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**DECISION**



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

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FILE: B-204758

DATE: September 28, 1981

MATTER OF: Worldwide Services, Inc.

**DIGEST:**

Protest against the contracting agency's review procedures for a cost comparison under Office of Management and Budget Circular No. A-76 (A-76) is dismissed. GAO reviews only protests against A-76 cost evaluations and will not consider such protests unless the agency appeal procedures have been exhausted.

Worldwide Services, Inc., protests the administrative review procedures of the Department of the Army, Fitzsimons Army Medical Center, used to determine whether to perform hospital food services in-house or to contract for them under invitation for bids (IFB) No. DADA03-81-B-0016. This determination is based on a cost comparison conducted under the guidance of Office of Management and Budget Circular No. A-76 (A-76), as implemented by Army Circular 235-1 (February 1, 1980).

The Army issued the IFB in order to ascertain the cost of contracting out based on the bids of potential contractors. Infinity Corporation was the apparent low bidder and the protester's bid was second low. Infinity's bid price was compared with the estimated cost of using Government employees to perform the same services, and a public review period was provided for challenging the Government's in-house cost comparison. After the review period, however, Infinity was permitted to withdraw its bid based on a mistake and Worldwide became the low bidder.

Worldwide states that the Army then declared earlier complaints about the cost comparison moot, made a new public announcement based on Worldwide's low bid and set a new public review period from September 9 to 21, 1981. The protester contends that the Government estimate has already been subject to adequate review and that the delay incident to another review is not in the

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Government's best interests. Worldwide concludes that the review period should be canceled and that no further cost comparison is required.

Although our Office will review A-76 cost evaluations to assure that bidders are not induced to prepare and submit bids which are later arbitrarily rejected due to an erroneous cost evaluation, Crown Laundry and Dry Cleaners, Inc., B-194505, July 18, 1979, 79-2 CPD 38, we will not consider such protests until the administrative review procedure has been exhausted. JAC Management, Inc., 60 Comp. Gen. \_\_\_\_\_ (B-202137, April 9, 1981), 81-1 CPD 274; Direct Delivery Systems, 59 Comp. Gen. 465 (1980), 80-1 CPD 343. A protest prior to that time would be premature. Direct Delivery Systems, supra.

Worldwide's protest regarding the administrative review procedures, rather than the cost evaluation, filed prior to the Army's final determination whether a contract should be awarded and the exhaustion of the agency's appeal procedures, if necessary, will not be considered. See JAC Management, Inc., supra.

The protest is dismissed.

*Harry R. Van Cleve*

Harry R. Van Cleve  
Acting General Counsel