

CONTRACT FOR FAIRINGS ONLY

Mr. ROBACK. We will have to look at the negotiation record on that to see what was involved. I do not think we should take more time.

Now the competition that you had on 0472 for fairings only, what was the situation there?

Mr. TASSIN. We had a requirement to procure a quantity of fairings to be used with some reusable launchers for, you might call it, refurbishing purposes.

Mr. ROBACK. You needed fairings? You had launchers?

Mr. TASSIN. That is right, sir.

Mr. ROBACK. All right, so you decided to have a competition. Who won the competition?

Mr. TASSIN. Let me get my information here correct, sir.

The contract was awarded to the Chromcraft Corp.

Mr. ROBACK. Who competed?

Mr. TASSIN. Western Molded Fiber Products and Chromcraft.

Mr. ROBACK. You had two. Two companies competed. Chromcraft won the award. Then the award was handed back to Western Molded Fiber, I mean the production responsibility; is that right?

Mr. TASSIN. That is right, sir.

Mr. ROBACK. What was the rationale for that, and did that require any Navy consideration?

Mr. TASSIN. Well, first let me say the price that we got from Chromcraft was \$17,000 lower than from Western Molded Fiber, and this required no further competition, I mean work from the Navy. It was known in advance of the negotiations that the fairings would be produced by Western Molded Fiber.

Mr. ROBACK. Are you saying, and if I understand this, that you knew at the time that Chromcraft was competing against Western Molded Fiber that Western Molded Fiber would produce?

Mr. TASSIN. That is right, sir. The item would be produced by the same source.

Mr. ROBACK. Even though they were competing?

Mr. TASSIN. Even though they were competing.

Mr. ROBACK. Mr. Stein, does that sound like a legal competition to you?

Mr. STEIN. It sounds like an unusual arrangement, sir.

Mr. ROBACK. This was a 100-percent small business set-aside, was it not?

Mr. TASSIN. That is right, sir.

Mr. ROBACK. And Chromcraft was considered small business?

Mr. TASSIN. Yes, sir.

Mr. ROBACK. And Chromcraft bid against Western Molded Fiber even though you knew at the time that Western Molded Fiber was going to get the contract. Now, offhand it does not make any sense, does it?

Mr. TASSIN. Well, it so happened that the special tooling required for the production or some of the elements of special tooling required for the production of these items was owned by Chromcraft, and under those circumstances we sought to, you might call it test the market, to see whether or not Western Molded could produce additional tooling