

**DECISION**

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

**FILE:** B-215697

**DATE:** October 2, 1984

**MATTER OF:** Sony Corporation of America

**DIGEST:**

1. Protester's contention that the contracting agency improperly requested a second round of quotations, raised after the closing date for receipt of quotations, is untimely since GAO Bid Protest Procedures require such a protest to be filed prior to closing.
2. There is no legal restriction on the amount that can be offered to an agency as a trade-in allowance for used equipment. If a high trade-in allowance is viewed as a reduction from prices stated in vendor's Federal Supply Schedule contract, enforcement of the contract's price reduction provision is a matter of contract administration for the General Services Administration.

Sony Corporation of America protests a purchase order for dictation equipment awarded to Dictaphone Corporation pursuant to request for quotations No. 84-074 issued by the Veterans Administration (VA) to various firms listed on the General Services Administration (GSA) Federal Supply Schedule (FSS). The protest is dismissed in part and denied in part.

Sony first alleges that the award to Dictaphone is improper because the VA issued an amendment after the initial closing date which unnecessarily requested an additional "best and final offer . . . no later than June 19, 1984." The amendment waived the requirement that the desk top units be on the FSS because the VA discovered that only Dictaphone's units were listed on the schedule. Without the amendment, Sony was not eligible for the award. Sony alleges nonetheless that it was the initial low quoter and that the amendment merely incorporated a specification waiver which had no effect on price. Therefore, Sony argues, the VA should have awarded

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the purchase order based on the initial quotes received without requesting a second round of quotations.

We find this basis for protest to be untimely. Sony filed its protest with our Office on July 5, more than 2 weeks after the revised June 19 closing date. Under section 21.2(b)(1) of our Bid Protest Procedures (4 C.F.R. Part 21 (1984)), this protest was required to be submitted prior to the June 19, 1984 closing date. See Le Prix Electrical Distributors, Ltd., B-207106, Sept. 21, 1982, 82-2 CPD ¶ 249. Accordingly, we will not consider this issue on the merits.

Sony also protests that Dictaphone's quotation, which initially included only a \$1,500 trade-in allowance for VA's obsolete equipment, was subsequently revised and inflated to \$12,066, thereby displacing Sony as the low quoter. Sony argues that this "unfair" bidding practice actually represents a price reduction from Dictaphone's listed prices in its FSS contract which generally requires that a price reduction, once offered, shall apply to all subsequent sales to federal agencies and also contains various notice provisions.

We are not aware of any legal restriction on the amount that can be offered an agency as a trade-in allowance for used equipment. In addition, we note that Sony was free to reduce its price for the desk top unit or increase its trade-in allowance if it chose to do so. Moreover, even if we assume that Dictaphone's trade-in allowance represented a price reduction under its contract, a contractor may offer to supply items listed on its FSS contract at prices lower than the schedule prices under the price reduction clause of the FSS contract and a procuring agency may award a contract at the reduced price without prior notice to or approval from GSA. Dictaphone Corporation, B-193716, Mar. 23, 1979, 79-1 CPD ¶ 200; Lanier Business Products, Inc., B-211641, Oct. 25, 1983, 83-2 CPD ¶ 493. Thus, the VA's award to Dictaphone at a price lower than the prices listed in the FSS provides no basis to disturb the award to Dictaphone. Any enforcement of the "price reduction" provisions in FSS contracts must be handled by GSA as a matter of contract administration. Sony Industries, B-197300, June 4, 1980, 80-1 CPD ¶ 382.

The protest is dismissed in part and denied in part.

*for* *Milton J. Fowler*  
Comptroller General  
of the United States