

DECISION

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

FILE: B-221559 **DATE:** March 10, 1986
MATTER OF: Treadway Inn

DIGEST:

Geographical restriction in IFB requiring bidders for a contract to provide meals and lodging for applicants for military duty to be located within 5 driving miles from the agency's processing center does not unduly restrict competition since the agency reasonably believed, based on its experience with the protester's more remote facility, that the restriction would improve efficiency and that adequate competition was available within the restricted area.

Treadway Inn protests a provision in invitation for bids (IFB) No. DAKF27-86-B-1000, issued by the Department of the Army, that initially restricted the competition for a contract to provide lodging and meals to military applicants to bidders having facilities within a 5 mile radius and a 15 minute driving period from the Military Entrance Processing Station (MEPS) in Wilkes-Barre, Pennsylvania. Treadway, the incumbent contractor, contends that its facility is approximately 20 miles from Wilkes-Barre, that its performance has been without complaint and that the restriction is arbitrary and capricious.

We deny the protest.

The IFB asked for bids to provide lodging and meals to military applicants being processed through the MEPS at Wilkes-Barre and a suitable room for testing as many as 30 applicants at a time. The IFB was amended after our receipt of the Army's report to require the contractor's facility to be located "within five (5) driving miles and/or road/street miles of the MEP Station." It also required that any contractor located beyond a one-third of a mile radius of the MEPS or the two bus stations to pick up arriving applicants at the bus stations. The cost of

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this transportation, including that to and from the lodging, was required to be included in the cost of the lodging.

The Army concedes that, aside from its concerns arising from Treadway's location, Treadway's performance has been without complaint. The Army imposed the geographic restriction because it found that Treadway's location, that it contends is 26 miles from the MEPS, resulted in its applicants and recruiters spending excessive time traveling on a stretch of a highway being repaired and on which (according to the state police) 600 accidents with 15 deaths occurred in 1984. In addition, the Army contends that the excessive travel prevented its recruiters from spending the time they should in recruiting and caused negative initial reactions on the part of the applicants who often require an extra day of processing because the testing cannot be completed in one day because of the time spent on transportation to and from the Treadway Inn.

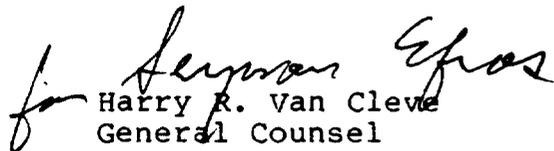
Because of the statutory requirement for full and free competition, an agency may restrict a procurement to bidders within a specified geographical area only if the restriction is reasonably necessary for the agency to meet its minimum needs. Malco Plastics, B-219886, Dec. 23, 1985, 85-2 CPD ¶ 701. The determination of those minimum needs and the scope of a geographical restriction are matters for the discretion of the contracting agencies. The exercise of this discretion involves consideration of the services being procured, past experience and other relevant factors. We will not question the agency determination in this regard if the record reveals that it had a reasonable basis. Descomp, Inc., 53 Comp. Gen. 522, 528 (1974), 74-1 CPD ¶ 44; Personnel Plus Engineering Services, Inc., B-181562, Mar. 24, 1975, 75-1 CPD ¶ 173.

The Army's report stressed savings in travel costs as one of the benefits to be derived from the restriction, but it has since amended the IFB to require the selected contractor to include most of such costs in the rates for the lodging.^{1/}

^{1/} The report suggests that the excess cost incurred as a result of using a distant facility such as Treadway's will still be \$25,000 plus several hundred man-days lost annually because individual recruiters must transport recruits to the Treadway individually on many occasions.

Nevertheless, even without considering travel cost savings, we find no basis in the record to challenge the reasonableness of the restriction imposed here. In our view, the Army was clearly reasonable in its belief, based on its experience with a facility 20 or more miles away, that a facility within the restricted area would probably save time for the applicants and recruiters. Moreover, a closer facility should increase efficiency by decreasing the number of times when the processing would take more than one day, reduce the possibility of highway accidents, and improve the initial impressions that the processing and testing has upon the applicants. The Army contends that adequate competition is available within the restricted area because there are nine facilities that could meet its needs. Treadway's conjecture that only one will actually bid because of the four that received IFBs, one is disqualified because it has no restaurant and two will not bid because "of the reputation of the recruits" is an insufficient basis on which to conclude at this time that the Army's expectation of adequate competition is unreasonable. See R. P. Sita, Inc., B-217027, Jan. 14, 1985, 85-1 CPD ¶ 39.

The protest is denied.


for Harry R. Van Cleave
General Counsel