

DECISION

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

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FILE: B-216178**DATE:** September 7, 1984**MATTER OF:** Steelcase Inc.**DIGEST:**

1. Protest of award of a subcontract for office systems furniture to be used by prime contractor with a service contract at government installation is dismissed because the protest does not meet any of the circumstances under which GAO considers protests of subcontract awards.
2. A Federal Supply Schedule contractor may offer a price reduction to the government at any time and by any method without prior acceptance by the General Services Administration (GSA), and under the contract's terms the price reduction generally will remain in effect for the remainder of the contract. Application of the price reduction is a matter for GSA to resolve in administering the contract.

Steelcase Inc. protests the award of a subcontract under request for quotations No. E12817, issued by a National Aeronautics and Space Administration (NASA) prime contractor, EG&G Florida, Inc., to obtain office systems furniture. We understand the awardee, Wilkerson Mohler Company, to be an authorized agent of a Federal Supply Schedule (FSS) multiple-award contractor, Herman Miller Company.

Steelcase complains that Wilkerson Mohler offered prices which were lower than those listed in Herman Miller's schedule contract. In addition, Steelcase indicates that a company "knowingly and willingly" accepting an order at a price below the schedule generally is liable

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to refund the difference on all other orders accepted since the effective date of the schedule contract.

We dismiss the protest.

NASA has informally advised us that EG&G holds a base operations contract at Kennedy Space Center, Florida, pursuant to which it provides various guard, custodial and maintenance services. In connection with the contract, EG&G has offices at the space center. We have also been informed that NASA and the General Services Administration (GSA) have authorized EG&G to purchase office systems furniture off the schedule for use in EG&G's offices at the space center.

Our Office generally does not review a protest of a prime contractor's selection of another subcontractor unless one of the following circumstances outlined in Optimum Systems, Inc., 54 Comp. Gen. 767 (1975), 75-1 CPD ¶ 166, exists:

- (1) the prime contractor is acting as a purchasing agent of the government;
- (2) the government's active or direct participation in the selection of the subcontractor has the net effect of causing the rejection or selection of a potential subcontractor, or of significantly limiting subcontractor sources;
- (3) possible fraud or bad faith is shown in the government's approval of the subcontract award or proposed award;
- (4) the subcontract is "for" an agency of the government; or
- (5) the questions concerning the award of the subcontract are submitted by federal officials entitled to advance decisions by this Office.

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See Information Consultants, Inc., B-213682, April 2, 1984, 84-1 CPD ¶ 373; G&R Supply Co., B-212945, Oct. 12, 1983, 83-2 CPD ¶ 458. None of these circumstances appears to be involved here.

For the protester's information, we point out that FSS contracts generally include a clause basically stipulating that if a contractor sells the items either commercially or to a federal agency at a reduced price, then an equivalent price reduction shall apply to the schedule contract for the remainder of its duration. 41 C.F.R. § 101-26.408-5 (1983). Under the clause, a contractor may offer a price reduction at any time and by any method without prior or subsequent approval by GSA. See Copy-Line Corp., Field Engineering Division, B-214311, March 6, 1984, 84-1 CPD ¶ 275; Synergetics International, Inc., B-213018, Feb. 23, 1984, 84-1 CPD ¶ 232. Such a price reduction, as indicated above, applies subsequently rather than to all past orders. Application of the price reduction is a matter for GSA to resolve in the administration of the schedule contract and does not affect the validity of an order placed under the contract. Copy-Line Corp., B-214311, supra, 84-1 CPD ¶ 275 at 2.

The protest is dismissed.

Harry R. Van Cleve
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Acting General Counsel