

**DECISION**

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

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**FILE:** B-212248

**DATE:** July 21, 1983

**MATTER OF:** Space Age Engineering, Inc.

**DIGEST:**

GAO will not consider a protest of the cost comparison calculation made by an agency to determine, in accord with Office of Management and Budget Circular No. A-76, whether to perform services in-house or to contract them out until the protester has exhausted the contracting agency's administrative review procedures.

Space Age Engineering, Inc. protests the contracting out cost comparison utilized by the Department of the Interior in connection with invitation for bids No. 3-SB-20-01310 for the operation of motor vehicle and equipment maintenance sites. We dismiss the protest.

Space was the apparent low bidder under the solicitation. The agency then compared Space's price with the estimated cost of using Government employees to perform the same services, and it determined that the maintenance sites would be operated at a lower cost to the Government through the use of Government personnel rather than by contracting out. This determination was based on a cost comparison conducted under the rules set forth in Office of Management and Budget Circular No. A-76 (A-76).

Space was advised by Interior that it had a 5-day public review period, from June 27 to July 1, in which to review the cost comparison results and to file any specific objections. Within this period, Space appealed to the agency to review the cost comparison and it also filed this protest with our Office. The appeal to the agency has yet to be decided.

Although we 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 comparison, we will not consider protests involving such comparisons until the contracting agency's

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administrative procedures for reviewing the cost comparison have been exhausted. Industria Lease Inc. of Fayetteville, B-208460, August 17, 1982, 82-2 CPD 144. Therefore, this protest, which was filed prior to a decision on the appeal to Interior, is premature. See The Big Picture Company, B-209380, November 8, 1982, 82-2 CPD 417.

The protest is dismissed.

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