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**DECISION**



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

FILE: B-204979

DATE: April 7, 1982

MATTER OF: Space Service International Corporation

**DIGEST:**

1. GAO will not review agency decision not to exercise option or extend protester's contract, and alleged agency noncompliance with OMB Circular A-76.
2. Claim for breach of contract is for consideration under Contract Disputes Act of 1978.

Space Service International Corporation (Space Service) protests certain procurement actions by the Department of the Air Force (Air Force), K.I. Sawyer Air Force Base, Michigan.

Space Service was the incumbent contractor for mess attendant services from March 7 to September 30, 1981. The contract contained two 1-year options. The first option was exercised for the period from October 1, 1980, to September 30, 1981, but the Air Force decided to resolicit rather than exercise the second option. The protester was notified of this decision, and solicitation No. F20613-81-B-0034 was issued. Bids were opened but no award was made because Space Service protested the solicitation terms, and the nonexercise of the second option.

Because of the delay in awarding the new contract caused by that protest, the Air Force entered into negotiations with Space Service for a short-term contract extension until protest resolution. However, the contracting officer determined that the price proposed by the protester was not fair and reasonable. Therefore, on expiration of the protester's contract on September 30, 1981, the Air Force hired civilian employees on an emergency basis to provide short-term needs until the protest was resolved. We denied the protest in Space Service International Corporation, B-203792, December 23, 1981, 81-2 CPD 489.

Space Service protests that, without proper justification, the Air Force did not exercise the second option or extend the contract on a short-term basis. To support this, the protester cites the Air Force failure to perform an "in-house comparison" under Office of Management and Budget Circular A-76, and the protester's claim that further negotiations for the short-term extension would have resulted in costs lower than those being incurred by the Air Force use of civilian employees.

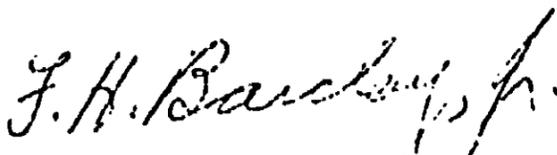
The protest of the decision by the Air Force not to exercise the second option was dismissed by our Office in the prior decision in accordance with our position that such a matter is not for consideration under our Bid Protest Procedures. This position has been applied also to agency decisions not to extend an expired contract prior to the awarding of a new contract for follow-on requirements. See C. G. Ashe Enterprises, 56 Comp. Gen. 397 (1977), 77-1 CPD 166; Dependable Janitorial Service and Supply, B-190231, January 3, 1978, 78-1 CPD 1.

The Air Force argues that Circular A-76 is inapplicable because of the use of emergency personnel rules. In any event, the Circular only sets forth executive policy and does not establish legal rights and responsibilities. Consequently, with an exception not applicable here, we do not review compliance with the Circular within our protest decision function. Logistical Support, Inc., B-203739, B-203782, September 15, 1981, 81-2 CPD 218.

Accordingly, we dismiss the protest.

Space Service has made a claim for breach of contract and expenditures resulting from reliance on alleged Government assurances of a contract extension.

The claim is dismissed because it is required to be processed under the Contract Disputes Act of 1978, 41 U.S.C. §§ 601-613 (Supp. III, 1979) and may not be considered by our Office. National General Supply Inc., B-202522, December 28, 1981, 81-2 CPD 498; Automated Business Systems and Services, Inc., B-205422, December 11, 1981, 81-2 CPD 461.

*For*   
Harry R. Van Cleve  
Acting General Counsel