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The Comptroller General  
of the United States

Washington, D.C. 20548

# Decision

Matter of: Sentinel Electronics, Inc.  
File: B-224361  
Date: September 4, 1986

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## DIGEST

Protest raising arguments identical to ones previously rejected by General Accounting Office in considering protests filed by the same firm is denied where the protester fails to distinguish its current protest and the record does not show that it is significantly different from the ones previously denied.

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## DECISION

Sentinel Electronics, Inc. protests the allegedly defective terms of invitation for bids (IFB) No. DAAH01-86-B-A347, issued by the United States Army Missile Command, Redstone Arsenal, Alabama for an electronic component for a missile system.

We deny the protest.

The solicitation, issued as a small business set-aside on June 20, 1986, sought a basic quantity of 89 units, representing the current needs of the Army, and an estimated quantity of 89 units for each of the next 4 program years.

Sentinel, citing the Federal Acquisition Regulation (FAR), 48 C.F.R. § 16.503(b) (1985), contends that a requirements contract is not appropriate for this acquisition, because the components being procured are not commercial or commercial-type products. Sentinel also complains that the solicitation places too much risk on the contractor in that the government evaluates on the basis of estimated quantities, but is not required to order these quantities; rather, the solicitation specifies yearly minimum and maximum orders, as well as an overall minimum and maximum. Finally, Sentinel maintains that the solicitation, although including an economic price adjustment clause, does not sufficiently protect the successful bidder against the possibility that a restricted

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source subcomponent manufacturer may significantly increase its price or cease operations during the term of the contract.

Sentinel previously protested 10 other Redstone Arsenal solicitations, for various spare parts of missile systems, on these same grounds. We denied these protests in our decision Sentinel Electronics, Inc., B-221914.2, et al., Aug. 7, 1986, 86-2 CPD ¶ \_\_\_\_\_.

In that decision we first stated that the FAR, 48 C.F.R. § 16.503(b), did not necessarily preclude the Army from entering into requirements contracts for spare parts, regardless of whether they are for commercial or commercial-type products. We found that as the Army advanced several valid business reasons for using requirements contracts for these purchases, we could not legally object to the procurements on that ground. Second, we rejected Sentinel's claim that a requirements contract placed too much risk on the contractor. We stated that the Army followed the mandates of the FAR by setting forth yearly minimum and maximum orders and by limiting the contractor's obligations for the entire contract. We also concluded that the Army had estimated the quantities to be ordered in good faith, using the best information available. Third, we rejected Sentinel's arguments concerning certain actions that could be taken by a restricted source subcomponent manufacturer. We found the Army had made an effort to balance the contractor's and the government's risks in drafting these solicitations, and we could not conclude that the resultant risks placed on the contractor were unreasonable.

Sentinel has not presented any arguments suggesting that this protest is different from the 10 that we previously denied; in fact, Sentinel acknowledges that this procurement is indistinguishable from the prior ones. The electronic components being procured here appear to be similar to the spare parts that were the subject of Sentinel's previous protests with regard to complexity, and, as reflected in the record, the Army had valid reasons why this item also should be procured under a requirements contract. Further, the minimum and maximum order limitations for this procurement are similar to those set forth in the other solicitations, and there are no indications that the government estimates for this procurement are the result of bad faith or are not based on the best information available. Finally, we find that the contractor's risks for this procurement are essentially the same as the contractors undertook in the other procurements:

the restricted source subcomponent manufacturer for this item may go out of business before the expiration of the term of this contract, and the economic price adjustment clause in this case affords contractors the same protection as the clause in the other cases.

Accordingly, for the reasons set forth in our prior decision, this protest is denied.

*for* *Seymour Efron*  
Harry R. Van Cleve  
General Counsel