



The Comptroller General
of the United States

Washington, D.C. 20548

Washkopf - PL

Decision

Matter of: Systems Research & Applications Corporation--
Reconsideration
File: B-225574.3
Date: June 23, 1987

DIGEST

Request for reconsideration is denied where protester basically reiterates arguments previously made and fails to identify any errors of law or fact on which the decision was based.

DECISION

Systems Research & Applications Corporation (SRA) requests reconsideration of our decision in Systems Research & Applications Corp., B-225574.2, May 26, 1987, 87-1 CPD ¶ ____, which we denied its protest of a proposed award to RJO Enterprises, Inc., under request for proposals (RFP) No. F19628-86-R-0089. The RFP was issued by the Air Force for a time-and-materials contract to provide systems engineering and management support services. The protest concerned only the labor portion of the work and the RFP's requirement that the proposed hourly labor rates should be based on a 40-hour week. The protester argued that RJO's proposal was unacceptable because the listed actual salaries of a subcontractor included uncompensated overtime and also because RJO proposed a work week greater than 40 hours.

Our decision pointed out that there was a distinction between the offered hourly labor rates (which formed a fixed-price basis of the contract and included a factor for overhead, general and administrative expenses, and profit) and an offeror's wage rates which reflected the actual amounts paid to the proposed employees and were required as cost and pricing data. The RFP required only that the wage rates be based on a 40-hour work week.

We held that since the wage rates of RJO's subcontractor in effect were computed by dividing the annual salaries by the total number of hours worked, including overtime, the wage

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rates indicated the employee's actual hourly rate of compensation assuming a 40-hour week. The proposal therefore complied with the RFP.

The wage rates for RJO's employees were based on a 40-hour week. RJO proposed its hourly labor rates for the subject procurement, however, on the basis of having its employees work compensated overtime at those rates. We noted that nothing prohibited RJO from offering its hourly labor rates on this basis and that all offerors were evaluated equally by multiplying their proposed rates times the estimated number of hours that would be required under the contract. Further, the RFP provided that any order issued under the contract would be to perform certain tasks in a specified number of hours, regardless of when worked, and imposed limits on the number of hours that could be reimbursed; orders therefore will not specify a number of person years under which RJO could be paid for more hours than an offeror proposing only a 40-hour week. We therefore found that the acceptance of RJO's proposed use of compensated overtime was proper and did not prejudice other offerors.

In its request for reconsideration, SRA basically reiterates its previous arguments, and contends that RJO and offerors which based their wage and hourly labor rates on a 40-hour week were not evaluated on an equal basis. The submission, like the original protest, appears to address possible evaluation inequities that could result from an offeror's use of uncompensated overtime where: (1) the offeror proposes understated hourly labor rates which do not reflect the uncompensated overtime; and (2) all offers are evaluated based on an estimated number of person years assuming a 40-hour week, although the offeror will work and bill the government for more hours in a year than offerors using a 40-hour week. This simply is not the case here, as explained above, since the RFP provides that the Air Force will only order a specified numbers of hours at precisely the proposed hourly labor rates.

Because SRA reiterates its previous arguments and has failed to identify any material errors of law or fact on which our decision was based, the request for reconsideration is denied. See C&L Diversified Enterprises, Inc.--Request for Reconsideration, B-224912.3, Mar. 10, 1987, 87-1 CPD ¶ 268.

for Seymour Efron
Harry R. Van Cleve
General Counsel