



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

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AUG 17 1973

The Honorable John W. Warner
The Secretary of the Navy

Dear Mr. Secretary:

This is in reply to the letters of October 20 and November 27, 1972, from the Deputy Commander for Contracts, Naval Ship Systems Command, furnishing reports on the protests of Harbor Boat Building Company against the award of contracts under invitation for bids (IFB) No. N-62791-73-B-0433 and N-62791-73-B-0471, issued by the Supervisor of Shipbuilding, 11th Naval District, San Diego, California.

The protests concern the legality of the Home Port Policy as applied to contracts for the repair of Naval vessels. In our letter of today to counsel for Harbor Boat Building Company, copy enclosed, we have upheld the policy as a legitimate requirement of the Navy. However, we are concerned that the automatic application of the policy to all procurements for ship overhaul, as appears to be required by section 7-3.4 of the Ship Repair Contract Manual (subject to the limited exceptions specified therein), would place an undue restriction on competition in those instances where its application would not further the intent of the Home Port Policy. For example, where all or most of the crew of a particular vessel are unmarried the home port restriction would not serve to foster the stated Home Port Policy. We are not in a position to know whether it would be administratively feasible for procurement officials to determine, prior to the issuance of solicitations, if Home Port Policy considerations are applicable to specific vessels. If such a determination feasibly can be made, we believe the geographic restrictions of the Home Port Policy should not be imposed.

Sincerely yours,

R.F.KELLER

Deputy Comptroller General
of the United States

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