



The Comptroller General
of the United States

Washington, D.C. 20548

Decision

Matter of: Computer Manufactured Components, Inc.

File: B-234781

Date: July 11, 1989

DIGEST

Subcontract awarded by contractor operating a government-owned, contractor-operated plant (GOCO) for the purchase of an item to be incorporated in final delivered product, not equipment for the GOCO plant, is not the type of subcontract subject to review by the General Accounting Office.

DECISION

Computer Manufactured Components, Inc., protests the award of a contract to any other offeror under request for quotations (RFQ) No. 2609, issued by Morton Thiokol, Inc. (MTI), the prime contractor operating the Louisiana Army Ammunition Plant (LAAP) for the Army Material Command (AMC). The RFQ, as amended, was for a quantity of 32,000 machine finished M864 ogives.

The protest is dismissed.

LAAP is a government-owned, contractor-operated facility, the primary function of which is to manufacture ammunition metal parts and the loading assembling and packing of ammunition items. LAAP has planned the production of metal parts for the M864 155-mm projectile, but LAAP does not have the capability to machine finish the ogives required for the projectile. Accordingly, LAAP has contracted out this function under the present RFQ.

Initially, AMC contends that we should dismiss this protest because the prime contractor, Morton Thiokol, did not conduct the procurement "by or for the government" because the Army has not participated in either the award process or the selection of subcontractors.

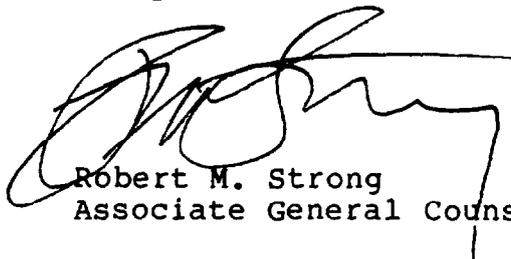
045 975 / 139096

Our Office does not review subcontract awards by government prime contractors except where the award is by or for the government. Bid Protest Regulations, 4 C.F.R. § 21.3(f)(10) (1988). This limitation on our review is derived from the Competition in Contracting Act of 1984, 31 U.S.C. § 3551 (Supp. IV 1986), which limits our bid protest jurisdiction to protests concerning solicitations issued by federal contracting agencies. In the context of subcontractor selections, we interpret the act to authorize our Office to review protests only where, as a result of the contractual relationship between the prime contractor and the government, the subcontract is in effect awarded on behalf of the government. For example, we will consider protests regarding subcontractor selections where they concern subcontracts awarded by prime contractors operating and managing Department of Energy facilities; purchases of equipment for government-owned, contractor-operated (GOCO) plants; and procurements by construction management prime contractors. In each of these cases, the prime contractor principally provides large-scale management services to the government and, as a result, generally has ongoing purchasing responsibility. In effect, the prime contractor acts as a middleman or conduit between the government and the subcontractor and, as a result, the subcontract award is said to be "by or for" the government. Edison Chouest Offshore, Inc.; Polar Marine Partners, B-230121.2; B-230121.3, May 19, 1988, 88-1 CPD ¶ 477.

Here, the item being procured is not equipment for a GOCO plant, but an item which MTI will incorporate in its final delivered product, the M864 155-mm projectile. Our Office has considered equipment for a GOCO plant to be an item that is installed in the plant such as a closed circuit television security system or an assembly line conveyer. See Midwest Tele Communications Corp., B-184323, Feb. 9, 1976, 76-1 CPD ¶ 81; Rolair Sys., Inc., B-193405, Nov. 9, 1979, 79-2 CPD ¶ 345.

Accordingly, we find this subcontract award, in which the government played no part in the selection of the contractor, not to be "by or for the government" and outside our jurisdiction.

The protest is dismissed.


Robert M. Strong
Associate General Counsel