

Bullock - PL



The Comptroller General
of the United States

Washington, D.C. 20548

Decision

Matter of: Etc. Technical & Professional Services, Inc.

File: B-227554

Date: July 2, 1987

DIGEST

1. The General Accounting Office (GAO) will not review an incumbent contractor's allegation that an agency should exercise an option under an existing contract since such determinations are a matter of contract administration and are outside the scope of GAO's bid protest function.

2. General Accounting Office will not review an agency's determination to perform services in-house rather than by contracting out unless the agency has issued a solicitation for purposes of cost comparison under Office of Management and Budget Circular No. A-76, and there is an allegation that the resulting cost comparison is faulty or misleading.

DECISION

Etc. Technical & Professional Services, Inc., protests the Department of Transportation, Federal Aviation Administration's (FAA) actions in allegedly deciding to conduct predevelopment training courses utilizing in-house personnel rather than through the exercise of an option under contract No. DTFA-02-84-B-0032 awarded to Etc. in 1984.^{1/} Etc. argues that since the FAA has not terminated its contract it must exercise the option under that contract. Additionally, Etc. argues that the FAA cannot perform the services in-house without first conducting a cost comparison in accordance with Office of Management and Budget (OMB) Circular No. A-76.

According to the protester, the FAA in May 1985 advised it that it intended to terminate for the convenience of the government Etc.'s contract for the above mentioned services, but that "no final termination agreement was ever reached." Consequently, the protester argues that the FAA must exercise its option under the contract if it wishes to have the services performed. In this connection, it appears that

^{1/} The contract was for a base year plus four option years.

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the FAA never exercised the option contained in the 1984 contract after the expiration of the base year.

As a general rule, option provisions in a contract are exercisable at the sole discretion of the government. See Federal Acquisition Regulation (FAR), 48 C.F.R. § 17.201 (1986). For this reason, this Office has consistently declined to consider an incumbent contractor's allegation that an option should be exercised under an existing contract since whether to do so is a matter of contract administration and is outside the scope of our bid protest function. See, e.g., Sylvan Service Corp., B-223533, July 24, 1986, 86-2 CPD ¶ 109.

We also will not review the FAA's alleged determination to perform the services in-house rather than continuing to have them performed under contract. We regard such decisions as matters of executive branch policy, Building Services Unlimited, Inc., B-222731, Apr. 17, 1986, 86-1 CPD ¶ 380, and will review them only where a competitive solicitation for cost comparison purposes has been issued. Id. Since no competitive solicitation has been issued here for purposes of performing a cost comparison under OMB Circular A-76, the FAA's determination to perform the services in-house is not a proper matter for our review.

The protest is dismissed.


Ronald Berger
Deputy Associate
General Counsel