



OFFICE OF GENERAL COUNSEL

B-218292

October 16, 1985

RELEASED

The Honorable Duncan Hunter  
Member, United States House of  
Representatives  
366 S. Pierce Street  
El Cajon, California 92020

Dear Mr. Hunter:

This is in reply to your correspondence of August 29, 1985, regarding the question raised by your constituent, , of Computer Resource Technology Corporation (CRTC), concerning our decision in Computer Resource Technology Corp., B-218292, May 16, 1985, 85-1 CPD ¶ 557, aff'd on reconsideration, B-218292.2, July 2, 1985, 85-2 CPD ¶ 14. Our decision denied CRTC's protest of the Department of the Navy's cancellation of request for quotations No. N60530-85-M-R-RN970 and subsequent sole-source award to Digital Sciences Corporation (DSC) for the development of a contract tracking system.

In our view, the facts of this case do not demonstrate a glaring need for the reform of the procurement system as alleged by CRTC. CRTC's allegation that Mr. , a former employee of CRTC, unlawfully appropriated proprietary data belonging to CRTC involves a question of improper action by Mr. and not by the government. As such, it is a dispute between private parties and not for consideration under our Bid Protest Regulations.

Furthermore, the record established a reasonable basis for the sole-source award to DSC. The Navy required the continued uninterrupted development of the contract tracking system, and based on the record, we agreed with the Navy that because of Mr. previous work with the program, only he possessed the knowledge which would insure that the Navy's needs were met in a timely manner. Accordingly, we concluded that the Navy was justified in canceling the solicitation and awarding a sole-source contract to DSC.

Although the Navy should not have issued a competitive solicitation where a sole-source award was necessary to satisfy its needs, this does not necessarily entitle CRTC to recover its proposal preparation expenses or the cost of filing and pursuing its protest. The Navy itself acknowledged that this procurement could have been conducted in a better fashion. However, the sole-source award was justified and our review showed that the Navy's actions did not rise to the level of conduct for which our Office awards the recovery of such costs.

If you need further information regarding this matter, please do not hesitate to contact our Office. The enclosure to your August 28 letter is returned as requested.

Sincerely yours,

*Harry R. Van Cleve*

Harry R. Van Cleve  
General Counsel

Enclosure