



The Comptroller General
of the United States

Washington, D.C. 20548

Decision

Matter of: Custom Supply Company

File: B-232517

Date: October 31, 1988

DIGEST

Protest that agency failed to consider prompt payment discount is denied because the Federal Acquisition Regulation provides that prompt payment discounts should not be considered in the evaluation of quotations.

DECISION

Custom Supply Company protests the award of a contract to Quality Maintenance under request for quotations (RFQ) No. 86-11-88C issued by the Department of Agriculture for janitorial services at the Forestry Sciences Laboratory and Station Headquarters in Asheville, North Carolina. Custom Supply argues that the agency improperly failed to consider its prompt payment discount in evaluating quotations.

We deny the protest in part and dismiss it in part.

The RFQ was issued on July 22, 1988. The solicitation provided blanks for the offerors to fill in the price per month and the total 1-year price. It also provided spaces for the offerors to insert prompt payment discounts for 10, 20 or 30 day payment by the government or a discount for payment within a number of days to be specified by the offeror.

Custom Supply's quote was \$15,552 with a prompt payment discount of 1 percent for payment made within 10 days. Quality Maintenance submitted a quote of \$15,480 and did not offer a prompt payment discount. Custom Supply argues that it should have received the award because had its 1 percent discount been considered, it would have been low at \$15,396.48.

The agency responds that in accordance with Federal Acquisition Regulation (FAR) § 13.107(b) the discount was

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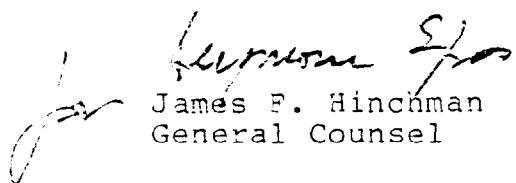
properly not taken into consideration in evaluating the quotes. The agency also states that as the incumbent contractor, Custom Supply was aware that the agency was unable to make payment for services within 10 days.

Under current regulations, an offered prompt payment discount may be taken if it is earned by the government; it is not, however, to play a role in the evaluation of offers. See FAR § 13.107(b). We note in this regard that although the RFP provided a blank for the insertion of such discounts, it nowhere stated that they would be evaluated in determining the low price. Accordingly, we find the agency acted properly in not including the prompt payment discount in its evaluation of the protester's quote. See Tri-State Laundry Services, Inc. d/b/a Holzberg's Launderers and Cleaners--Request for Reconsideration, B-218042.2, Mar. 11, 1985, 85-1 CPD ¶ 295.

In its comments on the agency's report, the protester states for the first time that the discount was "part of my bid quotes, not for prompt payment." Further, the protester states that he advised the agency of this by a letter dated July 22. This is inconsistent with Custom Supply's initial protest which referred to its prompt payment discount and made no mention of the letter, which has not been furnished to us and which the agency has no record of receiving. Consequently, we will not consider the impact of this alleged letter.

Also for the first time in its comments on the agency report, the protester alleges that the awardee is not a small disadvantaged business. Since the procurement was a small business set-aside, not a small disadvantaged business set-aside, we fail to understand the relevance of this statement.

The protest is denied in part and dismissed in part.


James F. Hinchman
General Counsel