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The Comptroller General  
of the United States

Washington, D.C. 20548

# Decision

Matter of: Environmental Tectonics Corporation

File: B-224770

Date: November 19, 1986

## DIGEST

1. Cancellation of request for proposals for new equipment is proper where the procuring agency determines that its needs can best be met by renovating existing equipment, and that the new equipment therefore no longer is required.

2. Agency properly may cancel a solicitation no matter when the information precipitating the cancellation arises, even if that is after proposals are submitted and the protester has incurred costs in pursuing the award.

## DECISION

Environmental Tectonics Corporation (Environmental) protests the Department of the Army's cancellation of request for proposals (RFP) No. DAMD17-85-R-0008, for a quantity of sterilizers, including installation. Environmental also seeks reimbursement of its proposal preparation costs. We deny the protest and the claim.

The closing date for receipt of initial proposals was August 12, 1985, and the Army received offers from the protester (\$501,857 total price) and American Sterilizer Company (\$943,318). Environmental, however, was suspended from federal contracting by the Defense Logistics Agency on September 10, 1985, so the Army entered into price negotiations only with American. The evaluation process was delayed due to a need for cost or pricing data, which was not furnished by American until March 1986. Since, by this time, Environmental's suspension had been lifted, the Army began negotiations with Environmental. Preaward survey reports for both companies were not received until the end of June, and because of the substantial delay since proposal submission, the proposals were forwarded to technical personnel for an updated evaluation.

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On September 8, 1986, technical personnel met with the contracting officer to discuss their determination that substantial changes in the specifications (developed in 1984) were necessary to meet the Army's current needs, and were sufficiently material that no award could be made based on the original RFP. On September 10, the issuing activity notified the contracting officer that it would replace the doors and hinges on existing sterilizers in lieu of purchasing new units. The next day, the contracting officer canceled the solicitation and determined not to resolicit the requirement because modification of the existing sterilizers would meet the Army's needs at a lower cost.

It is well-established that cancellation of a solicitation is proper where the supplies or services no longer are required. Aviation Enterprises Inc., B-215662.3, Oct. 29, 1984, 84-2 C.P.D. ¶ 472. Since the Army has determined that it can meet its sterilizer needs most cost-effectively by renovating its existing sterilizers, the government no longer requires new sterilizers, and cancellation of the RFP is proper.

Environmental argues that the cancellation should not be permitted because of the extensive delay and the numerous manhours expended by Environmental during the preaward survey and financial audit. While it is unfortunate that Environmental may have incurred costs in pursuing the award, this fact has no bearing on the propriety of the cancellation. We have held that an agency properly may cancel a solicitation no matter when the information precipitating the cancellation first surfaces. International Trade Overseas, Inc., B-221824, Apr. 1, 1986, 86-1 C.P.D. ¶ 310. Thus, cancellation was not rendered improper by the fact that the Army did not determine, until after Environmental had incurred the cited costs, that its needs could best be met by renovating existing sterilizers.

The protest is denied. Since we have found no improper action by the Army, Environmental's claim for reimbursement of proposal preparation costs also is denied.

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General Counsel