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DECISION



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

FILE: R-205108

DATE: April 27, 1982

MATTER OF: Alternative Secretariat

DIGEST:

Failure to solicit the incumbent contractor does not require resolicitation, since, at the time the IFB was issued, the information before the contracting officer indicated that the incumbent would be going out of business, adequate competition was secured, and there is no allegation that the price received was not reasonable.

Alternative Secretariat (AS) protests award of a contract under invitation for bids (IFB) 629-27-82 issued by the Veterans Administration Medical Center (V.A.) at New Orleans, Louisiana, for medical transcription service for fiscal year 1982 and requests that the contract awarded be terminated and AS be given an opportunity to compete. Protester was the incumbent contractor, but was not sent a copy of the bid package. We deny the protest.

Notice of the procurement was posted in a local post office and a synopsis was sent to the Commerce Business Daily. The bid package was sent to 11 firms and three bids were received.

AS initially filed a protest with the V.A., which denied the protest because the procurement staff had been informed by an owner of the protester that, at the expiration of its contract, AS would go out of business and the procurement was advertised in sufficient time and in a manner to obtain adequate competition. Also, although the protester knew that its contract was expiring on September 30, 1981, no inquiry was made by the protester about the possibility of future contracts.

AS alleges that, as the incumbent contractor, it should automatically have been on the Bidders' Mailing List for the new IFB and, in reliance on this belief and that

a new contract would not commence until November 1, when AS's instant contract began, AS did not inquire earlier about a new IFB. The protester also disputes the assertion by the contracting officer that the procurement staff had been informed that the protester was going out of business and that the procurement was adequately advertised.

By letter of August 10, AS notified the V.A. that AS's owner was leaving the area, but gave the name of the individual who would supervise the completion of the existing contract and who would be purchasing the company at the end of the contract period. Previously, on two occasions, the owner had indicated that the company would go out of business on September 30, 1981, because the owner was relocating. On the basis of this information, the contracting officer concluded that the protester was not interested in competing and did not send the IFB to the protester.

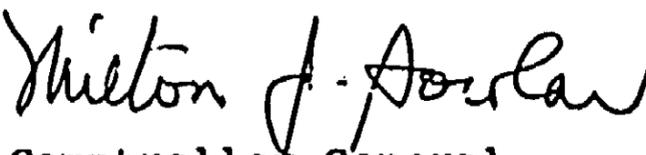
At the time the IFB was issued on or about July 7, 1981, the information before the contracting officer indicated that the protester was going out of business and, therefore, would not be a bidder on the IFB. It was not until more than a month later that the contracting officer received notice that the protester was not going out of business but, instead, was being sold.

We have held in numerous decisions concerning an agency's failure to solicit an incumbent contractor that where adequate competition resulted in reasonable prices and where there was no deliberate or conscious intent on the part of the procuring agency to preclude a bidder from competing, bids need not be rejected nor a contract terminated because an incumbent bidder was not solicited. Balmar Crimp Tool Corp.; Astro Tool Company, B-203417, B-203917.2, September 18, 1981, 81-2 CPD 227; Freedom Elevator Corporation, B-199773, December 18, 1980, 80-2 CPD 438.

Based on the record here, we find there was adequate competition and there has been no allegation that a reasonable price was not obtained. Notice of the IFB was posted in the local post office and a synopsis was sent to the Commerce Business Daily, which we have held constitutes notice of the solicitation. Security Assistance Forces & Equipment OHG, B-201839, December 31, 1981, 81-2 CPD 516.

AS never requested a copy of the IFB and the V.A. did not refuse to send the IFB to the protester. Although the contracting officer might have inquired if the protester was interested in competing when it was learned that AS would continue in business, it has not been shown that the V.A. deliberately or intentionally precluded the protester from competing.

We deny the protest.

for 
Comptroller General
of the United States