

SUUU Pogany PL

DECISION



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

FILE: B-219397 **DATE:** September 11, 1985

MATTER OF: Mid-Continent Adjustment Company

DIGEST:

1. GAO's Bid Protest Regulations require that a protest, as initially filed, contain a detailed statement of the basis for protest so that contracting agencies can comply with the statutorily imposed time limit for filing a report. Therefore, a protester may not subsequently augment its protest with an additional detailed statement in support of its protest since such practice could potentially delay protest proceedings.
2. Agency's specifications are not unduly restrictive of competition where the agency presents a reasonable explanation why the specifications are necessary to meet its minimum needs, and the protester fails to show that the restrictions are clearly unreasonable under the circumstances.

Mid-Continent Adjustment Company (MCA) protests that the specifications contained in General Services Administration (GSA) solicitation No. FGA-N1-XU248-N, requesting proposals for private debt collection services, unduly restrict competition. We deny the protest.

MCA's protest was filed on June 19, 1985, 1 day prior to the closing date for receipt of proposals. The protest stated as its basis only that certain portions of amendment No. 3, dated May 31, 1985, were unnecessarily restrictive and precluded participation in the procurement by commercial collection firms such as MCA. Subsequently, on July 8, more than 2 weeks after the closing date, MCA filed a detailed explanation of its basis for protest as well as several new allegations of apparent improprieties

033142/127865

contained in the initial solicitation, the previous amendments to the solicitation, and a pre-proposal conference transcript made available to offerors by GSA. In preparing its report, GSA ignored MCA's July 8 letter because it stated that responding to the letter would have jeopardized its ability to comply with the requirement to furnish our Office with a report responding to the protest within the required 25 working days. See 4 C.F.R. § 21.3(c) (1985).

Our Bid Protest Regulations, which implement the Competition in Contracting Act (CICA), 31 U.S.C.A. §§ 3551-3556 (West Supp. 1985), require that an initial protest set forth a detailed statement of the legal and factual protest grounds, including copies of relevant documents. 4 C.F.R. § 21.1(c)(4). The regulations also caution that we will dismiss a protest that does not comply with this requirement. 4 C.F.R. § 21.1(f). This strict initial filing requirement was necessitated by other CICA provisions that require this Office to notify the contracting agency of a protest within 1 day after its filing and further require that the agency generally furnish this Office with a report responding to the protest within 25 working days after such notice. 31 U.S.C.A. § 3553(b). Permitting the subsequent filing of an additional detailed statement in support of a protest would hamper contracting agencies' ability to comply with the statutorily imposed time limitation for filing a report, in that it would deprive them of a portion of the allotted 25-day period for preparing a response. See Sabreliner Corp., B-218933, Mar. 6, 1985, 64 Comp. Gen. _____, 85-1 CPD ¶ 280. We therefore believe that GSA properly ignored the late details submitted by MCA, and our Office also will not consider them. In addition, we note that the new allegations in the late submission concerning additional solicitation improprieties are untimely since they were not raised until after the closing date for receipt of proposals. See 4 C.F.R. § 21.2(a). Accordingly, the only issue for our consideration is whether amendment No. 3 unduly restricted competition.

Prior to the issuance of amendment No. 3, the request for proposals (RFP) required that payments collected from debtors with delinquent accounts be mailed directly to the contractor which would then deposit the funds in an escrow account. Subsequently the contractor would remit a certified check to each federal agency for the amounts collected. Amendment No. 3 changed the payment and accounting procedure set forth in the solicitation to require that payments from debtors go directly to "lockbox depositories," which are commercial banks designated as

financial agents for the government that process payments and immediately deposit the funds to government accounts. To accomplish this, the amendment required the contractor to provide billing statements to debtors, including bar-encoded envelopes and remittance stubs readable by an optical character reader (OCR). This requirement for the contractor to provide OCR scannable documents for the debtors' use was established so that the government's lockbox depository could automatically adjust the account with minimum handling.

MCA alleges that amendment No. 3 is arbitrary and frustrates the original purpose of the RFP because the requirement for OCR scannable documents "summarily excludes commercial collection firms from competition." MCA states that OCR systems are peculiar to consumer collection firms rather than commercial collection firms and prevent the latter firms from competing. We find no merit to this allegation.

In our view, the agency advances a reasonable basis for the revised payment procedures and for requiring OCR scannable documents to be provided to debtors. In essence, the new accounting and payment procedures were suggested by the Department of the Treasury to reduce "float time" (delay in crediting funds received to government accounts) by 4 to 10 days, and can be expected to produce interest savings of \$1.6 to \$4.1 million during the contract period. In addition, the record shows that numerous offers from both types of firms were received and that printing of the OCR documents is readily obtainable. The amendment contains detailed specifications for the OCR printing requirements such that any competent firm should have little difficulty in complying with the government's requirements.

A protester contending that a specification is unduly restrictive has a heavy burden of proof. The contracting agency has broad discretion in determining its minimum needs and the best methods of accommodating those needs. Potomac Industrial Trucks, Inc., B-204648, Jan. 27, 1982, 82-1 CPD ¶ 61. MCA has failed to meet its burden of showing that the agency's determination of its requirements was clearly unreasonable. MCA's apparent unwillingness or inability to comply with the terms of amendment No. 3 does not establish that the specification is unduly restrictive of competition.

The protest is denied.

for *Leyman Egan*
Harry R. Van Cleve
General Counsel