



Comptroller General
of the United States

Washington, D.C. 20548

Decision

Matter of: Lone Star Bakery, Inc.; Sterling Foods, Inc.

File: B-240873; B-240873.2

Date: October 30, 1990

Mac S. Morris, Jr., Lone Star Bakery, Inc., and Roy D. Terracina, Sterling Foods, Inc., for the protesters. William J. Holland, Department of the Air Force, for the agency. James Vickers, Esq., and John Brosnan, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

DIGEST

Protests that firm with small business, small purchase Blanket Purchasing Agreement (BPA) is supplying bakery items from large business bakery is denied as the regulations permit small business holder of such a BPA to supply any domestically produced or manufactured item.

DECISION

Lone Star Bakery, Inc., and Sterling Foods, Inc. protest that a Blanket Purchase Agreement (BPA)^{1/} for bakery items was improperly entered into with Colonial Cake Company by the Department of the Air Force, Lackland Air Force Base, Texas. The protesters contend that Colonial is a large business and that a BPA cannot be used to avoid the requirement that all small purchases be set aside for small business.

We deny the protests.

The record shows that Colonial does not hold a BPA with the Air Force at Lackland but that BPA No. F41636-90-A0490 for bakery items was established with G&H Sales, a small business.

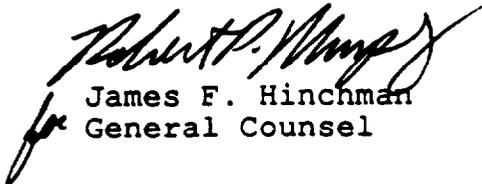
^{1/} A BPA is a simplified method of filing anticipated repetitive needs which can be accomplished by small purchases by establishing charge accounts with qualified sources of supply. Federal Acquisition Regulation § 13.201.

C-40014/142581

We are also informed that Colonial does supply items to G&H for delivery under the BPA. The protesters contend that G&H cannot supply items from a large business under the BPA.

Since the BPA here was in essence a small purchase, small business set-aside there is no requirement that the products furnished must be produced by a small business. Federal Acquisition Regulation (FAR) § 19.501(f)(2) states that a small nonmanufacturer responding to a small business, small purchase set-aside may furnish any domestically produced or manufactured product. Further, the clause set forth at FAR § 52.219-4 states that a small business concern may provide the product of another domestic manufacturer pursuant to a small purchase. Therefore, the fact that G&H is supplying products from a large business bakery is not objectionable.

The protests are denied.


James F. Hinchman
General Counsel