



**Comptroller General
of the United States**

Washington, D.C. 20548

Decision

Matter of: Contract Automotive Repair & Management

File: B-244629

Date: July 18, 1991

Jack Azoff for the protester.

C. Douglas McArthur, Esq., and Andrew T. Pogany, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

DIGEST

Decision to perform services in-house is a matter of executive branch policy, and agency need not conduct a cost comparison under Office of Management and Budget Circular No. A-76 to make such a decision.

DECISION

Contract Automotive Repair & Management protests the rejection of its bid and the cancellation of invitation for bids (IFB) No. DACW45-91-B-0049, issued by the U.S. Army Corps of Engineers, which decided to perform the work in-house. The protester contends that the estimated cost of performance in-house is too low and that the agency should "withdraw its bid" and award a contract to the low, responsive bidder.

The agency opened bids on June 12, 1991, for a contract for operation and repair of its automotive fleet in the Omaha District for a period of 54 months. The protester learned that the low bid, \$4,124,707 from the General Services Administration (GSA), was incomplete and, on June 18, filed an agency-level protest against acceptance of the GSA bid; subsequently, the agency notified the protester that it had decided to perform the work in-house at an estimated cost of \$2,722,922. This protest followed.

The protester advises our Office that the solicitation was not a cost comparison conducted in accordance with Office and Management Budget (OMB) Circular No. A-76. The protester argues that the agency has estimated the cost of in-house performance too low and that the agency should withdraw its bid and award a contract to the protester, whose bid of \$4,678,600 was allegedly the lowest, responsive bid received.

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An agency may properly cancel a solicitation when it concludes that it can perform the services more economically in-house. The agency need not base the decision to cancel a solicitation upon the results of an A-76 cost comparison in such circumstances. Creative Resources, Inc., B-225950, Feb. 11, 1987, 87-1 CPD ¶ 153. Thus, even if we assume that the facts are as the protester states them, the protester does not state a valid basis for protest. See 56 Fed. Reg. 3,759 (1991) (to be codified at 4 C.F.R. § 21.3(m)).

The protest is dismissed.



Michael R. Golden
Assistant General Counsel