

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

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**FILE:** B-211981**DATE:** February 1, 1984**MATTER OF:** A. B. Dick Company**DIGEST:**

1. An automatic data processing (ADP) schedule contractor may offer a price reduction at any time, without prior or subsequent approval by the General Services Administration (GSA); the procuring agency may, but need not, confirm the price reduction with GSA.
2. When, prior to the issuance of a delivery order, an ADP schedule contractor informs the procuring agency of a reduction in its schedule contract prices, the agency must consider the reduced prices in determining the low quote even though GSA is unable to confirm the price reduction.

A. B. Dick Company protests the issuance by Carswell Air Force Base, Texas, of delivery order No. F-41613-83-F1124 to Exxon Office Systems Company under Exxon's non-mandatory automatic data processing schedule contract No. GS-00C03414 with the General Services Administration (GSA). The delivery order was for nine word-processing systems. The protester contends it was entitled to the order because its schedule price for the equipment was lower than Exxon's; it requests that the delivery order be "invalidated" and a new order issued to it. The Air Force now agrees that the order should have been issued to the protester, but reports that no corrective action is possible because the equipment has been delivered.

We sustain the protest.

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The record indicates that Carswell evaluated the protester's price for each word processing system at \$10,167.06, based on information it received from GSA concerning amendment No. 4 to the protester's schedule contract price list. The protester informed the contracting officer, however, that a further amendment had reduced its prices below its listed schedule prices and that its quote for the equipment was therefore low. The contracting officer called GSA for confirmation of the latest price change, but GSA could only confirm a price of \$10,167.06. The contracting officer issued the delivery order to Exxon on May 23, 1983, at Exxon's schedule contract price of \$9,244 per system. On May 24 GSA received an amendment from the protester that lowered its system price to \$8,645.25, retroactive to May 11.

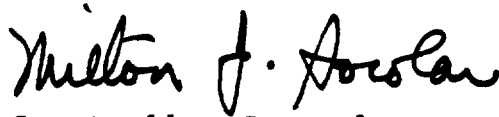
The protester contends that once its representative informed him of its latest price reduction, the contracting officer was obliged to use those prices for purposes of determining the low quote. We agree. Under the price reduction clause of a GSA schedule contract, a vendor may offer a price reduction at any time and by any method, without prior or subsequent GSA approval or acceptance. Microcom Corporation, B-186057, November 8, 1976, 76-2 CPD 385. It is not necessary that the vendor notify GSA in order for the price reduction to be effective. Rather, the burden is upon the vendor to communicate any reduction in its prices to the procuring agency, which may, but need not, confirm the price reduction with GSA. Dictaphone Corporation, B-195043, September 25, 1979, 79-2 CPD 222. Where, prior to the issuance of a purchase order, an agency has actual knowledge of a price reduction offered to GSA, the agency must consider that reduction in evaluating quotes. See Motorola, Inc., B-191339, October 19, 1978, 78-2 CPD 287 (evidence insufficient that agency knew of price reduction at the time of price evaluations).

In this case, the contracting officer admits the protester informed him prior to the issuance of the delivery order that there had been a new price change that would make the protester's quote low, but reports that he did not accept the lower quote because GSA could not confirm the price change. The Air Force concedes that, under these circumstances, the contracting officer should have awarded

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the delivery order to the protester. Thus, we sustain the protest.

In determining whether it is in the government's best interest to recommend the termination of an improper award, we consider factors such as the seriousness of the procurement deficiency, the degree of prejudice to other offerors or to the integrity of the competitive system, and the cost to the government. Power Systems, B-210032, August 23, 1983, 83-2 CPD 232. We have held that remedial relief is not practical where, as here, a contract has been substantially performed. See Proper Manufacturing Co., Inc., B-208035, March 22, 1983, 83-1 CPD 279. Therefore, we agree with the Air Force that because the equipment already has been delivered, corrective action now is not appropriate.

for   
Comptroller General  
of the United States