



DEPARTMENT OF THE AIR FORCE

ARLINGTON, VA 22203-1613

APR 15 2011

Office of the Deputy General Counsel

VIA CERTIFIED MAIL

SAF/GCR  
4040 N. Fairfax Drive  
Suite 204  
Arlington, VA 22203

Mr. Raymond E. Randall  
RER Power Services, Inc.  
[REDACTED]

Re: Notice of Debarment

Mr. Randall:

Effective this date the Air Force has debarred RER Power Services, Inc. ("RER") from Government contracting and from directly or indirectly receiving the benefits of federal assistance programs. This action is initiated pursuant to Federal Acquisition Regulation ("FAR") Subpart 9.4, Defense FAR Supplement 209.4 and Appendix H, and 2 C.F.R. Part 1125.

On March 10, 2011, the Air Force proposed RER for debarment and afforded RER the opportunity to submit information and argument in opposition to its proposed debarment. To date, RER has not responded.

I have carefully considered all information contained in the Administrative Record and determined that a preponderance of the evidence establishes the existence of a cause for debarment. I have, therefore, concluded that debarment is in the public interest and is necessary to protect the Government's interests. The effects of debarment are those stated in the March 10, 2011, Notice of Proposed Debarment. RER's debarment is effective immediately and continues for three years from March 10, 2011, the date RER was proposed for debarment. RER's debarment will terminate March 9, 2014.

Sincerely, [REDACTED]

[REDACTED]  
STEVEN A. SHAW  
Deputy General Counsel  
(Contractor Responsibility)



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SAF/GCR  
4040 N. Fairfax Drive  
Suite 204  
Arlington, VA 22203

Mr. Raymond E. Randall



Re: Notice of Debarment

Mr. Randall:

Effective this date the Air Force has debarred you, Raymond E. Randall, from Government contracting and from directly or indirectly receiving the benefits of federal assistance programs. This action is initiated pursuant to Federal Acquisition Regulation ("FAR") Subpart 9.4, Defense FAR Supplement 209.4 and Appendix H, and 2 C.F.R. Part 1125.

On March 10, 2011, the Air Force proposed you for debarment and afforded you the opportunity to submit information and argument in opposition to your proposed debarment. To date, you have not responded.

I have carefully considered all information contained in the Administrative Record and determined that a preponderance of the evidence establishes the existence of a cause for debarment. I have, therefore, concluded that debarment is in the public interest and is necessary to protect the Government's interests. The effects of debarment are those stated in the March 10, 2011, Notice of Proposed Debarment. Your debarment is effective immediately and continues for three years from March 10, 2011, the date you were proposed for debarment. Your debarment will terminate March 9, 2014.

Sincerely,



STEVEN A. SHAW  
Deputy General Counsel  
(Contractor Responsibility)



## DEPARTMENT OF THE AIR FORCE

ARLINGTON, VA 22203-1613

MAR 10 2011

Office of the Deputy General Counsel

### MEMORANDUM IN SUPPORT OF THE PROPOSED DEBARMENTS OF:

RER POWER SERVICES, INC.  
RAYMOND E. RANDALL

Effective this date, the Air Force has proposed the debarments of RER Power Services, Inc. and Raymond E. Randall from Government contracting and from directly or indirectly receiving the benefits of federal assistance programs. This action is initiated pursuant to Federal Acquisition Regulation ("FAR") Subpart 9.4.

### INFORMATION IN THE RECORD

A preponderance of evidence in the administrative record establishes that at all times relevant hereto:

1. Raymond E. Randall ("Randall") is the sole owner and president of RER Power Services, Inc. ("RER"). RER is a government contractor incorporated in New York which specializes in the repair and overhaul of manufactured parts.
2. On March 4, 2005, Tinker Air Force Base ("Tinker AFB") awarded contract number FA8104-05-D-0005 (the "Contract") to AAR Parts Trading, Inc. ("AAR") for the repair and overhaul of government owned manufactured parts. On November 25, 2008, AAR transferred all of its assets to RER by virtue of an Asset Purchase Agreement. On March 19, 2009, RER and AAR executed a valid Novation Agreement in which RER agreed to assume all obligations and liabilities of ARR under the Contract and to perform the Contract in accordance with the conditions contained in the Contract.
3. On December 2, 2009, Tinker AFB awarded RER a delivery order (the "subject delivery order") for the overhaul and repair of 45 Divergent Nozzle Segment Seals ("Seals") in the amount of \$10,338. The Seals were delivered to RER's production facility for repair, with the return of the Seals to the Government scheduled to begin within 30 days after RER's receipt of the Seals.
4. On February 15, 2010, the Defense Contract Management Agency ("DCMA") was informed that AAR had foreclosed on RER and that AAR intended to sell all its assets, including the production facility where RER performed repair and overhaul of government assets. Further investigation confirmed that RER had gone out of business, vacated the production facility with government assets still within it, and advised DCMA that RER did not intend to deliver the government assets as required by the subject delivery order. Additional government assets were left in the possession of one of RER's subcontractors.

5. On March 15, 2010, the subject delivery order was transferred to the Tinker AFB Terminations Contracting Officer (“TCO”) with authorization to terminate for default the Contract and all delivery orders awarded to RER. Between April 2, 2010 and August 31, 2010, the TCO attempted multiple times to confirm delivery of a Show Cause letter notifying RER that the government intended to terminate the Contract for cause in accordance with FAR 52.249-8. On August 31, 2010, the TCO confirmed that the Show Cause letter was delivered and signed for by Randall at his New York address.

6. Randall did not respond to the Show Cause letter on behalf of RER, and on January 3, 2011, the TCO terminated the subject delivery order in its entirety, including RER’s right to proceed with performance under FAR 52.249-8.

7. In its Notice of Termination, the TCO found that RER was unable to fulfill its contractual obligations for the repair and overhaul of government assets as required by the Contract and the subject delivery order. Moreover, the TCO determined that RER’s failure to perform did not arise out of causes beyond its control or without fault or negligence. Furthermore, the TCO determined that by abandoning its production facility and leaving government assets unprotected at both the facility and with a subcontractor, RER anticipatorily repudiated its contractual obligations under the Contract and the subject delivery order.

8. To date, RER has not responded to the TCO’s Notice of Termination. The government assets at the RER’s production facility have been recovered, and the assets in possession of the RER’s subcontractor are scheduled to be returned to the Government.

#### BASES FOR THE PROPOSED DEBARMENTS

1. RER’s violations of the terms of one or more public contracts or subcontracts, willful failure to perform, and history of failure to perform one or more public contracts or subcontracts are separate independent bases to debar RER pursuant to FAR 9.406-2(b)(1).

2. The improper conduct of Randall and RER is of so serious or compelling a nature that it affects their present responsibility to be Government contractors or subcontractors and provides a separate independent basis for each of their debarments pursuant to FAR 9.406-2(c).

3. Pursuant to FAR 9.406-5(a), the seriously improper conduct of Randall is imputed to RER, because his seriously improper conduct occurred in connection with the performance of his duties for or on behalf of RER, or with the knowledge, approval, or acquiescence of RER. The imputation of Randall’s conduct provides a separate independent basis for the debarment of RER.

4. Pursuant to FAR 9.406-5(b), the seriously improper conduct of RER is imputed to Randall because as an officer, director, shareholder, partner, employee, or other person associated with RER, he knew or had reason to know of RER’s seriously improper conduct. The imputation of RER’s seriously improper conduct to Randall provides a separate independent basis for his debarment.

5. Pursuant to FAR 9.406-1(b), debarments may be extended to the affiliates of a contractor. Randall and RER are affiliates, as defined at FAR 9.403 (Affiliates), because directly or indirectly, Randall has power to control RER. The affiliation of Randall and RER provides a separate independent basis for each of their debarments.



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STEVEN A. SHAW  
Deputy General Counsel  
(Contractor Responsibility)