

DECISION

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

27365

FILE: B-214179**DATE:** February 7, 1984

MATTER OF: Albert G. Gricoski Private Detective
Agency

DIGEST:

Where an option is exercisable at the discretion of the government, the decision not to exercise the option is a matter of contract administration which GAO will not review under its bid protest function.

Albert G. Gricoski Private Detective Agency protests the failure of the General Services Administration to exercise the option to renew its contract No. GS-03C-36227 for guard services. Among other things, Gricoski contends that when the contractor's 1-year performance has been satisfactory, it is unfair for an agency not to renew to enable the contractor to recoup start-up costs that were not fully provided for in the original bid price but were incurred with the expectation of 3 contract years.

We dismiss the protest. Where, as here, an option provision is exercisable at the sole discretion of the government, our Office will not consider the incumbent contractor's contention that the agency should renew the contract. Decisions as to whether to exercise an option are matters of contract administration, which is outside the scope of our bid protest function. Tri-States Service Company, B-208567, January 17, 1983, 83-1 CPD 44.

Nevertheless, we point out that the Federal Procurement Regulations at 41 C.F.R. § 1-1.1507 (1983), which govern the exercise of options, provide that an option should be exercised only if that is the most advantageous method of fulfilling the government's needs; the regulations do not recognize, as a proper reason to exercise an option, the contractor's need to be reimbursed for costs that the firm did not make an allowance for in the price

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it bid for the base year. See A. J. Fowler Corporation--
Second Request for Reconsideration, 61 Comp. Gen. 238
(1982), 82-1 CPD 102.

The protest is dismissed.

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