

DECISION



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

FILE: B-200460

DATE: August 17, 1982

MATTER OF: Industria Lease Inc. of Fayetteville

DIGEST:

GAO will not consider protest against cost evaluations conducted under Office of Management and Budget Circular A-76 unless the contracting agency's administrative review procedure has been exhausted.

Industria Lease Inc. of Fayetteville protests the rejection of the bid it submitted in response to invitation for bids No. N62477-80-B-7111 issued by the Department of the Navy. The Navy issued the solicitation to determine whether to perform guard services at the Naval Ordnance Station, Indian Head, Maryland, in-house or to obtain those services by contract.

The Navy performed a cost comparison under the guidance of Office of Management and Budget Circular No. A-76. The protester claims that the cost comparison was performed improperly. Specifically, the protester contests as excessive the amount the Navy added to its bid to reflect costs to the Government of contracting for the services.

Although our Office will review A-76 cost evaluations to assure that bidders are not induced to prepare and submit bids which are later arbitrarily rejected due to an erroneous cost evaluation, Crown Laundry and Dry Cleaners, Inc., B-194505, July 18, 1979, 79-2 CPD 38, we will not consider such protests until the contracting agency's administrative procedure for reviewing the cost comparison has been exhausted. JAC Management, Inc., 60 Comp. Gen. 372 (1981), 81-1 CPD 274; Direct Delivery Systems, 59 Comp. Gen. 465 (1980), 80-1 CPD 343. A protest prior to that time is premature. There is no indication that Industria Lease has exhausted its administrative remedies, which are set out in the Navy's solicitation.

The protest is dismissed.

Harry R. Van Cleve
Harry R. Van Cleve
Acting General Counsel