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Decision

Matter of: Office Depot, LLC

File: B-420482.2

Date: October 12, 2022

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Nathan Bangsil, Esq., General Services Administration, for the agency.
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DIGEST

Protest alleging that a solicitation’s technical and price evaluation factors are unreasonable because they fail to reasonably reflect the government’s anticipated requirements is denied where the evaluation scheme was reasonably supported by historical sales information and market research.

DECISION

Office Depot, LLC, of Columbia, Maryland, protests the terms of request for quotations (RFQ) No. 47QSCC-21-Q-5002, which was issued by the General Services Administration (GSA), for the establishment of a blanket purchase agreement (BPA) to support GSA retail operations at eight U.S. Army and U.S. Air Force locations. The protester alleges that the agency’s technical and price evaluation factors are unreasonable because they are based on a market basket of representative items that fails to reasonably account for the government’s actual likely requirements.

We deny the protest.

BACKGROUND

GSA’s Retail Operations group provides what GSA has termed Fourth-Party Logistics (4PL) solutions for Department of Defense and civilian agencies. According to GSA, the 4PL program allows users to focus on core competencies by leveraging GSA’s contracting and acquisition experience and the product-fulfillment expertise of industry leaders. Under 4PL, GSA acts as an integrator to manage multiple suppliers specializing in: tools; hardware; maintenance, repair, and operations supplies; and office supplies.

The RFQ, which was originally issued on December 2, 2021, seeks quotations from all contractors--or contractor teaming arrangements comprised of vendors--holding contracts under GSA Multiple Award Schedule Large Category G with the following special item number: 4PL Supplies and Services. The RFQ anticipated the establishment of a single BPA to support GSA retail operations at various U.S. Army and U.S. Air Force locations. Agency Report (AR), Tab 2, RFQ at 1. Under the resulting BPA, the vendor will provide a comprehensive supply solution so that these locations will be able to provide products and related in-store services for “brick and mortar” full-retail storefronts, tool rooms/issue points, in-store referral ordering, and direct delivery services. *Id.* at 4-5. Relevant to this protest, the RFQ explains that a full-retail storefront is analogous to a commercial retail store where customers can walk in to the storefront, peruse products on the shelves, and purchase items at a checkout counter. *Id.* By contrast, tool rooms and issue points are designated spaces or caged locations near government workspaces and are typically not open to all personnel, but rather are only available to those personnel working in the facility that houses the tool room or issue point. *Id.*; Contracting Officer’s Statement (COS) at 8.

As to the product offerings that the vendor may be required to supply and fulfill, vendors will be expected to provide a broad product offering (analogous to a catalog) of tens of thousands of commercial hardware/industrial and office supply products and associated support services, all of which are available on the Federal Supply Schedule (FSS). See, e.g., *id.* at 3, 6. In this regard, GSA’s market research focused on three multiple award schedule categories (or “special item numbers” (SINs)): SIN 339940OS4, Office Products; SIN 339940SVC, Office Supply Support Services; and SIN 332510, Hardware Manufacturing (Hardware Store, Home Improvement Center, or Maintenance, Repair & Operation - Services. See COS at 3.

Under the office products and supplies SIN, vendors offer thousands of potential office supply items, including, but not limited to: pens; pencils; markers; xerographic paper; printer paper; 3D printing filaments and resins; binders; tape; envelopes; shredders; video cassettes; cleaning equipment and supplies; physical storage; and toner cartridges. Under the office supply support services SIN, vendors provide commercially available services related to the support of office products. Under the hardware manufacturing services SIN, vendors provide commercially available services typically performed in a hardware store, and offer a wide array of thousands of products including, but not limited to: flooring; fencing; hardware; building materials; tools; appliances; electrical; paint; plumbing; lawn and garden; motors; shop, machining, welding, and material handling; carts, trucks, and dock; and irrigation equipment.

The RFQ identifies the eight Army and Air Force customer locations to be supported here as: (1) the Pine Bluff Arsenal, Pine Bluff, Arkansas; (2) the Red River Army Depot, Texarkana, Texas; (3) the Red River Army Depot – Hazardous Materials (HAZMAT), Texarkana, Texas; (4) the Rock Island Arsenal - Joint Manufacturing and Technology Center, Rock Island, Illinois; (5) Robins Air Force Base, Georgia; (6) Tinker Air Force Base, Oklahoma City, Oklahoma; (7) Hill Air Force Base, Ogden, Utah; and (8) Joint

Base Elmendorf-Richardson (JBER), Alaska. AR, Tab 3.2, RFQ, amend. No. 1, attach. No. 4, Army – Air Force Locations.

Relevant to this protest, the RFQ explains that two of the eight locations--JBER and Pine Bluff--are full retail storefronts, and are also primary locations that will be operational immediately upon establishment of the BPA. AR, Tab 3.2, RFQ, amend. No. 1, attach. No. 4, Army – Air Force Locations; RFQ at 4. By contrast, the remaining six locations are tool rooms or issue points, and are optional locations that are not “expected to be activated immediately upon BPA establishment.” RFQ at 4. Rather, the RFQ provides that the agency will evaluate optional locations in establishing the BPA, but that the agency may activate optional locations at a later date “if and/or when” the agency determines it is appropriate to do so. *Id.*

The RFQ contemplates establishing the BPA pursuant to the ordering procedures set forth in Federal Acquisition Regulation (FAR) section 8.405-3, Blanket Purchase Agreements. RFQ at 41. The resulting BPA will have a 1-year base period, and four 1-year option periods. *Id.* at 3. Selection of the BPA holder will be based on a best-value tradeoff between the following four technical factors, listed in descending order of importance, and price: (1) technical approach; (2) breadth of product; (3) corporate experience and references; and (4) small business participation plan. *Id.* at 41-42. The technical factors, when combined, are significantly more important than price. *Id.* at 41. Only the breadth of product and price factors are relevant to the issues presented in the protest.

Under the breadth of product factor, the agency proposed to evaluate the vendor’s offered items to ensure that they match the salient characteristics of 200 market basket items identified in the RFQ. Additionally, GSA will evaluate the vendor’s quoted market basket items to ensure compliance with any mandatory sourcing requirements, and that the proposed prices match the vendor’s current GSA Multiple Award Schedule 4PL contract pricing. *Id.* at 43-44. To evaluate the vendor’s breadth of product offering, GSA will evaluate how many of the 200 market basket items a vendor offers as an eligible item in its quotation. The RFQ defines an “eligible item” as an item complying with the RFQ’s requirements and for which the vendor quoted a price. *Id.* at 44-45.

To prepare its independent government cost estimate (IGCE) and to identify the items to be included in the RFQ’s market basket (out of the tens of thousands of possible products that can be supplied under the BPA), GSA reviewed sales data from GSA’s Order Management System and Customer Supply Center databases for fiscal years (FY) 2018 through 2020, for the eight covered sites. The data included both purchase and quantity amounts, including information from existing 4PL agreements, as well as spending by Department of Defense Activity Address Code for locations without existing 4PL agreements. See, e.g., COS at 2-3; AR, Tab 6, Combined IGCE Cost Estimate; Tab 7, Combined IGCE Cost Estimate Raw Data; Tab 8, Top 500 Market Basket, “Overview” Tab. This data reflected total sales in the amount of \$120,632,858. AR, Tab 7, Combined IGCE Cost Estimate Raw Data, “Pivot” Tab. Of that sum, \$114,922,776, or approximately 95.3 percent of sales, were from the sale of

hardware/industrial supplies, while only \$5,710,082, or approximately 4.7 percent of sales, were from office supplies. AR, Tab 7, Combined IGCE Cost Estimate Raw Data, “\$\$ SOLD” Tab.

With respect to hardware/industrial items, the sales data considered by GSA consisted of historical sales data from all eight covered locations. For five of the locations, GSA considered historical sales from existing hardware/industrial supply 4PL BPAs; these BPAs did not include sales of office supplies or services. For the remaining three locations, GSA considered other available historical information; again, all of this information related to hardware and industrial sales. See, e.g., AR, Tab 7, Combined IGCE Cost Estimate Raw Data, “Pivot” Tab.

With respect to office supply items, GSA only had limited historical sales data for four of the eight covered locations, but only one of the eight locations has a current 4PL BPA in place for office supply sales--this is the 4PL BPA held by Office Depot covering office supply sales for JBER. The record reflects that the agency considered Office Depot’s current 4PL sales of office supplies at JBER, which totaled \$4,810,668. AR, Tab 7, Combined IGCE Cost Estimate Raw Data, “\$\$ SOLD” Tab. Total 4PL sales at JBER for FYs 2018 through 2020 were \$18,775,885. AR, Tab 7, Combined IGCE Cost Estimate Raw Data, “Pivot” Tab. Thus, under Office Depot’s 4PL BPA at JBER, office supply sales represented approximately 25.6 percent of all 4PL sales (combined hardware/industrial item and office supply item sales) during the relevant time period.

Next, the agency considered sales data from three BPAs established with entities operating under the AbilityOne¹ program--the three remaining BPAs of the four for which GSA had limited historical office supply sales data. The sales data from these three sources totaled \$899,414 (reflecting sales data from JMTC Rock Island of \$495,492; Pine Bluff Arsenal of \$403,918; and Tinker Air Force Base of \$4). AR, Tab 7, Combined IGCE Cost Estimate Raw Data, “\$\$ SOLD” Tab. For the remaining four locations, GSA had no historical 4PL sales data whatsoever for office supplies for FYs 2018 through 2020. See *id.* (including no office supply sales for Hill Air Force Base, Robins Air Force Base, Red River Army Depot, and Red River Army Depot – HAZMAT; these sites had combined hardware/industrial supply sales of approximately \$59 million during the relevant time period).

Based on the sales data considered by the agency, GSA initially prepared a list of the top 500 items that it viewed as representative of the top sellers in quantity across all product categories. COS at 4; AR, Tab 8, Top 500 Market Basket. That listing included approximately 24 items coded as office supplies, or approximately 4.8 percent of the top 500 items. When GSA reduced the size of its list to the top 200 items, the record

¹ The AbilityOne program is administered by the U.S. AbilityOne Commission, which is the operating name for the Committee for Purchase From People Who are Blind or Severely Disabled, which Congress established pursuant to the Javits-Wagner-O’Day Act. See *Melwood Horticultural Training Ctr., Inc.*, B-419424, Feb. 10, 2021, 2021 CPD ¶ 79 at 1 n.1.

reflects that only 5 items coded as office supplies were included, or approximately 2.5 percent. AR, Tab 8, Top 500 Market Basket.

GSA then reviewed whether certain items were listed multiple times in the initial top 500 list due to repeat orders, or orders from multiple locations; in these instances, GSA consolidated those individual line items into a single line item. COS at 4-5. Additionally, GSA reviewed its list to be sure that included items had not been designated as obsolete or superseded by the manufacturer, among other things. *Id.* At the conclusion of this process, the 200 item market basket included 15 office supply items, approximately 7.5 percent of the basket, with the remaining 92.5 percent of the basket being comprised of hardware/industrial products. Compare AR, Tab 8, Top 500 Market Basket with Tab 3.11, RFQ, amend. No. 1, attach. B, Market Basket.

On January 25, 2022, the protester filed a pre-award protest with our Office challenging the composition of the market basket. The protester argued that GSA's market basket of 200 items did not reasonably represent the agency's purchase requirements for the two primary item categories covered by this BPA (hardware/industrial supply items and office supply items). Specifically, the protester primarily asserted that the RFQ's technical and price evaluation factors would not yield a reasonable result because the inclusion of such a small percentage of office supplies in the RFQ's market basket failed to reasonably reflect the government's likely requirements under the resulting BPA. In this regard, the protester contended that the limited pool of historical office supply sales relied upon by the agency was incomplete and not reasonably indicative of the enhanced office supply offerings that will be available under the resulting BPA. In short, Office Depot argued that the agency's market basket was not a reasonably representative sample of the government's requirements.

On May 3, 2022, we sustained the protest. We found that, while there may have been limited historical data available, the agency failed to establish that it took any steps to apprise itself of its customers' historical or future anticipated office supply purchases. *Office Depot, LLC*, B-420482, May 3, 2022, 2022 CPD ¶ 111. We explained that reasonable efforts might have included, for example: (1) consulting available agency resources for sales data under GSA Schedule 75, Office Products/Supplies and Services and New Products Technology, (2) inquiring of its customers if other supporting data was available; or, (3) using the one location (JBER) with a history of both hardware and office supply 4PL requirements in place as a basis to extrapolate a reasonable hardware/office supply distribution for the market basket. *Id.* at 11. Accordingly, we recommended that the agency conduct additional market research and, as appropriate, revise the solicitation's market basket to attempt to generate a reasonable representative sample of the estimated purchases of hardware/industrial items and office supplies. *Id.* at 12.

Following our decision, the agency elected to take the second suggested approach and make inquiries with its customers concerning their requirements. COS at 7. Specifically, GSA distributed a survey to seven of the eight Army and Air Force

locations to be served by the proposed BPA.² *Id.* at 9-10. The surveys first provided each recipient with GSA's estimate of five years of future demand³ for both hardware/industrial supplies and office supplies⁴ for the recipient's location. *Id.* The survey then asked the respondents to confirm whether they concurred that GSA's estimates reflected their requirements under the forthcoming BPA. See, e.g., AR, Tab 9, Customer Surveys and Responses at 2. If they did not concur, the survey advised that GSA may request more detailed information about the requirements. *Id.* Finally, the surveys asked each location to explain any other purchasing mechanisms for office products expected to be used over the following five years. *Id.* The agency received responses from six of the seven surveyed locations. COS at 10.

The responses GSA received uniformly confirmed that GSA's estimates of future demand accurately reflected the requirements of the responding locations. See *generally* AR, Tab 9, Customer Surveys and Responses. Additionally, five of the six respondents explained that their location intended to purchase office supplies through a variety of mechanisms other than through the proposed BPA, such as the AbilityOne Program, existing contracts, or open market purchases. *Id.*

GSA also reviewed and documented each location's mission and how that location intended to use 4PL products and services over the following five years. See AR, Tab 11, Results of Customer Surveys. For example, GSA noted that the 4PL location at Robins Air Force Base is an issue point that only supports maintenance groups, and the memorandum of agreement (MOA) between GSA and the requiring activity only covers the provision of industrial or hardware supplies. *Id.* at 1. GSA concluded that these facts may explain why that location has historically only procured industrial supplies and responded to the survey indicating that it does not intend to procure office supplies in the future under the 4PL BPA. *Id.*; AR, Tab 9, Customer Surveys and Responses at 2.

Finally, GSA also reviewed how items in the market basket were classified between categories. Specifically, many items could be effectively classified as either industrial or office supplies depending on the context and proposed use. COS at 11-12. Accordingly, depending on how such "cross-over" items (e.g., trash bags, batteries, cleaning/household supplies) are classified, the agency estimated the original market basket contained no less than 7 percent office products, but may have contained as much as 29 percent office products. *Id.* By contrast, GSA estimated, based on the

² GSA omitted JBER from the survey because, as noted in our prior decision, the historical data concerning that location's office supply requirements were more complete than for other locations. COS at 9.

³ The estimates were based on an extrapolation of GSA's historical data. COS at 9.

⁴ The survey explained that industrial/hardware items were identified as those which fall under the scope of National American Industry Classification System (NAICS) code 332510, "Hardware Manufacturing," while office items were identified as those which fall under the scope of NAICS code 339940, "Office Supplies (except Paper) Manufacturing." See AR, Tab 9, Customer Surveys and Responses.

survey responses, that its customers' requirements would be for 3.64 percent office supplies and 96.36 percent industrial supplies.

Following the completion of the survey and GSA's additional market research, GSA concluded that its estimates based on historical data accurately reflected the requirements of the various locations to be served under the BPA, and indeed may actually be somewhat over-inclusive of office supply products. COS at 12-13. Accordingly, GSA concluded that the original composition of the market basket was correct, and reissued the RFQ without any changes on June 28, 2022. COS at 13. This protest followed.

DISCUSSION

The protester contends that the agency has, in effect, disregarded our recommendation and that office supplies continue to be underrepresented in the market basket. Principally, the protester contends that the agency's survey methods were unreasonable; therefore, the data does not provide a basis for the agency to predict future demand. Accordingly, the protester argues that, because the market basket does not reflect the agency's actual requirements the solicitation remains defective, and the agency cannot reasonably evaluate the likely actual cost to the government of various quotations.

In the alternative, the protester argues that, even if the agency's survey accurately reflected the agency's projected requirements for all eight locations, the market basket remains unreasonable because it is based on the requirements of several optional locations that may or may not ever actually purchase under the BPA. The protester contends that the market basket should have been based only on the two primary locations that the RFQ provided would be immediately operational under the BPA. For the reasons that follow, we find no basis to sustain the protest.⁵

⁵ The protester advances other collateral arguments not addressed in this decision. We have considered each of these arguments and conclude they provide no basis to sustain the protest. For example, the protester maintains that GSA's presentation of information concerning the nature of controlled access tool rooms and issue points is an argument that the agency should have advanced in response to Office Depot's prior protest. Comments at 16. The protester contends that this argument is effectively an untimely request for reconsideration of our decision that we should not consider. *Id.* We reject the protester's framing of this argument.

Our prior decision recommended, among other things, that the agency conduct additional market research. *Office Depot, LLC, supra* at 12. The agency has conducted additional market research and now provides additional contextual information resulting from that market research. It would be irrational to foreclose the agency from considering certain facts because it allegedly should have known or considered them sooner, when our recommendation in the prior protest was that the agency reevaluate

A contracting agency generally has the discretion to determine its needs and the best method to accommodate them. *Gallup, Inc.*, B-410126, Sept. 25, 2014, 2014 CPD ¶ 280 at 5. Similarly, it is generally within an agency's discretion to decide what type of award methodology will best meet its needs. *RCR Properties, G.P.*, B-414590, July 21, 2017, 2017 CPD ¶ 231 at 4. While it is up to an agency to decide upon some appropriate and reasonable method for the evaluation of offerors' prices, an agency may not use an evaluation method that produces a misleading result, and it must use an evaluation method that provides a basis for a reasonable assessment of the relative prices of performance under the competing proposals. *6K Sys., Inc.--Protest & Costs*, B-408124.3, B-408124.4, Dec. 9, 2013, 2014 CPD ¶ 347 at 10.

Relevant here, ordering activities are permitted to establish BPAs under FSS contracts to fill repetitive needs for supplies or services. FAR 8.405-3(a)(1). The provisions of FAR subpart 8.4, implementing the use of the FSS program, require agencies to review vendors' FSS schedules and then place orders and establish BPAs with schedule contractors that can provide required supplies or services representing the best value and "result[ing] in the lowest overall cost alternative (considering price, special features, administrative costs, etc.) to meet the Government's needs." FAR 8.404(d).

There is no dispute that the actual order quantities of particular items may be uncertain when a BPA is established. Here, the government is establishing a BPA under which tens of thousands of potential items can be ordered. This uncertainty about what items will be ordered can present difficulties for agencies trying to decide which vendor presents the best value when considering price and technical features. This challenge is essentially the same as the one the government faces when awarding an indefinite-delivery, indefinite-quantity contract; the terms are indefinite because the exact times or quantities of future deliveries are unknown at the time of award. FAR 16.501-2.

Agencies have developed a variety of methods or strategies to address this difficulty, including the use of estimates for various quantities of units to be purchased under the contract, *Creative Info. Tech., Inc.*, B-293073.10, Mar. 16, 2005, 2005 CPD ¶ 110 at 3; the use of sample tasks, *FC Bus. Sys., Inc.*, B-278730, Mar. 6, 1998, 98-2 CPD ¶ 9 at 3-5; hypothetical or notional plans that are representative of what requirements are anticipated during contract performance, *Aalco Forwarding, Inc. et al.*, B-277241.15, Mar. 11, 1998, 98-1 CPD ¶ 87 at 11; and hypothetical pricing scenarios reflecting various cost or price eventualities, *PWC Logistics Servs., Inc.*, B-299820, B-299820.3, Aug. 14, 2007, 2007 CPD ¶ 162 at 11-15.

Underlying each of these methods is the central objective of evaluating the relative total cost or price of competing proposals in order to provide the agency's source selection authority a meaningful understanding of the cost or price implications of making award to one or another concern. *MAR, a Div. of Oasis Systems, LLC*, B-414810.5, July 26, 2018, 2018 CPD ¶ 266 at 7. For the reasons discussed below, we believe the agency's

the reasonableness of its market analysis. To do as the protester suggests would have the effect of forever trapping the agency in its previous error.

proposed market basket evaluation methodology will provide a reasonable basis for making that determination in this case.

Survey Methods

First, the protester contends that the market basket remains flawed because it understates likely demand for office supplies. Comments at 19-22. Specifically, the protester argues that the agency's approach to data collection was unreasonable and therefore the survey results do not reasonably support GSA's determination not to revise the market basket. *Id.* In this regard, the protester notes that the agency sent the survey to a single unidentified individual at each location and provided future estimates at a high level of abstraction that would not permit that individual to meaningfully analyze GSA's estimates. *Id.* Further, the protester argues that GSA structured the survey in such a way that respondents were more likely to agree with GSA's estimates than challenge them. *Id.* For example, the survey explained that if respondents agreed with GSA's estimates they could simply check the "yes" box, while if they disagreed with GSA's estimates, the survey advised that GSA may get in touch with the respondent to request detailed supporting data, creating an incentive to answer "yes" as the path of least resistance. *Id.*

In response, the agency contends that the survey data accurately captures the requirements of each location, and that the locations covered by this BPA differ from each other in ways that explain and support the accuracy of the survey data. Memorandum of Law at 10-12. First, the agency notes that only two of the locations, JBER and Pine Bluff, operate retail storefronts open to all base staff, while the remaining six locations provide supplies through controlled access tool rooms or issue points open only to maintenance and industrial staff. COS at 8. GSA notes that, in such an environment, one would expect extremely low office supply usage, which is precisely what the survey confirmed for those locations. *Id.*

Moreover, GSA explains that the survey also asked respondents for information about alternative sources they intended to use to acquire any needed office supplies over the next five years, and, with two exceptions,⁶ each location explained that it also intended to procure office supplies through the AbilityOne program, existing contract vehicles, or open market procurements. GSA contends that this information further confirms the reasonableness of the low estimated 4PL office supply requirements for these locations.

⁶ One location did not respond to the survey, and another location, Pine Bluff, concurred in GSA's estimate of its future needs for office supplies but did not identify alternative sources it would use to purchase office supplies. However, GSA notes that it has established a separate BPA with an AbilityOne non-profit agency at Pine Bluff to operate a base supply center that currently provides the majority of Pine Bluff's office supply requirement, so GSA has first-hand knowledge of other avenues for office supply procurement at Pine Bluff. COS at 8.

We think the survey results provide a reasonable basis to estimate requirements for this RFQ. While the protester might have preferred a different survey design, we do not agree that the survey was designed or distributed in a way that was clearly unreasonable. For example, the protester objects that the agency surveyed only a single individual at each location rather than a larger sampling of potential customers. However, as discussed above, six of the seven surveyed locations operate controlled access issue points or tool rooms, so the universe of potential customers is effectively limited for those locations.⁷ In that context, there is nothing objectionable about consulting a knowledgeable individual about the projected supply requirements of their tool room or issue point.

Similarly, while the survey advised respondents that GSA might contact them to request additional data if they indicated they did not agree with GSA's estimates of their requirements, we do not agree that this reflects, as the protester suggests, an attempt to create incentives for agreement. Rather, it suggests an entirely reasonable desire to correctly estimate the requirements for each location. That is to say, if the survey respondent agreed with GSA's estimate, GSA needed no additional information because it already had the supporting historical data that substantiated its estimate. By contrast, if the respondent did not agree and offered an alternative estimate, GSA might need additional data to substantiate that estimate if it differed drastically from historical consumption.

While GSA's estimates of the office supply requirements at these locations remain low, GSA has confirmed that these estimates are consistent with their customers' expectations, and provided a meaningful explanation for why these requirements may remain low. The six locations that responded to the survey uniformly agreed with GSA's estimates of their future requirements, and the majority explained that they primarily intended to procure office supplies through other channels. Additionally, the majority of these locations operate controlled access tool sheds or issue points only accessible by maintenance or industrial personnel, which would naturally limit the expected demand for office supplies at those locations. Finally, GSA has explained that the MOAs between GSA and several of the locations do not contemplate the provision of office supplies, underscoring the likely low demand at those locations.

In short, we see no basis to question the composition or conduct of the survey. In light of the combination of survey data and additional market research, GSA's projections that its customers' requirements would be for approximately 4 percent office supplies and 96 percent industrial supplies appears reasonable. Accordingly, the protester's argument that the current composition of the market basket--which includes at least seven percent office supplies--understates the likely requirement for office supplies is without merit.

⁷ While, the seventh location, Pine Bluff, operates a publicly accessible retail storefront, as discussed above, GSA also operates a second BPA at that location to specifically provide office supplies through the AbilityOne program.

Primary and Optional Locations

Alternatively, the protester argues that, even if the agency's survey accurately reflects the projected requirements for all eight locations, the market basket remains unreasonable. Comments at 24-25. The protester notes that the RFQ provides that only two locations, JBER and Pine Bluff, will be immediately operational under the BPA, while the other six locations are, in effect, options that may never be exercised. *Id.* Because these other locations may or may not ever actually purchase under the BPA, the protester contends that their requirements should not have been considered in determining the composition of the market basket. *Id.*

That is to say, the protester contends that the market basket should have been based only on the two primary locations that the RFQ provided would be immediately operational under the BPA. *Id.* Indeed, the protester notes that both of the primary locations currently include publicly accessible retail stores that sell office supplies, and therefore the composition of the sales in those two locations are likely to be a better prediction of future sales at the optional locations. *Id.*

The protester has not identified and we are not aware of any authority suggesting that agencies should avoid considering options as part of their evaluation process or must otherwise decline to evaluate optional locations. On the contrary, our decisions have often concluded that agencies must evaluate certain aspects of options if they wish to exercise them. For example, in some circumstances, if an agency does not evaluate an option's price the exercise of that option is, in effect, a new procurement that must independently satisfy the requirements for full and open competition. See, e.g., *Major Contracting Servs., Inc.*, B-401472, Sept. 14, 2009, 2009 CPD ¶ 170 at 5-6 (concluding that to meet the requirements of full and open competition, an option must have been evaluated as part of the initial competition and be exercisable at an amount specified in or reasonably determinable from the terms of the basic contract). Accordingly, we are unpersuaded that the agency was in any way required to exclude or deemphasize optional locations from its evaluation methodology.

Moreover, the record does not suggest that the protester is correct that considering only the sales at the two primary locations will better predict the agency's actual needs for all locations. Put another way, it is not clear that the primary locations will necessarily be a better predictor of future requirements for the optional locations simply because they currently have retail storefronts. As discussed above, several of the optional locations consist of controlled access tool rooms or issue points, and operate under MOAs that do not contemplate the purchase of office supplies. If the optional locations are activated there is no indication that any of these locations are likely to open a retail storefront or significantly increase their purchases of office supplies. Accordingly, we see no reason to question the agency's evaluation methodology on the basis that it reasonably reflects the projected requirements for both primary and optional locations.

The protest is denied.

Edda Emmanuelli Perez
General Counsel