



Comptroller General
of the United States

Washington, D.C. 20548

Decision

Matter of: National Mailing Systems

File: B-250950.2

Date: February 12, 1993

Joseph P. Vaghi for the protester.
Karen L. Elias, Esq., National Endowment for the Arts, for the agency.
Stephen J. Gary, Esq., and John M. Melody, Esq., Office of the General Counsel, GAO, participated in the preparation of this decision.

DIGEST

Agency properly purchased higher-priced mailing equipment on Federal Supply Schedule (FSS), instead of protester's less expensive FSS equipment, where the agency reasonably determined that the protester's equipment did not meet its minimum needs.

DECISION

National Mailing Systems (NMS) protests the National Endowment for the Arts' (NEA) issuance of delivery order No. C92-347, for mailing equipment, to Pitney Bowes, Inc. NMS asserts that NEA improperly issued the order to Pitney Bowes notwithstanding the availability of lower-priced equipment through NMS.

We deny the protest.

NEA issued the delivery order on September 23, 1992, against General Services Administration multiple-award FSS contract No. GS-00F-7166A. NEA is a mandatory user of the schedule. The order encompassed Pitney Bowes' Model 6110 Mail Machine, at a net price of \$4,984, and related

NMS also alleged that the award was improperly made on a sole-source basis. We dismissed that protest ground on December 10, 1992, noting that Federal Supply Schedule (FSS) awards satisfy the requirements for competition under the Competition in Contracting Act of 1984, 41 U.S.C. § 259(b)(3). Since schedule contractors already have competed to be placed on the FSS, further competition is not required when, as in this case, the agency issues delivery orders against the schedule.

equipment, including a stacker and a scale. In all, the order totaled \$10,364.

NMS objects to the award on the ground that similar mailing equipment, manufactured by Ascom-Hasler Mailing Systems, Inc. (AHM), and listed on the FSS, was available at a lower price through NMS, an AHM distributor. The agency responds that, in accordance with Federal Acquisition Regulation § 8.405-1, "[o]rdering from multiple-award schedules," before placing the order, it obtained technical and price information concerning the mailing equipment produced by manufacturers listed on the FSS, including Pitney Bowes and AHM. In the case of AHM, the agency specifically requested and received from NMS a 14-page description of its AHM products and prices. Based on that information and similar information submitted by Pitney Bowes, NEA determined that AHM's lower-priced product did not meet its minimum needs, which included the capability of handling 210 envelopes per minute, and envelopes up to 11 x 17 inches in size.

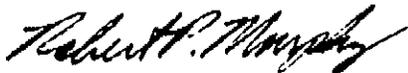
Determinations of the agency's minimum needs and of which products meet those needs are properly the agency's responsibility; government procurement officials, who are familiar with the conditions under which supplies and equipment have been and will be used, are generally in the best position to make these determinations. Systematics, Inc., B-222559, July 24, 1986, 86-2 CPD ¶ 105. Our Office will only examine the agency's determinations to ensure that they had a reasonable basis. American Body Armor & Equip., Inc., B-238860, July 3, 1990, 90-2 CPD ¶ 4.

We find that the agency's decision to order Pitney Bowes' equipment was reasonable. Our review of the product and price literature submitted by NMS confirms that the AHM products which were priced lower than Pitney Bowes' were not capable of handling 11 x 17-inch envelopes. Although NMS asserts that "the system we recommended will . . . easily accommodate letters of the aforementioned 11' x 17' size," the protester has provided no evidence to support that assertion, and we find none in the record. In this regard, the product description for AHM Model 335AS4, HSO Series, priced at \$4,683.50 (\$300 less than the Pitney Bowes model that NEA purchased), specifically states that an oversized extended feed table permits automatic feeding of envelopes and flats up to 9 x 12 inches in size--not the 11 x 17 inches the agency required.²

²The other models described in the literature were considerably lower in price; there was no indication that they complied with the envelope size requirement either. While the literature was not clear as to whether the next
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The protester does not argue that NEA does not require this size capability, or that Pitney Bowes' system does not possess it. Likewise, other than a general statement that NMS could have met the government's needs, the protester has not shown that its AHM equipment possesses the capability to handle 11 x 17-inch envelopes. We therefore find no basis for questioning the agency's determination that Pitney Bowes' system meets the government's minimum needs and NMS' does not.

The protest is denied.


for James F. Hinchman
General Counsel

²(...continued)

higher-graded model met this requirement, the issue is academic; that model was priced at \$6,719.25, considerably higher than Pitney Bowes' product.