

a peculiarly unusual procedure, Edgewood Arsenal announced the award of this contract, not on February 6, but on Friday, February 3, 1967, and designated Northrop Nortronics as the successful bidder in spite of the fact that the Northrop bid was more than double the amount bid by Custom Packaging.

Why was this award announced 3 days early? It appears to have been a deliberate attempt to justify an "urgent" classification for this procurement and thereby circumvent Armed Services Procurement Regulation 2-407.9 which generally prohibits an award being made if a timely protest has been filed, except where it has been determined that the award is urgently required.

Now, was there an overriding urgency to justify this award? In my opinion, there was not. In response to my question, Dr. Russel D. O'Neal, Assistant Secretary of the Army for Research and Development, told me that there was no planned production of this weapon systems.

The Army then contended that Custom Packaging Co. had not filed a timely protest to the award. This too was disproven. Mr. Eugene Bates, the president of Custom Packaging Co. had the foresight to process his protest on February 3, 1967, through the Denver Regional Office of the Small Business Administration, who substantiated the fact that both telephonic and telegraphic protests had been sent to the General Accounting Office on that date by Custom Packaging Co.

Mr. President, I interpolate to state that here is a classic example of a small business company trying to do something which will be of help to the whole country, and being cut out completely by giving the bid, at twice the cost, to another company which had never had any experience in the field whatsoever.

Mr. President, it now appears that this is not an isolated case. Other small business firms are having the same kind of difficulty in attempting to compete with the big business manufacturers doing business with the various military departments. Recently the Army Electronics Command, 225 South 18th Street, Philadelphia, Pa., awarded to the Radio Corp. of America a contract for \$10,087,431, despite the fact that the Army had on file a bid by a small business concern which was \$884,856 lower than RCA's award. This appears to be only the most recent of a long series of slaps at the taxpayers' pocketbook in Army dealings with RCA for this portable, walkie-talkie type radio transmitter-receiver. Let us look at the record from the beginning.

In May 1954, the Department of the Army, Fort Monmouth, N.J., initiated a contract with RCA, Camden, N.J., for the development of this portable radio set which was given the nomenclature AN/PRC-25. Under this contract the Army paid to RCA a total sum of \$2,214,857. In October 1961, this radio set was ordered into production when the Army awarded contract No. 89511 on a sole source noncompetitive basis to RCA for a total amount of \$20,482,143.68. This covered 8,248 units of this radio at a per unit price of \$2,156.91. Of this total \$20.5 million, \$17,790,000 covered the radio set. The balance of \$2,692,143.68 covered ancillary items. These items included manufacturing drawings.

On May 24, 1963, invitations to bid were issued on the second production requirement. This was actually the first competitive bidding allowed on this radio set. Mind you, this was almost a year and a half later. It covered 3,822 units of the AN/PRC-25 radio, plus 1,650 units of the major component, the RT-505 receiver-transmitter. The contract was awarded to the lowest bidder, RCA, at a unit price of \$843.37 for the AN/PRC-25. This was \$1,313.54 per unit less than the Army had paid for this same radio set to this same firm under the earlier noncompetitive negotiations in October 1961. On February 7, 1964, which was less than a year later the Army again invited bids for the AN/PRC-25 radio. RCA again reduced its unit price; this time to only \$736 per unit. Despite the latest reduction, however, on this occasion RCA was unsuccessful in obtaining the award. It went to a manufacturer in Huntington, Ind., who quoted a still lower price.

In March 1965, the Army decided to improve the AN/PRC-25 radio set. It negotiated noncompetitive, sole-source contract No. 01292 with RCA to cover this work. The total cost of this contract was \$694,593.

In April 1965, a third round of bidding took place. This was on the original version, not the improved one. RCA again reduced the price; this time quoting \$625 per unit for the AN/PRC-25 radio set in an unsuccessful attempt to acquire this award which was made at even lower prices to the Indiana manufacturer, with a set-aside quantity being awarded to a Massachusetts firm.

Four months later, on August 13, 1965, the Army awarded a noncompetitive contract to RCA for 4,158 units of this same AN/PRC-25 radio set at an average