

Gilhooly



The Comptroller General
of the United States

Washington, D.C. 20548

Decision

Matter of: Office and Business Products, Inc.

File: B-232007

Date: October 19, 1988

DIGEST

Although request for quotations from Federal Supply Schedule (FSS) vendors indicated that a trade-in allowance for dictation equipment would be considered, agency, based on a change in its needs, properly disregarded trade-in allowances offered by vendors and issued delivery order to mandatory multiple award vendor which offered the lowest priced equipment meeting the government's minimum needs. Since quotations under FSS are not offers which can be accepted by the government, there is no requirement that delivery order conform exactly to the vendors' informational quotations.

DECISION

Office and Business Products, Inc. (OBP), protests the Department of the Air Force's issuance of purchase order No. G500F85661 to Lanier Business Products for a hospital dictation system. OBP contends it submitted the lowest quote and, therefore, the purchase order should have been issued to it.

We deny the protest.

The Air Force requested quotations from three vendors for a dictation system at the Barksdale Air Force Base hospital in Louisiana. The request for quotations (RFQ) indicated that a trade-in allowance for the existing equipment would be considered. The required equipment was listed in a mandatory General Services Administration multiple award Federal Supply Schedule (FSS) contract.

After quotations were received, the hospital decided not to trade in the existing equipment but to use it in a lesser capacity. The Air Force disregarded the trade-in allowances which were included in all vendors' quotations, and evaluated quotations on the basis of FSS prices. Lanier

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Business Products was issued a purchase order based on its low quote of \$23,601.62, compared to OBP's quote of \$25,575.90.

OBP protests that, based on the RFQ issued by the Air Force, its quote including an \$8525.30 trade-in allowance for the used equipment should have been low at \$17,050.60 and therefore accepted by the Air Force. OBP complains that the decision whether to trade in the old dictation system should have been made before the RFQ was issued. OBP also questions the Air Force's decision to use the existing equipment in a lesser capacity, asserting that the Air Force could buy a considerable amount of new dictation equipment with the dollar difference between its quote evaluated with a trade-in allowance, and the Lanier Business Product's quote evaluated without a trade-in allowance.

Quotations solicited from FSS vendors are not offers that can be accepted by the government. Rather, they are informational responses, indicating the equipment the vendors would propose to meet the agency's requirements and the price of that equipment and related services that the government may use as the basis for issuing a delivery order to an FSS contractor. See Crown Furniture Manufacturing, Inc., B-225575, May 1, 1987, 87-1 CPD ¶ 456. Since the quotations are not price proposals under a formal solicitation which are subject to acceptance or rejection, there is no requirement that the agency issue a purchase order which conforms exactly to the informational quotations. Lanier Business Products, Inc., B-223310, Sept. 24, 1986, 86-2 CPD ¶ 341.

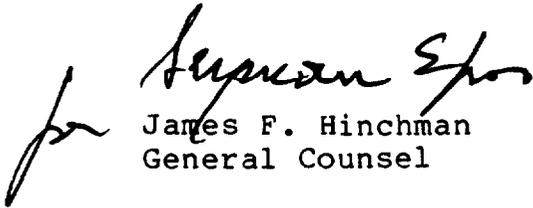
After receiving the quotations, the Air Force determined that its needs could best be met by the use elsewhere of the equipment being replaced. Since the RFQ and the quotations did not limit what the Air Force could do here, it was not improper for the Air Force to proceed on the basis of no trade-in once it decided to retain the older equipment. As a mandatory user of the FSS, the Air Force was required to purchase dictation equipment which met its needs at the lowest delivered price available. Federal Acquisition Regulation (FAR) § 8.405-1(a) (FAC 84-32); Systematics, Inc., B-222559, July 24, 1986, 86-2 CPD ¶ 105. Lanier Business Products, not OBP, was the lowest price vendor. Accordingly, the award to Lanier was proper.

With respect to the timing of the Air Force's decision to keep the old dictation system, since all quotes were based on FSS prices, there is no reason to believe that the prices in OBP's quotation would have been different had the RFQ

indicated that trade-ins would play no role in the evaluation. In this regard, we note that OBP does not contend that it would have quoted either lower prices or on lower-priced equipment. Accordingly, we fail to see how OBP was prejudiced by the timing of the agency's decision to keep the old equipment.

Finally, while OBP disagrees with the Air Force's assessment of its needs, a contracting agency is in the best position to know its needs, the provisions with which it may satisfy those needs and the conditions under which those needs must be met. See A.B. Dick Co., B-220144, Nov. 26, 1985, 85-2 CPD ¶ 606. Absent a clear showing either that the contracting agency has no reasonable justification for its determination of its minimum needs or that it has acted in bad faith, our Office will not substitute its judgment for that of the agency. See Engel, Inc., B-228544, Jan. 7, 1988, 88-1 CPD ¶ 13. The fact that the protester, as here, disagrees with the determination of the Air Force to retain the existing equipment does not show that it is unreasonable. See A.B. Dick Co., B-220144, supra at 2.

The protest is denied.


James F. Hinchman
General Counsel