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Comptroller General
of the United States

Washington, D.C. 20548

Decision

Matter of: National Mailing Systems

File: B-250441

Date: January 28, 1993

Nino R. Vaghi and Burton J. Tepper for the protester.
Grace Bateman, Esq., Seyfarth, Shaw, Fairweather &
Geraldson, for Pitney Bowes, Inc., an interested party.
Frank Ledford, Jr., Esq., and George N. Brezna, Esq.,
Department of the Navy, for the agency.
Sylvia Schatz, Esq., and John M. Melody, Esq., Office of the
General Counsel, GAO, participated in the preparation of the
decision.

DIGEST

Agency properly purchased higher-priced equipment on Federal Supply Schedule (FSS) instead of protester's less expensive, non-FSS equipment where the agency reasonably determined that only the FSS equipment will satisfy the agency's minimum needs.

DECISION

National Mailing Systems (NMS) protests the issuance of purchase order No. M00027-92-F-1361 to Pitney Bowes, Inc. (PBI) by the Department of the Navy, U.S. Marine Corps, for two mailing machines. The purchase order was placed under PBI's federal supply schedule (FSS) contract No. GS-00F-7166A. NMS, a non-FSS contractor, argues that award to PBI was improper, since NMS could provide a mailing system at a lower price.

We deny the protest.

The Corps contacted NMS in early 1992, in the course of deciding how to replace the meters on mailing machines previously purchased from NMS. During this conversation, NMS informed the Marine Corps that it had developed an attachment to these machines, "The Champ, 6500 Processing System," that would provide enhanced mail processing capabilities. Thereafter, in developing its requirement, the Corps became aware that PBI offered a mailing system under an FSS contract that would meet its needs. In August, the Corps again contacted NMS and requested that it furnish information regarding its Champ equipment; in response, NMS

forwarded (by facsimile) Champ descriptive literature and a quote of \$12,070 per unit.

After witnessing a demonstration of PBI's mailing machine later in August, the Corps determined that the PBI machine included features that it required, including (1) Weigh on the Way (WOW), which allows the user to weigh and post articles at the same time, without regard to size, at a fast rate, and (2) the capability to produce monthly reports that the agency was required to present. Accordingly, on August 18, the Corps informed NMS that it needed a quote for a mailing machine similar to PBI's FSS machine. NMS responded that it did not offer a similar machine. Based on this information, and after reviewing the mailing machines of other FSS vendors, the Corps concluded that only PBI's system, priced at \$19,134, met its needs. The agency therefore placed an order for two mailing machines under PBI's FSS contract.

The protester argues that award of the order to PBI was improper because NMS's Champ system--which simply could have been attached to the agency's existing NMS mailing machines --satisfied the government's minimum needs at a lower price.

The determination of the agency's minimum needs and which products meet those needs is properly the agency's responsibility. Government procurement officials, who are familiar with the conditions under which supplies and equipment have been and will be used, are generally in the best position to know what constitutes their minimum needs. Systematics, Inc., B-222559, July 24, 1986, 86-2 CPD ¶ 105. Thus, our Office will only examine the agency's assessment of its needs to insure that it had a reasonable basis. American Body Armor & Equip., Inc., B-238860, July 3, 1990, 90-2 CPD ¶ 4.

We find that the agency's decision to order PBI's equipment was reasonable. As discussed, the Corps purchased PBI's higher-priced equipment based on its determination that the PBI machine had at least two capabilities--WOW and report production--not possessed by NMS' or any other FSS vendor's machines. The protester does not argue that the Corps does not require these capabilities or that PBI's system in fact does not possess them, and, other than a general statement that it would meet the government's needs, does not assert that its Champ equipment possesses these capabilities. In

¹The Marine Corps, as part of the Department of Defense (DOD), is a nonmandatory user of the FSS. See Defense Federal Acquisition Regulation Supplement (DFARS) § 208.404-1. However, DOD agencies are encouraged to "[m]ake maximum use of the schedules." DFARS § 208.404-2.

fact, as noted above, the agency states, and NMS does not dispute, that when contacted by the Corps prior to the award to PBI, NMS stated that it could not furnish a machine similar to PBI's. We therefore have no basis for questioning the Corps' determination that only PBI's system meets the government's minimum needs. The fact that NMS' equipment is less expensive is irrelevant, since it does not possess the required features.

The protester also alleges that the Corps improperly changed the basis of award, since it initially only asked NMS about peripheral equipment for its existing machines, but ultimately purchased completely new mailing machines. Again, however, the record shows that, before it selected PBI for award, the Corps specifically advised NMS of its need for a machine similar to PBI's. This argument thus is without merit.

The protest is denied.

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General Counsel