

United States General Accounting Office Washington, DC 20548

Decision

Matter of:	Inventory Accounting Service
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File: B-286814

Date: February 7, 2001

Darcy V. Hennessy, Esq., Moore Hennessy & Freeman, for the protester. Maj. David Newsome, Jr., and Col. Michael R. Neds, Department of the Army, for the agency.

Paul E. Jordan, Esq., and John M. Melody, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

DIGEST

In solicitation for rental and maintenance of washers and dryers, requirement that, throughout contract term, the machines be no more than 2 or 3 years old, is not unduly restrictive where, based on agency's experience, machines reaching these ages malfunction more frequently than newer machines.

DECISION

Inventory Accounting Service (IAS) protests the specifications in invitation for bids (IFB) No. DABT10-00-B-0008 issued by the Department of the Army for rental and maintenance of washers and dryers at Fort Benning, Georgia. IAS asserts that the requirement that machines be no more than 2 or 3 years old is not necessary to meet the agency's needs.

We deny the protest.

The IFB contemplated the award of an indefinite-delivery/indefinite-quantity type contract for a period of 1 base year, with 4 option years, to provide, install, and maintain washers and dryers at various locations at Fort Benning. The IFB provided for an annual estimated quantity of 1,010 washers and 915 dryers, with 388 washers and 403 dryers to be located in the Sand Hill Basic Training Area. The IFB specified that all machines installed in the Sand Hill area must be no more than 2 years old from the date of their purchase as new, and that all other machines must be no more than 3 years old. IFB § C-2.d, e. The IFB also provided that, once a machine attained the specified age, it must be replaced with a conforming machine within 30 days of its anniversary date. <u>Id.</u> These requirements are based on the Army's experience

that machines older than specified require too many service calls and result in too much downtime.

IAS asserts that the age limitation and replacement requirements overstate the agency's needs and that the Army has not shown that the age of the machines is reasonably related to the service call and downtime problems. In this regard, IAS concedes that machines that are more than 2 years old have a higher rate of service calls, but argues that all machines require periodic repairs. Protest at 4. Instead of age limitations and replacements, IAS maintains that it would be more cost effective simply to educate soldiers on the proper use of machines and to rely on the contract provisions making the contractor responsible for maintaining and repairing the machines.

The determination of the government's needs and the best method of accommodating them is primarily the responsibility of the procuring agency, since its contracting officials are most familiar with the conditions under which supplies, equipment, and services have been employed in the past and will be utilized in the future. <u>DGS Contract Servs., Inc.</u>, B-249845.2, Dec. 23, 1992, 92-2 CPD ¶ 435 at 2; <u>Westbrook Indus. Inc.</u>, B-248854, Sept. 28, 1992, 92-2 CPD ¶ 213 at 2. Where a protester challenges a specification as unduly restrictive, it is the agency's responsibility to establish that the specification is reasonably necessary to meet its needs. <u>CardioMetrix</u>, B-259736, Apr. 28, 1995, 95-1 CPD ¶ 223 at 3. The adequacy of the agency's justification is ascertained through examining whether the agency's explanation is reasonable, that is, whether it can withstand logical scrutiny. <u>Keeson, Inc.; Ingram Demolition, Inc.</u>, B-245625, B-245655, Jan. 24, 1992, 92-1 CPD ¶ 108 at 4. Here, we find that the Army has demonstrated a reasonable basis for the age limitation and replacement requirements.

The Army instituted the 3-year age limitation/replacement requirement in order to reduce the amount of downtime associated with malfunctioning or inoperable washers and dryers. Since 1992, the Army has required contractors (including IAS in its incumbent contract) to supply machines not older than 3 years of age in all locations at Fort Benning. Contracting Officer's Statement at 1. As noted by the agency, this determination was based on a review of the number of service call orders issued during performance of a prior 3-year contract. When that determination was protested, the Army responded with the following information in support of the 3-year limitation: 687 orders were issued in 1990, 1,416 in 1991 (an increase of more than 100 percent over 1990), and 1,206 during the first 71/2 months of 1992 (a rate of increase of approximately 30 percent over 1991). DGS Contract Servs., Inc., supra, at 2-3. The record shows that the rate of machine deterioration has not improved. For example, during IAS's second performance year, there were 1,157 service calls to repair the 1,788 machines at Fort Benning. Contracting Officer's Statement at 2. Accordingly, we reiterate, as we found in DGS, that the 3-year limitation is a reasonable means of minimizing the breakdowns that obviously occur with increasing frequency as the machines get older.

Likewise, the 2-year age limitation/replacement requirement for the Sand Hill area is reasonably based on the increase in service calls and downtime for those machines.¹ Specifically, while approximately 42 percent of the Fort Benning machines were located in the Sand Hill area, they accounted for more than 66 percent of the service orders for repairs. Contracting Officer's Statement at 3. The difference is attributable to the expansion of the Sand Hill training mission, which significantly increased the demand for the machines. In this regard, in November 1998, the Sand Hill area went from housing a single training brigade that cycled approximately 18,000 trainees per year, to housing an additional training brigade that cycled approximately 12,700 trainees per year. Id. at 3. More than 30,000 soldiers are present and living in the barracks for their entire training periods and use the laundry facilities at a much greater frequency than their counterparts in non-training units.² Id. at 2. In addition, the tight training schedules in the Sand Hill area reduce the time available for troops to spend laundering their uniforms and other clothing, which makes the demand for operational equipment even greater. Id. at 3. Beyond this direct impact, machine downtime adversely affected soldier morale and welfare; the numerous soldier complaints made the machines' condition a matter of concern to the command structure. Id. In our view, based on the Army's experience that newer machines need fewer repairs and result in less downtime. its legitimate need for sufficient operational machines, and the related issue of soldier morale, the agency reasonably added the 2-year age limitation/replacement requirements for the Sand Hill machines. See JLS Rentals, B-219662, Nov. 20, 1985, 85-2 CPD ¶ 570 at 3 (it is reasonable for agency to require that leased washers and dryers be no more than 2 years old at the beginning of the contract period and at the beginning of each option period, where limiting the age of machines will alleviate downtime).

Our conclusion is not changed by IAS's assertion that many of the service calls were not the contractor's responsibility, that is, that they were "false calls," due to abuse of machines or plumbing/electrical problems that were the agency's responsibility.³ The service records fully support the agency's analysis even when false calls are not considered. For example, from September 1999 through August 2000, excluding false calls, there were 646 service calls--an average of 1 call for 82 percent of the 787 machines in the Sand Hill area. Contracting Officer's Statement at 2. In contrast, there were only 308 service calls--an average of 1 call for less than 31 percent of the remaining 1,001 machines at Fort Benning. <u>Id.</u> Indeed, the protester's own records

¹ In fact, because of the condition of machines in the Sand Hill area, the Army did not exercise the last option year under IAS's contract.

² According to the Army, soldiers in non-training units are in and out on leave, pass, and temporary duty which results in lower usage rates for machines in those areas.

³ "False calls" are service calls attributable to negligence or abuse by government personnel or to defects or malfunctions in the building's electrical or plumbing systems. IFB § C-4.b.

show (for a 2-month period) that, excluding false calls, 82 of 102 service calls were made for the Sand Hill area, while only 20 were made for the remainder of Fort Benning, and the majority of them were for machines that were more than 2 years old. Protest, exh. B, at 6. Moreover, it is not simply the number of calls that is relevant, but also the type of repairs required and the downtime associated with them. In this regard, while IAS attributes most of the Sand Hill service calls to abuse by the soldiers, the record shows that the Sand Hill machines required 170 pump replacements, 91 motor replacements, and 52 transmission replacements, the majority of which were made on machines over 2 years old.⁴ Agency Report, Tabs N-Y. It is plain from the agency's records that machines 2 or more years old, and especially those in use in the Sand Hill area, have required more frequent and more major repairs than those located elsewhere at Fort Benning.

IAS's assertion that there is a better method (<u>i.e.</u>, repair old machines and instruct trainees on proper machine use) of accomplishing the agency's objectives does not establish an overstatement of needs or a restriction on competition; an agency's judgment as to the best approach of meeting its needs is not subject to this type of objection. <u>AT&T Corp.</u>, B-270841 <u>et al.</u>, May 1, 1996, 96-1 CPD ¶ 237 at 8. Finally, IAS does not assert, and there is nothing in the record indicating, that IAS cannot meet the Army's age limitation and replacement requirements. Rather, IAS's objections seem centered primarily on the fact that it would not be able to offer older machines, including those it has provided under its incumbent contract. However, the government is not required to perpetuate a competitive advantage that an offeror may enjoy as the result of a prior government contract, <u>Robertson and Penn, Inc.</u>, B-226992, June 9, 1987, 87-1 CPD ¶ 582 at 3 n.2, and need not otherwise shape its requirements to account for an offeror's particular business circumstances or competitive posture.

The protest is denied.

Anthony H. Gamboa Acting General Counsel

⁴ In this regard, we find unpersuasive IAS's argument that pump and motor repairs are attributable to "abuse." Comments at 2. The mere possibility that overloading a machine could wear out its pump, which in turn could spill water onto the motor and burn it out, stretches what we think is the common understanding of the term "abuse." In any case, nothing in the record establishes that all motor/pump replacements resulted from this scenario.