

DECISION

119524
THE COMPTROLLER GENERAL
OF THE UNITED STATES
WASHINGTON, D. C. 20548

Order

FILE: B-208932**DATE:** September 21, 1982**MATTER OF:** Broken Lance Enterprises, Inc.**DIGEST:**

1. GAO will not review an incumbent contractor's protest that an agency should have exercised the contract's renewal option because the issue involves contract administration, which is a matter for the procuring agency.
2. GAO will not review a decision to set aside a procurement for the Small Business Act's section 8(a) program absent a showing of fraud or bad faith by Government officials.
3. Decision not to exercise the incumbent's renewal option and instead to procure the services under the Small Business Act's section 8(a) program does not constitute de facto debarment of the incumbent, since the firm has not been excluded from contracting with the Government.

Broken Lance Enterprises, Inc. protests the Air Force's decision not to exercise the renewal option in the firm's contract (No. F39601-81-C-0053) to provide mess attendant services at Ellsworth Air Force Base. Broken Lance also protests that the agency intends to award a contract for the services without competition to another small business.

We dismiss the protest.

Where an option is exercisable at the discretion of the Government, the decision to exercise the option or to issue a new solicitation is a matter of contract administration, which we do not review as part of our bid protest function. Washington Patrol Service, Inc., B-206197, February 17, 1982, 82-1 CPD 143. We

assume the subject option was exercisable at the sole discretion of the Government because the protester does not allege otherwise, and because the regulations generally contemplate such an option. See Defense Acquisition Regulation § 7-1903.22 (1976 ed.).

Regarding the method that the Air Force will use to meet its needs, the agency informally advises that it is conducting a competition among firms that qualify for subcontracts under the Small Business Act's section 8(a) program, 15 U.S.C. § 637(b) (Supp. III 1979). In this respect, section 8(a) authorizes the Small Business Administration (SBA) to enter into contracts with any Government agency and to arrange for performance of the contracts by letting subcontracts to socially and economically disadvantaged small business concerns. Because of the broad discretion that the Small Business Act affords contracting agencies with respect to letting contracts to the SBA for subcontracting, we do not review procuring agency determinations to set aside procurements under section 8(a) unless there is a showing of fraud or bad faith on the part of Government officials. See Anigroeg Services, Inc., B-206362.2, March 15, 1982, 82-1 CPD 241. Neither exception applies here.

Broken Lance also suggests that the Air Force's decisions in this situation constitute de facto debarment without due process. Debarment, however, refers to exclusion from Government contracting and subcontracting for a reasonable, specified period following notice and a hearing. See Navajo Food Products, Inc., B-202433, September 9, 1981, 81-2 CPD 206. Broken Lance has not been excluded from contracting with the Air Force or any other Government agency and therefore the loss of a contract to the 8(a) program is not a de facto debarment.

The protest is dismissed.

Harry R. Van Cleve
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Acting General Counsel