

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

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**FILE:** B-213297**DATE:** May 14, 1984**MATTER OF:** Val-U-Tec**DIGEST:**

Protest that an option to lease secure facsimile machines was improperly exercised is denied, since the protester has not shown that the contracting agency did not follow applicable regulations or acted unreasonably.

Val-U-Tec protests the Defense Communications Agency (DCA) decision to exercise an option to extend contract No. DCA 200-82-C-0016 with Rapicom, Inc., to lease 77 secure facsimile machines.

We deny the protest.

On August 9, 1983, DCA issued a notice in the Commerce Business Daily announcing the proposed renewal of the contract with Rapicom for a 1-year period starting October 1, 1983. On August 24, 1983, DCA received a written offer from Val-U-Tec to furnish its secure facsimile machines. DCA subsequently notified Val-U-Tec on September 23, 1983, that it rejected Val-U-Tec's offer. This protest followed.

The circumstances under which an option may be exercised are set forth in Defense Acquisition Regulation § 1-1505 (1976 ed.), which requires, among other things, a determination that exercise of the option is the most advantageous method of fulfilling the government's need, price and other factors considered. Our Office will not object to such a determination unless applicable regulations were not followed or the determination itself is unreasonable. Humanics, Ltd., B-202418.2, June 2, 1982, 82-1 CPD 514.

DCA basically contends that it would have been impractical to accept the Val-U-Tec offer, even though it admits that the Val-U-Tec machine is state-of-the-art and technically preferable to the Rapicom machines.

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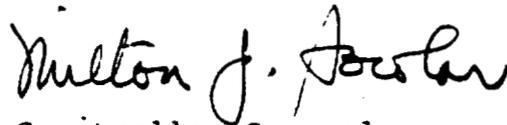
Specifically, DCA alleges that, in order to avoid an interruption in service, it was necessary to renew the existing contract in view of the short timeframe involved. DCA also states that it has another contract (No. DCA 200-81-C-0022) with Rapicom for the lease of secure facsimile machines and leases another type of Rapicom facsimile machine than that which Val-U-Tec is offering to replace. Because Rapicom machines will only work with each other due to unique transmission protocols, DCA contends that replacement of the facsimile machines leased under contract No. DCA 200-82-C-0016 would necessitate the replacement of all the facsimile machines that DCA is currently leasing from Rapicom. DCA further indicates that, at the time of the renewal of the contract, the Army, as the lead military agency for a consolidated standardized acquisition of facsimile machines, had scheduled a resolicitation of facsimile machines to be issued in 1984. Moreover, the specification for the acquisition was not approved until October 25, 1983--almost 1 month after DCA had to decide whether to exercise its option. Should the Army's acquisition appear unacceptable or inadequate, DCA claims that it has requested a Statement of Work as a basis for resolicitation.

Val-U-Tec argues that DCA should have accepted its offer since its machine is lower priced, DCA admits that the Val-U-Tec facsimile machine is technically superior to the Rapicom machines currently being leased and the plans to resolicit indicate that DCA intends to replace all the facsimile machines currently being leased in any event.

We cannot agree with Val-U-Tec. Val-U-Tec has not disputed either of DCA's contentions that there was not enough time to replace Rapicom's machines with Val-U-Tec's machine in order to avoid an interruption in service or that replacement of the facsimile machines leased under contract No. DCA 200-82-C-0016 would necessitate the replacement of all the facsimile machines that DCA is currently leasing from Rapicom. As to Val-U-Tec's argument that the plans to resolicit indicate that DCA intends to replace all the facsimile machines currently being leased in any event, the fact remains that the option being exercised under the contract was for only some of the machines used by the government and the partial replacement of the machines would result in a network with incompatible equipment. In that regard, DCA indicates that the Army has taken the lead in

the resolicitation plans and had not approved the relevant specification for a resolicitation until after DCA had to make a decision as to whether to renew its contract. Regarding Val-U-Tec's contention that DCA should have accepted its offer because its facsimile machine is technically superior to the Rapicom machines currently being leased and is lower priced, we do not see how this contention demonstrates that it was not impractical for DCA to accept Val-U-Tec's offer for the reasons DCA alleges. Accordingly, since Val-U-Tec has not shown that DCA did not follow applicable regulations or acted unreasonably in determining that it would have been impractical to accept Val-U-Tec's offer, we find the protest to be without merit.

Since we find DCA's determination to exercise its option to extend the contract to be proper for the reasons stated above, we need not consider DCA's other alleged justifications for its determination.



Acting Comptroller General  
of the United States