



The Comptroller General  
of the United States

Washington, D.C. 20548

## Decision

Matter of: SAC Management, Inc.  
File: B-219998.8  
Date: September 14, 1988

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### DIGEST

Firm is not entitled to recover proposal preparation costs where it has not shown that the contracting agency acted improperly in canceling the solicitation.

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### DECISION

SAC Management, Inc., claims it is entitled to recover its proposal preparation costs as a result of the cancellation of request for proposals (RFP) No. DABT51-85-R-0025, issued by the Department of the Army as part of a cost comparison under Office of Management and Budget (OMB) Circular No. A-76 to determine whether mess attendant services at Fort Bliss, Texas, should be contracted out. SAC alleges that the changed circumstances serving as a basis for cancellation were the result of undue delay on the agency's part in conducting the procurement and that this negligence deprived the protester of an opportunity to have its proposal fairly evaluated. We deny the claim for costs.

The RFP was issued on July 8, 1985, and initial proposals were received on May 8, 1986. Best and final offers (BAFO) were received on September 18, 1987, negotiations were reopened on December 22, and revised BAFOs were received on January 11, 1988. By letter dated May 4, the Army canceled the RFP stating that budgetary constraints reduced the agency's requirements for the solicited services and that these reductions were of such a magnitude that a complete revision of the RFP work statement would be required. Offerors were advised that a revised solicitation would be issued.

The protester argues that the length of time taken between the various stages of this procurement raises a presumption that the Army failed to exercise reasonable care in preparing a solicitation which accurately reflected its needs. In essence, SAC does not dispute that the significant changes in the scope of its requirements noted by the Army in its

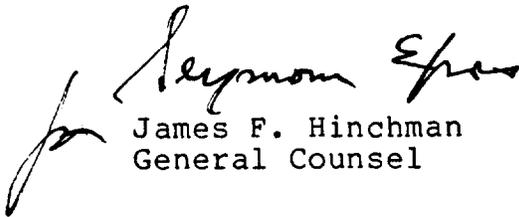
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letter of May 4 can serve as a proper basis for cancellation; rather, the protester argues that it is entitled to proposal preparation costs because the Army's failure to conduct the procurement in a timely manner was the principal contributing factor in the cancellation.

In response, the Army argues that delays in the procurement process were not the result of negligence but were caused by factors outside the agency's control such as numerous protests, the need to obtain Department of Labor wage determinations pursuant to the Service Contract Act of 1965, and the need to implement revisions to OMB's policy regarding cost comparisons in light of the newly-created Federal Employees Retirement System.

In order to permit the recovery of proposal preparation costs under our Bid Protest Regulations, we must find that there exists a violation of a procurement law or regulation. 4 C.F.R. § 21.6(d) (1988). Here, while SAC urges that the cancellation was necessitated because of the agency's negligence, the protester does not argue nor do we conclude that the alleged negligence made the cancellation of the RFP improper. Consequently, we have no basis under our regulation to allow the protester to recover its proposal preparation costs. 4 C.F.R. § 21.6(d); Integrity Management International, Inc., B-222405.4, Feb. 26, 1987, 87-1 CPD ¶ 220.

The claim for costs is denied.

  
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General Counsel