



The Comptroller General
of the United States

Washington, D.C. 20548

Decision

Matter of: ASG Partnership

File: B-227872

Date: September 30, 1987

DIGEST

Agency reasonably canceled solicitation for lease of office space on the ground that the contracting officer improperly amended the solicitation, which had been issued for 10,365 square feet of space, to increase the needed space to 22,565 square feet instead of advertising the increase, since the change in requirement was so substantial that a new competition was warranted.

DECISION

ASG Partnership protests the cancellation of solicitation for offers (SFO) No. GS-05B-14445, issued by the General Services Administration (GSA) for the lease of 22,565 square feet of newly constructed office space in Cook County, Illinois. Before the cancellation, ASG was in line for award. ASG seeks either the award or reimbursement of its proposal preparation costs. We deny the protest.

Since 1982 GSA had sought appropriate rental space for use by the Social Security Administration (SSA) and the Internal Revenue Service (IRS) in a specific area of southern Cook County, first in existing buildings and later in newly constructed buildings. GSA issued the SFO in June of 1986, seeking a block of 10,365 square feet of newly constructed office space for use by SSA. In September, GSA amended the SFO requiring an additional block of 12,200 square feet of space in the same building for the use of IRS.

The contracting officer did not issue a general, public advertisement about the additional space requirement because of his determination that advertisement would serve no useful purpose, since (1) "regarding the likely interested competitors, new construction for 22,565 square feet was similar to new construction for 10,365 square feet," (2) many offerors had already expressed interest, and (3) advertising would delay filling both SSA and IRS requirements. GSA officials in Washington, however, refused

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to approve the proposed award to ASG, because of the failure to advertise the IRS space pursuant to the GSA Acquisition Regulation (GSAR), 48 C.F.R. § 570.202 (1986) (advertising), which requires advertisement of blocks of space of 10,000 or more square feet unless an exemption under the Federal Acquisition Regulation (FAR), 48 C.F.R. § 5.202 (1986) (exceptions to the Commerce Business Daily (CBD) synopsis requirement), or under the GSAR itself, 48 C.F.R. § 505.202 (GSA-specific exceptions to the CBD synopsis requirement), applies. The contracting officer therefore canceled the SFO.

ASG contends that GSA satisfied any competition requirements when, after an unsuccessful 4-year search for existing construction, it initially advertised for new construction to meet the SSA space requirement and received several offers in a geographic area avoided by most real estate developers. ASG argues that at worst GSA's failure to advertise the IRS space requirement was a minor informality not warranting cancellation of the solicitation, and that further delay will only increase the government's leasing costs.

The magnitude of the change necessary to make an original solicitation reflect the government's current requirements governs the propriety of the decision to cancel and reissue a solicitation. Burroughs Corp., B-207660.3, May 16, 1983, 83-1 C.P.D. ¶ 508. We limit our review of agency decisions concerning cancellations to whether the exercise of agency discretion is reasonable. PRC Government Information Systems, division of Planning Research Corp., 61 Comp. Gen. 614 at 623 (1982), 82-2 C.P.D. ¶ 261.

We think the increase in the government's space requirement from 10,365 square feet to 22,565 square feet was so substantial that it warranted canceling the solicitation. We simply cannot conclude that the same degree of competition necessarily would be generated, in terms of number of offerors and prices, in response to such disparate requirements. Moreover, although there had been some dispute within GSA as to whether the increase in the space requirement in fact warrants readvertisement in these particular circumstances, GSA has resolved that dispute in favor of readvertising, that is, the agency has determined that full and open competition can be assured only if the GSAR is applied. We are unwilling to conclude that the contracting officer need not follow his own regulation, despite his

agency's reported position, simply because to do so would be administratively burdensome, and ultimately might not generate further competition.

In sum, we think GSA acted reasonably in canceling the solicitation after the agency's requirements more than doubled.

The protest is denied.

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General Counsel