

DECISION

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

*Zelkowitz
PL-II
29856*

FILE: B-217029

DATE: November 26, 1984

MATTER OF: Precision Cabinet Company

DIGEST:

Where an option is exercisable at the sole 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.

Precision Cabinet Company protests the failure of Warner Robins Air Force Base, Georgia, to exercise the first option to extend contract No. F09650-83-C0050 for an additional period of performance. The contract is for the repair of kitchen facilities in military family housing. Precision contends that its performance during the initial contract period was satisfactory and that the option was not exercised due to a dispute involving another contract.

Where the option provision of a contract is exercisable at the sole discretion of the government, we will not consider an incumbent contractor's contention that the agency should exercise the option. Such a decision is a matter of contract administration and not within the purview of our bid protest function. Mardan Marine, Ltd., B-213953, Jan. 9, 1984, 84-1 CPD ¶ 62.

Precision also inquires as to the appropriate person to contact regarding the exercise of the option. Although other parties may be involved, the contracting officer is ultimately responsible for exercising the option and notifying the contractor of such action. Federal Acquisition Regulation, § 17.207, 48 Fed. Reg. 42,237 (to be codified at 48 C.F.R. § 17.207); Defense Acquisition Regulation, § 1-1505, reprinted in 32 C.F.R. pts. 1-39 (1983). Thus, we suggest first contacting the contracting officer for information.

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Finally, Precision questions whether the failure of the Air Force to exercise the first option to the contract automatically cancels options for subsequent years. Precision was informed by the Chief of the Base Contracting Division that the final two options were canceled. Since applicable regulations do not address this issue, it depends solely upon the express terms of the contract and the intent of both parties. Here, we agree with the Air Force that the intent of the contract is that the entire relationship between the parties will end on the date specified in the original contract unless the first option is exercised.

The protest is dismissed.

Harry R. Van Cleve

Harry R. Van Cleve
General Counsel