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DECISION



**THE COMPTROLLER GENERAL
OF THE UNITED STATES**
WASHINGTON, D. C. 20548

[Protest of RFP Cancellation]

FILE: B-200791

DATE: February 18, 1981

MATTER OF: Kora & Williams Corporation

DIGEST:

Change in Government requirements due to restoration of funding accompanied by decrease in scheduling and coordination problems on construction site enhancing prospects for competition provides reasonable basis for cancellation of negotiated procurement for reduced requirement to which only one offeror responded and reissuance of total requirement in invitation for bids.

Kora & Williams Corporation protests the cancellation by the General Services Administration (GSA) of a request for proposals for general construction and site work on the Van Ness campus of the University of the District of Columbia and the reissuance of the requirement in an invitation for bids. We find the protest to be without merit.

Repeated efforts by GSA beginning in 1977 to contract for this work failed because the prices elicited exceeded GSA's budget despite reductions in the scope of work in successive solicitations. Kora & Williams was the only offeror to respond to GSA's final effort; in early 1980, at a competitive negotiation restricted to the five major contractors already on-site. Kora & Williams' initial offer exceeded GSA's budget. GSA successively reduced the scope of the work during negotiations with Kora & Williams over the period from February through July 1980, obtaining three revised proposals. Kora & Williams' final offer for the substantially reduced work was about one-half of its first offer.

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In August 1980, the contracting officer recommended that a contract be awarded to Kora & Williams for the reduced scope of work based on Kora & Williams' final revised proposal. Before action was taken on the contracting officer's recommendation, however, Congress approved a measure which transferred funds appropriated for another campus of the university to the Van Ness campus. GSA advises that these funds were sufficient to enable restoration of the items deleted during negotiations under the latest solicitation and the addition of related work which had been eliminated from other contracts due to funding limitations. During this same general period, the substantial scheduling and coordination problems attributable to the concurrent presence on-site of many contractors abated as their projects neared completion. On October 7, 1980, GSA decided to cancel the request for proposals under which it had negotiated with Kora & Williams, add the items which the newly available funding permitted, and reissue the requirement under an invitation for bids. Five bids were received, and award to the low bidder is being withheld pending our decision on the matter.

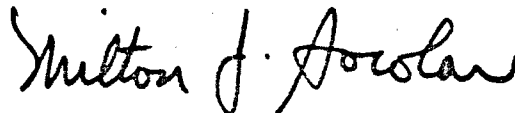
Kora & Williams contends that cancellation of the request for proposals was unreasonable and argues that GSA should have added its restored and additional projects to the scope of work it was negotiating with Kora & Williams in accordance with the Federal Procurement Regulations § 1-3.805-1(d), 41 C.F.R. § 1-3.805-1(d) (1980). This regulation provides that changes to the Government's requirements or modification to the scope of work in a negotiated procurement "shall be made in writing as an amendment to the request for proposals." Kora & Williams argues that cancellation of the request for proposals was not an appropriate remedy under this regulation.

We will not object to an agency's decision to cancel a request for proposals unless the protester demonstrates clearly that the decision lacked a reasonable basis. United States District Court for the District of Columbia, 58 Comp. Gen. 451 (1979), 79-1 CPD 301; Federal Leasing, Inc., et al., 54 Comp. Gen. 872 (1975), 75-1 CPD 236. This is true even if we might have reservations about a decision to cancel

a negotiated procurement and resolicit, so long as the decision reflects the sound judgment of the contracting officer. Environmental Protection Agency Request for Modification of GAO Recommendation, 55 Comp. Gen. 1281 (1976), 76-2 CPD 50; cf. Apex International Management Services, Inc., (60 Comp. Gen. _____), B-200008, January 16, 1981, 81-1 CPD _____. Even if a change in the Government's requirements is amenable to incorporation in a request for proposals by amendment and is not so substantial as to require cancellation and resolicitation, the latter course of action is not precluded if it is determined to be in the best interests of the Government. Semiconductor Equipment Company - Reconsideration, B-187159, May 4, 1977, 77-1 CPD 301.

We cannot say that GSA's determination to cancel the request for proposals and resolicit was unreasonable. Regardless of whether or not the restored and added items would have amounted to a substantial change to the original request for proposals, we think it incontestable that this additional work represents a substantial expansion of the scope of work finally negotiated with Kora & Williams. The addition to the request for proposals of these items, without soliciting other offers, would have been tantamount to a sole-source award to Kora & Williams and would have denied GSA the benefits of competition for a substantial part of the work. We note also that GSA attributed the prior lack of competition for this contract to the "massive scheduling and coordination problems" caused by the presence on-site of multiple contractors and that this problem abated with the waning of the contractors' activities, enhancing the prospects for competition. In these circumstances, GSA opted for the benefits of competition. We cannot object to this decision.

The protest is denied.



Acting Comptroller General
of the United States