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UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548

OFFICE OF GENERAL COUNSEL

B-195966.2

June 12, 1981

Mr. Clyde C. Cook
Assistant Administrator
for Supply Services
Veterans Administration

Dear Mr. Cook:

This is with reference to your request of May 4, 1981, for advice as to what action your agency should take regarding the EPBX and paging systems installed in the VA outpatient clinic in Las Vegas, Nevada. As a result of the protest submitted by Las Vegas Communications, Inc., we found the sole source award to Central Telephone Company for this equipment to be improper. Las Vegas Communications, Inc., B-195966, July 22, 1980, 80-2 CPD 57, affirmed on reconsideration, B-195966.2, October 28, 1980, 80-2 CPD 323. We suggested that the VA make a study including consideration of the possibility of obtaining competition and of the precise costs and disruptive effects that would be associated with a termination of the present contract, and determine whether it would be in the Government's best interest to proceed with a new procurement.

You have provided us with a copy of a study which estimates that it would cost the VA \$71,633 to remove the present system and install a new one. The only reference to an analysis of the possibility of obtaining competition is a footnote in attachment C to the study which indicates that one-time installation charges for the system "were obtained by survey of interconnect companies." There is also no statement from the VA as to whether it would be in the best interest of the Government to resolicit the requirement.

[Corrective Action for Improper Sole-Source Contract Award]

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We specifically requested that your agency conduct the study and determine the most feasible corrective action because of the specialized and sensitive nature of the facility involved. In view of the possible disruption in the vital services performed by the clinic which may be caused by removal of the present system, we do not believe that we are in a position to determine based only on your cost analysis whether resolicitation is in the Government's best interest. Therefore, we again request that your agency make that determination.

Please advise when you have reached your decision.

Sincerely yours,

Harry R. Van Cleve

Harry R. Van Cleve
Acting General Counsel