is often damaged in construction, or when later modifications are made to the roof. The bare steel is then exposed to the weather and quickly deteriorates.

. . . . .

"Advantages of Kaiser Zip-Rib over other aluminum roofing products: [There followed a list of 10 alleged advantages--eight of which, according to Steenmeyer, are found in 'identical or very similar' aluminum roof systems manufactured by two other companies. The last advantages read as follows:]

"Due to the remoteness of Adak and the problems of shipping and storing maintenance materials, it is considerably more cost effective to stock a minimum number of repair materials. There are already a considerable number of Zip-Rib roofs at Adak. The acceptance of many other roofing materials would require the purchase and storage of a large variety of products to allow for emergency maintenance.

"Maintenance personnel at Adak are familiar with the Zip-Rib system and the procedures and tools necessary to repair it. Additional expense, and possible roof failures, would be possible when a large variety of incompatible systems are used."

In concluding its 1981 investigation, the Navy further observed:

"It is known that the station's prior experience with the Kaiser product has been highly satisfactory, and that the station is capable of making on-the-spot repairs to this

product since they have the experience and the required tools and spare parts at Adak. It is possible that some other systems might be capable of withstanding the unusually severe conditions at Adak. The consequences of possible failure and subsequent damage to building contents do not justify the risk of using unproven systems.

"From the standpoint of design and engineering, the Kaiser product has been shown to provide superior detailing to prevent the infiltration of water; resistance to corrosion in the marine atmosphere at Adak; and the ability to satisfactorily withstand the large uplift forces caused by the high winds common on Adak.

"[We are] of the opinion that the Kaiser system of weatherproofing the end of the standing rib with a resilient neoprene sealant strip is superior to other systems of inserting a triangular plastic plug in the end of the standing rib. The Kaiser sealant tape extends the entire length of the standing rib. It has been necessary to request other firms to modify their standard rib sealing systems to meet expected severe weather conditions at Adak."

Steenmeyer and ASC dispute the Navy's position.

Steenmeyer argues that the Navy's determination implies that there is only one "fail-proof" system available capable of withstanding the weather conditions in Adak. Steenmeyer alleges that:

"Government agencies throughout [Alaska] cover billions of dollars worth of equipment, materials and people, under roofs equally as capable to the Zip-Rib system."

Furthermore, Steenmeyer alleges that the essential characteristics of the Zip-Rib system listed by the Navy can all be found in "identical or very similar" roofing systems manufactured by Architectural Panels, Inc. (API), and Corrugated Metals, Inc., of Jersey City, New Jersey.

Also, Steenmeyer alleges that API's "Roof-Lok Panel" roofing system is "currently installed on barracks buildings at Adak" and has "replaced specified Zip-Rib systems on very large projects all over Alaska." Contrary to the Navy's position that "storage facilities at Adak are limited"--thus precluding the stocking of many roofing systems for repair purposes--Steenmeyer contends that "Adak . . . is one huge storage area."

ASC argues that its own "Klip-Rib" metal roofing system is equally as capable of meeting the Navy's performance criteria, which are based upon the severity of the environment. Specifically, ASC argues that its roof--composed of a "steel substrate with a zinc-aluminum, alloy finish"--has survived 3-1/2 years on a "water treatment plant in Adak." ASC advises that its system has been "applied in areas of high wind exposure that exceed even the Adak, Alaska area" and that it has "yet to replace a roof in Alaska due to failure in high winds or corrosion." For example, ASC alleges that "eleven United States Post Offices situated throughout the bush in Alaska [including] one location on a remote island in the Bering Sea utilize its system" and that "in the past 5 years Klip-Rib has replaced Kaiser Zip-Rib as the dominant no-through fastener roofing system." In ASC's opinion, the Navy did not thoroughly investigate ASC's Klip-Rib system to determine if it met the Navy's performance criteria.

A sole-source acquisition is authorized when the legitimate needs of the government so require. Of course, the question of what constitutes "legitimate needs" in any given case is primarily for the procuring agency to determine--especially where technical and scientific judgment is involved. We will uphold a sole-source procurement if it has a reasonable basis. Precision Dynamics Corporation, 54 Comp. Gen. 1114 (1975), 75-1 CPD 402. Based on our review of the present record, we cannot conclude that other roofing systems, in fact, will meet the Navy's legitimate needs. Specifically, as to both protests, the allegations made do not show that the Navy's position is unreasonable.

As to Steenmeyer's protest, although the protester claims that API's "Roof-Lok" panels are equally acceptable, the protester has not furnished any specific details which

back up this assertion. Further, while API's roofing system may be installed on some roofs at Adak, it is the Navy's apparent position that this installation was unsatisfactory in the absence of special modifications to API's product and that even these modifications have not established the trustworthiness of API's product. Further, we regard API's allegation about the availability of storage space for roofing products to be unproven.

As to ASC's protest, the Navy specifically states that ASC's roof shows signs that "corrosion is taking place where the steel has been exposed." Although ASC claims that its roof is not corroding on Adak, we regard this as a bare assertion which does not satisfy the protester's burden of proof to establish its case. Further, we do not see any concrete evidence in the present record to question the Navy's position that ASC's zinc/aluminum-coated, steel roofing system does not meet the Navy's legitimate needs.

We are not in a position--based on the present record--to question the Navy's above justification for specifying Kaiser's Zip-Rib system. Nevertheless, the Navy's technical justification for the Kaiser product was compiled in 1981. Given the age of the Navy's study and the admission in that justification that "it is possible that some other systems" might be acceptable if only the Navy had firm assurances against the possibility of failure, we recommend that the Navy investigate the possibility and the feasibility of qualifying additional products for future procurements of roofing systems.

We deny the protests.

Milton J. Socolar

for Comptroller General
of the United States