



The Comptroller General  
of the United States

Washington, D.C. 20548

## Decision

Matter of: Singleton Contracting Corporation

File: B-229927

Date: March 10, 1988

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### DIGEST

A bidder does not have to have its offices physically located in a labor surplus area (LSA) to qualify for award under a solicitation restricted to LSA concerns, since the restriction only requires substantial performance in an LSA.

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### DECISION

Singleton Contracting Corporation protests the prospective award of a contract to Roy Larson Construction, Inc., the apparent low bidder under invitation for bids (IFB) No. GS-03P-88-DXC-0007, issued by the General Services Administration (GSA). The solicitation, a set-aside for small businesses agreeing to perform as labor surplus area (LSA) concerns, sought bids for the renovation of a courthouse in Norfolk, Virginia. Singleton asserts Larson's bid is nonresponsive since Larson is not located in an LSA.

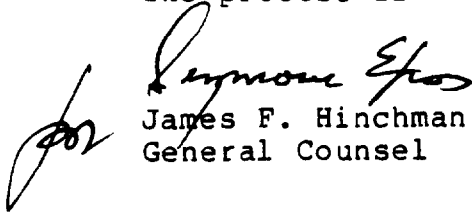
We deny the protest. The LSA clause requires the bidder to agree to perform as an LSA concern--defined as a firm that will perform substantially in a geographical area designated by the Department of Labor as an area of labor surplus--or be considered nonresponsive and thus ineligible for award. See Federal Acquisition Regulation (FAR) § 52.219-5 (FAC 84-10). The clause thus does not require a firm to have its offices physically located in the LSA.

Moreover, we note, GSA states that after bid opening the contracting officer became aware that Norfolk, where contract performance necessarily will take place, actually was not classified as an LSA. On the basis of this information, the contracting officer has decided to withdraw the LSA restriction because otherwise no bidder (including Singleton) would be able to comply with the terms of the solicitation. GSA intends to proceed with award to Larson since the firm's bid was responsive to the original solicitation and since the agency has concluded that the LSA requirement did not restrict competition under the IFB. In this respect, the announcement of the procurement in the

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Commerce Business Daily did not indicate that the procurement was so designated, and a survey by GSA of firms that did not bid indicates that the restriction was not relevant to their decisions. We see no reason to object to GSA's proposal in the circumstances.

The protest is denied.

for  
James F. Hinchman  
General Counsel