



The Comptroller General
of the United States

Washington, D.C. 20548

Decision

Matter of: TTI Management Co. Inc.; Omega World Travel, Inc.;
and Travel Ventures, Inc.
File: B-225724
Date: May 7, 1987

DIGEST

Protest that agency failed to amend solicitation to give offerors adequate notice that use of the Diners Club Agency Account System (under which Diners Club carries government accounts receivable thus relieving the contractor of the financial burden of carrying the receivables) satisfied the solicitation financial capability requirement that the contractor carry the accounts for at least 30 days is denied. Offerors were required to use the Diners Club system and offerors had actual notice that the agency considered use of Diners' Club Account System as meeting the solicitation financial capability requirement.

DECISION

TTI Management Co., Inc., Omega World Travel Inc., and Travel Ventures, Inc.,^{1/} protest as unduly restrictive of competition the Army decision under request for proposals (RFP) No. DAKF49-87-R-0001 to award a single contract for no cost travel agent management services for 29 Army installations located within the Fifth U.S. Army Region.

We deny the protest.

The RFP provides that "the offeror must have adequate capital and sufficient cash flow to carry government accounts receivable for at least 30 calendar days dated from government receipt of a proper invoice." TTI initially protested that only four travel agencies have the financial capability to satisfy this requirement; that is, only four travel agencies have the financial capability "to float" accounts receivable for this estimated \$86.5 million

^{1/} TTI is a consortium of travel agencies and is also an accredited travel agency itself. Omega and Travel Ventures are travel agency members of the TTI consortium.

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contract (covering 29 Army installations) for 30 days. TTI maintained that in order to achieve full and open competition, the Army should issue separate solicitations for each of the 29 installations.

The Army responded in its report on this protest that "early on, it knew an offeror's ability to float government receivables would, in fact, preclude many travel agencies from competing . . ." and, therefore, the Army sought to achieve greater competition by requiring the use of Diners Club Agency Account System/Government Travel System (GTS) for this procurement. Under the Diners Club Agency Account System, when services are purchased using Diners Club credit, Diners Club does not bill the agency for the time period in question. Thus, the Diners Club floats the government receivables, relieving the contractor of this financial burden. The Army report points out that the solicitation requires the contractor to accept Diners Club as payment for government travel services. At the preproposal conference, the Army confirmed that Diners Club would float the government receivables. All firms on the bidders mailing list were mailed a copy of the preproposal conference report containing this information. The Army report concludes that "any offeror showing an ability to provide automated reconciliation of Diners Club accounts can be considered as meeting the requirement to carry government accounts receivable for at least 30 days." In this regard, the RFP requires the contractor to provide automated reconciliation of the Diners Club accounts, that is, the offeror must be able to produce a computerized report comparing the Diners Club billings with the travel agents invoices.

The protesters respond that the Army in its report "substantially liberalized specifications without amending the RFP," thereby improperly depriving potential competitors of notice that the Army considers "any offeror showing an ability to provide automated reconciliation of [Diners Club] accounts as meeting the requirement to carry the government accounts receivable for at least 30 days." TTI states that at least 1,500 travel agencies "can be considered" as meeting this "revised" requirement. The protesters maintain that the Army should be required to either issue an amendment stating that the offerors ability to accept Diners Club payments and issue corresponding information reports will be considered as meeting the financial capability requirement or issue 29 separate solicitations.

We find this protest to be without merit. The protesters do not refute that the Diners Club carries government accounts receivable for the time period in question. They merely argue that they were not given adequate notice that use of

the Diners Club Agency Account System satisfies the requirement that the contractor carry the accounts receivable for at least 30 days. The preproposal conference's written record, sent to all offerors, clearly indicated that the Diners Club Agency Account System satisfied the requirement that the contractor carry the accounts receivable. Thus, offerors were on actual notice of this means of complying with the financial capability requirement. See e.g., Brizard Company, B-215595, Oct. 11, 1984, 84-2 C.P.D. ¶ 399; Texstar Plastics Co., Inc., B-201105, Sept. 18, 1981, 81-2 C.P.D. ¶ 223.

We deny the protest.

Harry R. Van Cleve
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General Counsel