



The Comptroller General  
of the United States

Washington, D.C. 20548

Spiegel PL

## Decision

Matter of: Remco Business Systems, Inc.

File: B-228400

Date: January 13, 1938

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### DIGEST

There is no legal objection to an award based on a higher priced quotation under a mandatory Federal Supply Schedule (FSS) contract where the agency has determined that the protester did not offer the required 5 year warranty based on its quotation and review of the FSS contract.

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### DECISION

Remco Business Systems, Inc., protests the issuance of Purchase Order No. N00189-87-F-0723 to Center Core, Inc., by the Naval Supply Center for computer-cluster furniture.

The Naval Supply Center issued a request for quotations (RFQ) to contractors holding mandatory, multiple award Federal Supply Schedule (FSS) contracts. Remco responded with a price quote of \$185,013.77, which compared to Center Core's price of \$193,740.26. After reviewing the two quotations and the FSS contracts, the contracting officer found that Remco's offer contained several deficiencies and the purchase order was issued to Center Core, Inc. Remco maintains that its product satisfies all of the Navy's requirements at a lower price than the awardee and it is entitled to the award. Delivery has been suspended pending our resolution of this protest.

We deny the protest.

Pursuant to the Federal Acquisition Regulations, 48 C.F.R. § 8.405-1 (1986), pertaining to orders from multiple award schedules, agencies generally are obliged to select the lowest cost alternative which will satisfy their needs. Lanier Business Products, B-223675, Nov. 12, 1986, 86-2 C.P.D. ¶ 551. However, legal objection to a multiple-award contracting decision generally is unwarranted where the agency has determined that its minimum requirements can be satisfied only by an offer which is priced higher than that

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of the protester. National Micrographics Systems, Inc. et al., B-220582, Jan. 9, 1986, 86-1 C.P.D. ¶ 22. Absent a clear showing that the contracting agency has no reasonable justification for such a determination, GAO will not supplant its judgment for that of the agency. American Sterilizer Co., B-212933, Jan. 26, 1984, 84-1 C.P.D. ¶ 122. A contracting agency ordinarily is in the best position to know its needs, the provisions with which it may satisfy those needs and the conditions under which those needs must be met. See A.B. Dick Co., B-219902, Oct. 17, 1985, 85-2 C.P.D. ¶ 417.

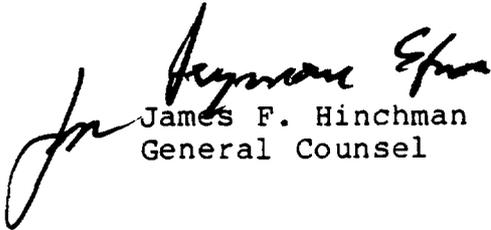
Remco protests that the contracting officer erred when interpreting Remco's quotation in conjunction with its FSS contract, and the Navy failed to provide the necessary written justification for its determination to award at a higher price. Remco contends it was obligated to fulfill all of the agency's requirements because Remco took no exception to the requirements in its quotation.

Remco's quotation stated that "we propose to furnish the material specified, at the prices quoted and under the conditions stated below," which was followed by listing of the 31 items required. Twelve of the items bore the notation "open market" and the quotation referenced GSA contract No. GS-00F-76038. The contracting officer identified six deficiencies which rendered Remco's quote unacceptable to the Navy: (1) insufficient warranty period (2) substandard wall panelling (3) restrictive storage area (4) inadequate lighting versatility (5) limited wiring capacity, and (6) inferior ventilation system. Remco argues that it took no exception to the specifications and where, in its quote, it indicated "open market" it was going to modify its FSS products to meet the RFQ.

Based upon our review of Remco's FSS contract, it is clear that Remco's products are covered by a 1-year warranty, not the 5-year warranty the Navy desired due to the usage of the items. Remco's blanket statement of compliance will not cure such a defect. R.A. Miller Industries, Inc., B-215084, Sept. 24, 1984, 84-2 C.P.D. ¶ 332. Therefore, we find the Navy acted properly in evaluating Remco's quotation as offering a 1-year warranty. Endure-A-Lifetime Products, Inc., B-219529.2, Oct. 11, 1985, 85-2 C.P.D. ¶ 404.

Based on the above deficiency, the Navy's award to Center Core was proper and we need not address any of the other deficiencies in Remco's quotation.

The protest is denied.

James F. Hinchman  
General Counsel