

Ruppert



The Comptroller General
of the United States

Washington, D.C. 20548

Decision

Matter of: Dohrman Machine Production, Inc.

File: B-223307

Date: August 25, 1986

DIGEST

Cancellation of a request for proposals is reasonable where the agency determines that solicitation for a product that meets a military specification, rather than by manufacturer's name and part number, will increase small business competition and reduce costs.

DECISION

Dohrman Machine Production, Inc. protests the cancellation of request for proposals (RFP) No. DLA700-86-R-0656, issued by the Defense Logistics Agency's (DLA) Defense Construction Supply Center. The protester primarily contends that the cancellation was not in the government's interest and that it will discourage potential offerors and undermine the competitive system. The firm seeks award under the original solicitation.

We deny the protest.

DLA issued the RFP on November 27, 1985 as a 100 percent small business set-aside. It called for a quantity of 75 hose reeling machines identified by reference to Aero-Motive Manufacturing Company's part numbers (N20-10-20AS or 413137) and national stock number (4210-00-033-2764). DLA received three proposals by the December 27 closing date.

Dohrman proposed an alternate item, as permitted by the solicitation, and the agency determined that it was acceptable on January 20, 1986. A subsequent preaward survey showed that this item complied with military specification MIL-R-24414. DLA thereupon reviewed its needs and determined that they could be satisfied by soliciting in accord with the military specification, rather than by the manufacturer's part numbers. Consequently, it canceled the RFP. The agency informed Dohrman of the cancellation by letter dated May 12, stating that under the Federal Acquisition Regulation (FAR), 48 C.F.R. § 14.404-1(c)(9) (1985), cancellation was in the government's interest. Dohrman's protest followed.

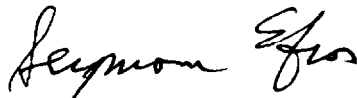
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In a negotiated procurement, the contracting officer has broad discretion in deciding whether to cancel a solicitation. Moreover, the contracting officer need only have a reasonable basis to do so, as opposed to the cogent and compelling reason required for cancellation of a solicitation after sealed bids have been opened. Cadre Technical, Inc., et al., B-221430, et al., Mar. 14, 1986, 86-1 CPD ¶ 256. The possibility of additional small business competition generally provides a reasonable basis to cancel a solicitation. Id.

Here, the record shows that the agency anticipates that soliciting offers in accord with a military specification will increase competition and reduce the cost of the hose reeling machines. We therefore do not find the cancellation legally objectionable.

The protester further alleges that the FAR provision cited by the agency as the reason for cancellation is not applicable to this procurement. We agree; the cited section applies only to sealed bid procurements. The agency apparently intended to rely on FAR, 48 C.F.R. § 15.608(b)(4), which permits the agency to reject all proposals received in response to an RFP if the agency head determines in writing that cancellation is clearly in the government's interest. In our opinion, the fact that the agency cited the incorrect section is a procedural defect that neither invalidates the cancellation nor prejudices Dohrman. Nor does our decision change because an individual in the procurement office, rather than the agency head, signed the letter advising the protester of the determination to cancel, since the Department of Defense FAR Supplement, 48 C.F.R. § 215.608(b) (1985), delegates such authority to the contracting officer.

The protest is denied.

for 
Harry R. Van Cleve
General Counsel