

**DECISION**

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

**FILE:** B-220283

**DATE:** January 14, 1986

**MATTER OF:** Crown Laundry & Dry Cleaners, Inc.

**DIGEST:**

1. Where solicitation clearly informed bidders that bids would be compared to the government estimate using Office of Management and Budget Circular A-76 cost comparison procedures, it was proper for the contracting agency to use those procedures in comparing government-owned contractor-operated bids to contractor-owned, contractor-operated bids in order to determine the lowest cost to the government.
2. Protester's post-bid opening argument that the agency should have added rental value of government property to government-owned, contractor-operated bid for evaluation purposes is dismissed as untimely where the solicitation did not provide for the use of such a factor; a protest based on alleged improprieties in a solicitation which are apparent prior to bid opening must be filed before that time in order to be timely.

Crown Laundry & Dry Cleaners, Inc. protests the bid evaluation procedures used in making award to Apex International Management Services, Inc., under invitation for bids (IFB) No. M00264-85-B-0009, issued by the Marine Corps as a small business set-aside for base laundry and dry cleaning services at Quantico, Virginia. We deny the protest in part and dismiss it in part.

The IFB advised bidders that it was part of a cost comparison to determine whether it would be more economical to accomplish the work in-house using government employees, or by contract. This determination was to be based on a comparison of the low bid with the government's estimated cost as computed according to the Office of Management and Budget Circular A-76 cost comparison procedures. Bids were solicited for either a government-owned, contractor-operated (GOCO) facility using existing base equipment and facilities, or a contractor-owned, contractor-operated (COCO) facility using the contractor's own equipment and

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facilities. The Corps received five GOCO bids, one from Apex, and one COCO bid, from Crown. Both Apex's low GOCO bid and Crown's COCO bid were evaluated as lower in cost than the government's estimated cost for in-house performance.

Due to the different cost bases of GOCO and COCO bids, the two bids could not be compared directly. The Corps, in comparing them directly, used A-76 cost comparison procedures to adjust each bid. In the process, both bids were increased for evaluations with Apex's GOCO bid increased \$296,582 more than was Crown's COCO bid, to reflect the added cost to the government for a GOCO operation. This increase notwithstanding, Apex's adjusted GOCO bid (\$1,368,858.23) was found to represent a more economical method of performance than did Crown's COCO bid (\$1,457,850.52).

Crown contends that the \$296,582 factor added to Apex's GOCO bid based on A-76 procedures was too low. The protester contends that once the Corps decided to contract based on an A-76 analysis, the policies and procedures for providing government property to contractors under the Federal Acquisition Regulation (FAR), 48 C.F.R. Part 45 (1984), should have been used to compare the low GOCO and COCO bids. Crown argues that using these provisions would eliminate the cost advantage a GOCO bidder has over other bidders by virtue of its performance with government property, by applying, for evaluation purposes, a rental equivalent factor based on what the government could charge for use of equipment and property. In contrast, an A-76 comparison, the protester complains, is based solely on actual purchase cost to the government, less depreciation. Crown takes the position that a fair rental equivalent of \$1,200,000 should be added to Apex's low GOCO bid to take into account rent-free use of the laundry and dry cleaning equipment at Quantico.

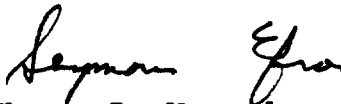
We find that the Corps' evaluation method was consistent with the terms of the IFB, and thus was unobjectionable. Although the IFB did not explicitly state how the low GOCO and COCO bids would be compared if necessary, the IFB did provide that bids submitted under the GOCO and COCO schedules would be compared with the government cost under the A-76 procedures and that, if the lowest bid received was lower than the government in-house cost, an award under either the GOCO or COCO schedule would be made. As all offerors thus were on notice that the procurement would be governed by A-76 cost comparison procedures, and the IFB contained no other provisions for the

comparison of GOCO and COCO bids, we believe it was sufficiently clear that costs added to a GOCO bid would be determined using A-76. It thus was proper for the Corps to use A-76 procedures for purposes of comparing the bids ultimately, against each other. See generally NI Industries, Inc., B-218019, Apr. 2, 1985, 85-1 C.P.D. ¶ 383.

We point out, furthermore, that we previously have not objected to the use of an A-76 evaluation scheme for comparing GOCO and COCO bids. See Crown Laundry & Dry Cleaners, Inc., 61 Comp. Gen. 233 (1982), 82-1 C.P.D. ¶ 97. Although that case did not involve the same issue as does the instant one, the A-76 procedures were used there to compare GOCO and COCO bids, and we found nothing inherently improper in that approach to selecting a contractor.

Crown's contention that a rental value factor should have been added to the GOCO bid in order to equalize competition is untimely. Under our Bid Protest Regulations, a protest based on alleged improprieties in a solicitation which are apparent prior to bid opening must be filed before that date. 4 C.F.R. § 21.2(a)(1) (1985). Here, the only evaluation factors provided for in the solicitation were based on cost to the government under the A-76 cost comparison procedures; the IFB did not provide for adding a rental evaluation factor to GOCO bids. Therefore, Crown's post-bid opening protest against the Corps' failure to add a rental evaluation factor to Apex's bid will not be considered.

The protest is denied in part and dismissed in part.

*for*   
Harry R. Van Cleve  
General Counsel