

Activity 7.1: Congressional Inquiries – Letter and Background Information

ABC Doors, Inc.

2001 First Street, Trenton, California 90005

The Honorable Margaret Goodson
Russell Senate Office Building
2 Constitution Avenue, NE
Washington, DC 20002

September 15, 2015

Dear Senator Goodson,

This is in regards to a concern that I have for non-payment on a contract with the U.S. Navy, Contract Number N60014-14-C-0005. The contract is to replace and install exterior doors for the recently renovated buildings at the Eustis Naval Base, California. We were awarded the contract in November 2014. After the initial site visit the government decided there was a need to modify the contract. It took eight months to receive the modification before we could begin work. After phase one of the project was completed, the government inspected and approved the work and then held up the payment. They have inspected three times saying there are deficiencies but won't tell us what the deficiencies are. They have issued a Stop Work Order for any further installation. We have tried to contact the Contracting Officer and the Contracting Officer's Representative and cannot get any answers. We have materials, expenses, and standby costs and can't get any help. We are a small business and this is seriously affecting our cash flow.

Because we have been unable to get any response from the Navy, we have also contacted the *Los Angeles Times*. Your assistance in this matter is greatly appreciated.

Jim Donaldson

President, ABC Doors, Inc.

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Contract Background Information

On August 10, 2014, a DD Form 2579 listed this procurement as a total small business set-aside. The independent government estimate was listed at \$75,000 to replace 36 doors in recently renovated buildings at Eustis Naval Base, California. Proposals were received from four firms on September 15, 2014:

- | | |
|---------------------------------|----------|
| • ABC Doors | \$72,000 |
| • Windows and Doors and Windows | \$80,000 |
| • JL Construction | \$84,000 |
| • Tydall Construction | \$95,000 |

On September 20, 2014, the Contracting Officer's evaluation of the offers stated that the lowest-price offeror, ABC Doors, was technically acceptable. They were determined to be a responsible offeror in accordance with Federal Acquisition Regulation (FAR) 9.104 based on their past experience and the expertise and experience offered in their proposals. The contract was awarded to ABC Doors on September 25, 2014 with a 60-day period of performance.

At the post-award conference on October 2, 2014, the Contracting Officer's Representative (COR) indicated a need to change the doors from a white to an oak finish based on revisions to the building renovation. ABC Doors responded to the request for modification on October 25 in the amount of \$8,400. On November 14, 2014, the COR and Contracting Officer accepted the contractor's proposal. On June 11, 2015, the government issued the modification and extended the period of performance to August 10, 2015. Although the modification took eight months to complete, the contractor did not ask for standby costs or any additional labor costs. The Contracting Officer has indicated that the issuance of the modification should not have caused additional costs to ABC Doors because they could not have ordered materials or begun installation until the modification was issued.

On July 18, 2015, the Contracting Officer issued a Stop Work Order to ABC Doors because the COR inspections indicated that the doors were not properly installed. He alleges that there are visible gaps between the doors and their facings, that water can seep underneath the doors when it rains, that used materials were installed, and that proper sealant was not applied. There is no written report to substantiate these initial inspections.

In the initial letter to Senator Goodson, ABC Doors stated that it had contacted the *Los Angeles Times*. The Times has since contacted the Contracting Officer, who has referred them to the Public Affairs office.