

DECISION

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

26471

FILE: B-211028

DATE: October 11, 1983

MATTER OF: Dictaphone Corporation

DIGEST:

1. Agency may properly issue RFQ to obtain quotes on whatever equipment on Federal Supply Schedule vendor would propose to meet specifications and general line-item descriptions of RFQ.
2. Protest alleging that purchasing agency could not accept price reduction offered on items on the multiple-award Federal Supply Schedule since price reduction had not been accepted by GSA as of closing date for receipt of quotations is denied since purpose of price reduction clause is to assure government benefit of any price reduction that occurs during contract period and GSA accepted price reduction prior to award by purchasing agency.

Dictaphone Corporation (Dictaphone) protests the award of a contract to Lanier Business Products (Lanier) under request for quotations (RFQ) No. Q-0044-83 issued by the Naval Regional Medical Center, Portsmouth, Virginia, for a dictation system comprised of components listed on the multiple-award Federal Supply Schedule.

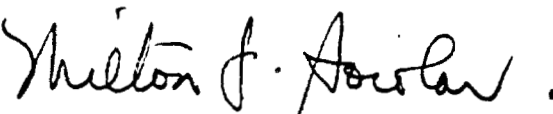
The RFQ was issued to determine what equipment would meet the government's minimum needs. Dictaphone contends that the issuance of an RFQ for this purpose was improper. Further, Dictaphone argues that the government could not take advantage of a price reduction offered by Lanier since the reduction had not been accepted by the General Services Administration (GSA) as of the closing date for receipt of quotations.

We deny the protest.

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We have held that the determination of what will satisfy the government's needs is primarily within the discretion of procuring officials. We will not interpose our judgment for that of the contracting agency unless the protester shows that the agency's judgment is in error and that a contract awarded on such requirements would be in violation of law by unduly restricting competition. Knoll International, B-210256, March 28, 1983, 83-1 CPD 317. We have recognized that an agency may issue an RFQ not to solicit price proposals which the government could accept or reject, but to obtain quotes on whatever equipment on the Federal Supply Schedule a vendor would propose to meet the specifications and general line-item descriptions of the RFQ. Dictaphone Corporation, B-200578, February 18, 1981, 81-1 CPD 104. Accordingly, we have no legal basis to object to the Naval Regional Medical Center determining its actual needs in this manner.

With respect to the price reduction offered by Lanier, we note that each contract with GSA under the Federal Supply Schedule contains a price reduction clause. See 41 C.F.R. § 5A-73.217-5 (1982). This clause permits contractors to reduce prices during the schedule contract period provided an equivalent price reduction is applied for the duration of the contract or for the duration of any temporary price reduction period. The purpose of the price reduction clause is to assure that the government receives the benefit of any price reduction that may occur during the contract period. All contractors have the same opportunity to reduce their prices during the term of the contract. In the case of a temporary "Government-only" price reduction, paragraph (c)(1) of the price reduction clause states that it becomes effective when accepted by GSA. Here, GSA accepted the "Government-only" price reduction before the award by the Naval Regional Medical Center. Therefore, the award on the basis of the lower price offered by Lanier was proper. Transmagnetics, Inc., B-186463, September 22, 1976, 76-2 CPD 272.

for 
Comptroller General
of the United States