



United States
General Accounting Office
Washington, D.C. 20548

Office of the General Counsel

B-219428.3
B-219440.3

August 22, 1986

William T. Harth
Vice President
Perth Amboy Dry Dock Co.
Foot of Commerce Street
Perth Amboy, New Jersey 08862

Dear Mr. Harth:

We refer to your letter dated August 13, 1986, to our Office concerning the Naval Sea Systems Command's (NAVSEA) contract with Coastal Dry Dock and Repair Corporation (Coastal) for the Atlantic Fleet AE Class Vessels Phased Maintenance Program. The contract awarded under request for proposals (RFP) No. N00024-85-R-8511, a total small business set-aside, calls for Coastal to perform major maintenance for three Atlantic fleet vessels on a planned schedule basis through fiscal year 1990. By decision, Hoboken Shipyards, Inc.; Perth Amboy Dry Dock Co., B-219428, B-219440, Oct. 17, 1985, 85-2 C.P.D. ¶ 416, we denied, in part, and dismissed, in part, the protests of the Perth Amboy Dry Dock Company and Hoboken Shipyards, Inc., challenging the award of this contract to Coastal. We affirmed this decision in Hoboken Shipyards, Inc.; Perth Amboy Dry Dock Co.--Requests for Reconsideration, B-219428.2; B-219440.2, Nov. 21, 1985, 85-2 C.P.D. ¶ 582.

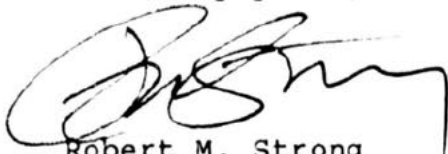
You allege that Coastal recently filed for bankruptcy and that Bath Iron Works, a large business, may purchase Coastal. You indicate that Coastal may then no longer qualify as a small business. You further advise that there are newspaper reports that a number of disputes have arisen between Coastal and the Navy concerning cost overruns, late deliveries and poor performance by Coastal. It is your belief that these newspaper reports, if true, would indicate that the government may have made a mistake in its preaward technical and cost evaluation of Coastal's offer. You also suggest that Coastal's financial condition and possible loss of status as a small business may be a basis for the Navy's terminating its contract with Coastal. You ask for our opinion concerning these developments.

We are unable to consider the issue you raise.

The postaward concerns you raise relating to Coastal's current financial condition and performance of its contract are matters of contract administration which is the responsibility of the procuring agency and is not encompassed by our bid protest function. 4 C.F.R. § 21.3(f)(1) (1986). TMS Building Maintenance, B-220588, Jan. 22, 1986, 65 Comp. Gen. _____, 86-1 C.P.D. ¶ 68. Our bid protest forum is reserved for considering whether an award of a contract complies with statutory, regulatory and other legal requirements, not for matters concerning contract performance. Fugro Inter, Inc.--Reconsideration, B-219323.2, Dec. 13, 1985, 85-2 C.P.D. ¶ 654.

We further note that the postaward change in Coastal's size status generally would not affect the validity of the award of the contract or require termination of the contract since Coastal was a small business when offers were initially submitted and when the contract was awarded. See Federal Acquisition Regulation subpart 19.3 (FAC 84-12, January 20, 1986); Logistical Support, Inc., B-205538, Mar. 10, 1982, 82-1 C.P.D. ¶ 227.

Sincerely yours,



Robert M. Strong
Deputy Assistant General Counsel