

**DECISION**



11747 *Siegel*  
**THE COMPTROLLER GENERAL  
OF THE UNITED STATES**  
WASHINGTON, D. C. 20548 *Page 1*

FILE: B-192133

DATE: October 23, 1979

MATTER OF: Innovative Systems Research, Inc.

*[Protest of RFP Cancellation]* *10/3/79*  
DIGEST:

1. Cancellation of solicitation was proper where agency reasonably determined that study called for appeared redundant since an in-house audit of the same subject was being performed.
2. Recovery of proposal preparation costs is denied since solicitation was properly canceled and there is no evidence of arbitrary or capricious action by Government toward firm claiming preparation costs.

(Innovative Systems Research, Inc. (ISR) protests the cancellation of request for proposals (RFP) No. N00600-78-R-0694 issued by the Naval Regional Procurement Office, Washington, D.C., for a study to develop a library/distribution system for Navy audiovisual materials. ISR also requests that it be paid for expenses incurred in the preparation of its proposal.) For reasons stated below, the protest is denied and ISR's claim for proposal preparation costs may not be allowed.

The subject RFP was issued November 30, 1977 and closed January 25, 1978. Sixteen offers were received with three (ISR among them) determined to be within the competitive range. While the proposals within the competitive range were being further considered, (the Office of Management and Budget) issued Circular No. A-114, dated April 13, 1978, the purpose of which was to (prescribe) policies and procedures for improving the management of Federal audiovisual activities.) In August of 1978, the Chief of Naval Operations requested the Chief of Naval Education and Training to cancel the solicitation for two reasons: First, the Office of the Secretary of Defense (DOD) was considering the establishment of a Defense Audio Visual Agency which would consolidate the audiovisual distribution functions

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of DOD components. Second, to aid in the establishment of such an agency, the Defense Audit Service had undertaken an audit of DOD audiovisual production and distribution functions. Since the resulting audit report may achieve the objectives of the subject RFP, the study to be furnished by the RFP was considered redundant. Accordingly, the solicitation was canceled.

(The protester argues that) the reason given for the cancellation of the RFP was a "cop-out" in that there was no "redundancy" between the scope of the solicitation and DOD's internal review of its audiovisual production and distribution functions.) However, we believe the Navy reasonably could regard the two efforts as possibly redundant.

In Circular No. A-114, the Director of OMB points out that Federal audiovisual management has been criticized because of the proliferation of audiovisual activities within the Government; duplication of production efforts among agencies; poor utilization of Government facilities; and lack of information on the volume and cost of Federal audiovisual productions. In Attachment A to the Circular, Federal agencies are directed to "determine the extent that existing audiovisual facilities, personnel, and equipment are utilized [and] survey existing audiovisual facilities with a view toward consolidating [them]". In the Navy's RFP which was canceled because of DOD's internal actions taken in response to OMB Circular A-114, it is stated:

"SCOPE:

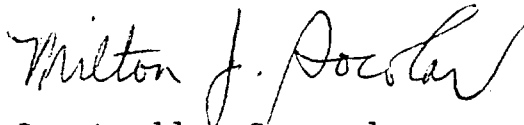
For purposes of this effort, it will be necessary to survey, study, and analyze all existing audiovisual inventory and distribution systems within the Navy; design a centralized management system \* \* \*; and prepare an operational management plan for implementation of the proposed system."

The Navy notes in its RFP that:

"\* \* \* the absence of centralized management and standardized inventory control for Navy audiovisual distribution, appears to be inconsistent with that of the DOD objective of centralized management within each military service."

In view of these similarities between DOD's internal effort and that sought by the RFP, we cannot conclude that the Navy acted unreasonably in canceling the RFP.

We find no evidence, and ISR has provided none, of arbitrary or capricious action toward ISR by the procuring agency. Since we have concluded that the RFP was properly canceled, the protest as well as the claim for proposal preparation costs is denied.



For The Comptroller General  
of the United States