

DECISION



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

FILE: B-208553

DATE: September 27, 1982

MATTER OF: Engineering Service Systems, Inc.

DIGEST:

Complaint against State of California procurement is dismissed where allegation that procurement was financed by Federal grants is based on speculation that because California is the recipient of a variety of Federal grants, it probably utilized Federal funds in procurement.

Engineering Service Systems, Inc. (ESSI), objects to the State of California's renewal of contracts with International Business Machines Corporation (IBM) for data processing equipment maintenance and repair services of IBM equipment owned and leased by California's Health and Welfare Agency Data Center (contract No. 48040) and Stephen P. Teale Data Center (contracts Nos. J-119, H19/A.3). ESSI complains that the Data Centers' contracts were renewed on a sole-source basis in violation of Federal requirements for competition in procurements financed by Federal grants.

We dismiss the complaint.

Our Office has the authority to "investigate * * * all matters relating to the receipt, disbursement, and application of public funds." 31 U.S.C. § 53 (1976). However, due to the size of Government operations and our limited resources, we must necessarily exercise discretion in determining the matters in which we become involved. See Little Harbor Boatyard Corporation--Reconsideration, B-205027.2, January 4, 1982, 82-1 CPD 7. In our public notice entitled "Review of Complaints Concerning Contracts under Federal Grants," 40 Fed. Reg. 42406, September 12, 1975, we indicated that our Office would undertake reviews concerning the propriety of contract awards made by grantees in furtherance of grant purposes upon the request of prospective contractors. See International Business Machines Corp., B-194365, July 7, 1980, 80-2 CPD 12. However, our notice also

stated that we will not review complaints in which Federal funds in the project as a whole are insignificant. See The Harris Corporation, B-194151, April 22, 1980, 80-1 CPD 282; Delta Excavating and Trucking Co., Inc., B-196650, November 28, 1979, 79-2 CPD 377.

We have been informally advised by California officials that the Data Centers' contracts are paid from reimbursements made by client State agencies which utilize the Data Centers' services. California contends the reimbursements consist of State funds.

ESSI's complaint does not identify the Federal grants allegedly involved. ESSI has informally admitted to us that it does not have this information. ESSI instead speculates that the reimbursements paid by the client State agencies to the Data Centers probably include Federal grant funds because most California agencies receive Federal grants.

It is not our practice to conduct investigations for the purpose of establishing the validity of a complainant's speculative statements. Decision Sciences Corporation, B-205582, January 19, 1982, 82-1 CPD 45. It is, instead, the complainant's burden to affirmatively prove its allegations. Because it appears from the record that these contracts were not financed by significant Federal grant funds, we dismiss the case as involving matters that do not fall within our public notice. See Collins Construction and Management Company, B-197211, June 17, 1980, 80-1 CPD 421; Delta Excavating and Trucking Co., Inc., supra.

Harry R. Van Cleve
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Acting General Counsel