



**The Comptroller General  
of the United States**

Washington, D.C. 20548

## **Decision**

**Matter of:** National Business Systems, Inc.

**File:** B-224299

**Date:** December 17, 1986

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### **DIGEST**

A Federal Supply Schedule contractor may offer a price reduction to the government at any time and by any method without prior acceptance by the General Services Administration (GSA), and under the contract's terms the price reduction generally will remain in effect for the remainder of the contract. Whether the contractor notifies GSA of the price reduction so that GSA can revise the Schedule prices is a matter for GSA to resolve in administering the contract.--

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### **DECISION**

National Business Systems, Inc. (NBS), protests the award of a contract to Addressograph Farrington, Inc. (AFI), under request for quotations (RFQ) No. F02604-86-T3231, issued by Luke Air Force Base, Arizona (Air Force), for the purchase of an electric embossing system. NBS complains that AFI's offered price of \$14,605 for its model 1600 embossing machine with automatic feed, is lower than the price listed in AFI's multiple-award Federal Supply Schedule (FSS) contract No. GS00F85560, with General Services Administration (GSA).

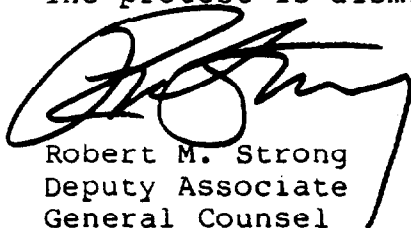
We dismiss the protest.

On March 20, 1986, the Air Force synopsisized the RFQ for the embossing equipment in the Commerce Business Daily. Two quotations were received by the April 21, 1986, closing date. NBS did not submit a quote. On June 17 the Air Force awarded a contract to AFI, in the amount of \$14,605. However, prior to the installation of the equipment, AFI indicated to the Air Force that it may have to withdraw its quote because it was lower than AFI's FSS contract price. Subsequently, AFI resolved its price concerns apparently by discussions with GSA, and delivered the equipment to the Air Force on September 4, at its \$14,605 quoted price.

The FSS lists contracts between the GSA and suppliers of commercially available items commonly used by the government, under which federal agencies may acquire the items at the prices contained in the contracts. 41 C.F.R. § 101-26.402-1(a) (1986). The contracts include a clause stipulating that if a contractor sells the FSS contract items either commercially or to a federal agency at a reduced price, then an equivalent price reduction shall apply to the FSS contract for the remainder of its duration. 41 C.F.R. § 101-26.408-5. Under the clause, a contractor may offer a price reduction at any time and by any method without prior or subsequent approval by GSA. See Steelcase, Inc., B-216178, Sept. 7, 1984, 84-2 C.P.D. ¶ 264; A.B. Dick Co., 63 Comp. Gen. 185 (1984), 84-1 C.P.D. ¶ 135. Thus, the award to AFI at the price lower than AFI's FSS contract price, allegedly without GSA's prior approval, does not provide a basis to disturb the award to AFI. Synergetics International, Inc., B-213018, Feb. 23, 1984, 84-1 C.P.D. ¶ 232; Steelcase, Inc., B-216178, supra.

In addition, when an item available from a multiple-award FSS is ordered from a Schedule contractor at a price lower than the Schedule price, the ordering office is required to notify the GSA Schedule contracting office within 10 days after it awards the contract. See Federal Acquisition Regulation (FAR), 48 C.F.R. § 8.405-1(d) (1985); Synergetics International, Inc., B-218018, supra. Whether the Air Force or AFI notifies GSA of AFI's price reduction does not concern an impropriety in the award to AFI which may be considered under our Bid Protest Regulations. Rather, this issue must be resolved by GSA as a matter of the administration of AFI's FSS contract. Synergetics International, Inc., B-213018, supra.

The protest is dismissed.



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