Washington, DC 20548

Comptroller General of the United States

Decision

Matter of: Vinsys Information Technology, Inc.

File: B-418892

Date: September 28, 2020

Sreedhar Chanamolu, Vinsys Information Technology, Inc., for the protester. Jose Otero, Esq., Department of Labor, for the agency. Heather Self, Esq., and Peter Tran, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

DIGEST

- 1. Protest challenging cancellation of request for quotations is denied because the agency had a reasonable basis for the cancellation.
- 2. Protest challenging resolicitation, on an unrestricted basis, as improper is dismissed because the resolicitation is in connection with the proposed issuance of a task order that fails to meet the dollar threshold for our Office's task order jurisdiction.

DECISION

Vinsys Information Technology, Inc., a small disadvantaged business of Reston, Virginia, protests the cancellation of request for quotations (RFQ) No. 1605TB-20-Q-00005 and subsequent resolicitation under RFQ No. 1605TB-20-Q-00031, issued by the Department of Labor (DOL) for information technology (IT) maintenance and support services. The protester argues that the agency's decision to cancel the initial RFQ and resolicit under another acquisition vehicle, rather than make award to the protester, was unreasonable.

We deny the protest in part and dismiss it in part.

BACKGROUND

On June 8, 2020, utilizing the procedures of Federal Acquisition Regulation (FAR) part 8, the agency issued a brand-name only solicitation on the General Services Administration's (GSA) Federal Supply Schedule (FSS), seeking quotations from authorized Citrix reseller small business holders of GSA's Schedule 70 (IT) contracts. Contracting Officer's Statement (COS) at 2 ¶¶ 8, 11-12; Agency Report (AR), exh. 1,

RFQ No. 1605TB-20-Q-00005 (GSA RFQ) at 1; GSA RFQ attach. A, Limited Source Justification at 1. The solicitation sought quotations for maintenance and support services for an existing consolidated inventory of a variety of Citrix IT products, which are a part of the agency's remote access infrastructure. GSA RFQ at 6-7. The solicitation contemplated issuance of a fixed-price order for a 1-year base period and one 1-year option period to the vendor submitting the lowest-priced, technically acceptable quotation. *Id.* at 6.

The agency received two quotations by the GSA RFQ's June 15 due date--one from Vinsys and one from a second vendor. COS at 3 ¶ 15. The agency evaluated the second vendor's quotation as the lowest-priced technically acceptable, and on June 25 issued an order to the second vendor in an amount approximately four percent below the independent government cost estimate (IGCE). *Id.* at 2 ¶ 10, 3 ¶¶ 18-20. After the order was issued to the second vendor, Vinsys contacted DOL to inform the agency that the second vendor was not an authorized Citrix reseller under its FSS Schedule 70 contract. AR, exh. 6, Email from Protester to Agency, June 29, 2020. Following confirmation from the GSA contracting officer that the second vendor lacked the requisite services on its Schedule 70 contract, the agency cancelled the issued order. COS at 4 ¶¶ 23-24; AR, exh. 7, Email from GSA to Agency, July 2, 2020; exh. 9, Email from Agency to Second Vendor, July 6, 2020.

Termination of the order issued to the second vendor resulted in only Vinsys's quotation remaining in consideration under the GSA RFQ. COS at $4 \, \P \, 25$. Vinsys quoted a price approximately eleven percent higher than the IGCE. COS at $2 \, \P \, 10$, $3 \, \P \, 19$, $4 \, \P \, 25$. The contracting officer conducted additional market research on the availability of the required Citrix services through the FSS, and found that only one vendor--a subsidiary of ImmixGroup--is authorized to offer Citrix products and services through GSA's Schedule 70, and that vendor does so either directly or through a resale partner, such as Vinsys. *Id.* at $4 \, \P \, 26-27$; see AR, exh. 10, GSA Market Research Results.

The contracting officer also conducted market research into other possible acquisition vehicles, and found that there were at least five firms capable of providing Citrix products and services under an indefinite-delivery, indefinite-quantity (IDIQ) governmentwide acquisition contract (GWAC) administered by the National Aeronautics and Space Administration (NASA), which is known as the Solutions for Enterprise-Wide Procurement, or SEWP, contract. COS at 4 ¶ 28; see AR, exh. 11, SEWP Market Research Results. The contracting officer also learned that, unlike GSA, NASA's SEWP administrators will verify that all items in a vendor's quotation are included on its SEWP contract prior to authorizing the quotation, and that NASA's process for adding items to a vendor's SEWP contract appeared to work more quickly than GSA's process

Page 2 B-418892

-

¹ Vinsys elected to proceed with its protest without counsel, therefore no protective order was issued. As such, protected information cannot be included in this decision, and our discussion of some aspects of the evaluation is, necessarily, general in nature to avoid reference to non-public information.

for ensuring needed products and services are included on a vendor's FSS contract. AR, exh. 13, Market Research Checklist at 3; COS at 5 ¶ 29.

The contracting officer concluded that, based on the contract administration benefits of the NASA acquisition vehicle, and "in light of the very limited competition obtained and the higher-than-IGCE pricing," that it was in the government's best interests to cancel the GSA RFQ and resolicit under the SEWP GWAC for "better prospects of increased competition and of receiving a lower price." COS at 4 n.2, 5 ¶ 30; AR, exh. 13, Market Research Checklist at 3. Based on this conclusion, the agency cancelled the GSA RFQ and, on July 6, utilizing the IDIQ ordering procedures of FAR subpart 16.5, resolicited the requirement on an unrestricted basis under the SEWP contract. COS at 5 ¶¶ 30, 32, 34; AR, exh. 14, RFQ No. 1605TB-20-Q-00031 (SEWP RFQ) at 1, 6. This protest followed.

DISCUSSION

Vinsys argues that the agency should have issued it an order under the initial GSA RFQ, rather than cancelling the solicitation and resoliciting the requirement under the SEWP contract. Vinsys contends that the agency's decision to cancel the GSA RFQ was the result of interference by another firm, and that the cancellation and resolicitation unfairly exclude Vinsys from competing for the requirement. Vinsys further contends that the agency's resolicitation on an unrestricted basis was improper. The agency maintains that it reasonably cancelled the GSA RFQ rather than issue an order to Vinsys at a high price, and that DOL reasonably resolicited under another acquisition vehicle to increase competition. The agency also argues that our Office lacks jurisdiction to hear Vinsys's protest challenging issuance of the SEWP RFQ on an unrestricted basis because the estimated value of the task order resulting from that solicitation is below the requisite dollar threshold. We agree.

Cancellation of GSA RFQ

Vinsys argues that the agency's decision to cancel the GSA RFQ was improper and that the agency instead should have issued an order to Vinsys on the basis of its technically acceptable quotation. Protest at 1. Vinsys contends that the agency's decision to cancel the GSA RFQ was the result of interference by another firm (Immix Group), and that the resolicitation under the SEWP contract unfairly (and intentionally) excludes Vinsys from competing for the requirement. Id.

A contracting agency need only establish a reasonable basis to support a decision to cancel an RFQ. SKJ & Assocs., Inc., B-294219, Aug. 13, 2004, 2004 CPD ¶ 154 at 2-3. So long as there is a reasonable basis, an agency may cancel a solicitation no matter when the information precipitating the cancellation first arises, even if it is not until offers, or, as here, quotations, have been submitted and evaluated. Id. Here, the agency indicates that the primary reason for cancelling the GSA RFQ was to obtain increased competition because only one technically acceptable quotation was submitted at a price approximately eleven percent higher than the IGCE. COS at 4 n.2, 5 ¶ 30;

B-418892 Page 3

AR, exh. 13, Market Research Checklist at 3. Our review of the record provides no basis for us to question the reasonableness of the agency's decision in this regard. See e.g., Precise Mgmt., LLC, B-411708, Oct. 5, 2015, 2015 CPD ¶ 310 at 4 (noting that we have found cancellations proper where the protester's price exceeded the government estimate by as little as 7.2 percent).

With respect to Vinsys's allegations that the agency is unfairly and intentionally excluding it from competing for the requirement, we note that, as a general matter, government officials are presumed to act in good faith, and a protester's contention that procurement officials were motivated by bias or bad faith must be supported by convincing proof. *AeroSage, LLC*, B-417289.2, May 14, 2019, 2019 CPD ¶ 180 at 2 n.2. We will not attribute unfair or prejudicial motives to procurement officials on the basis of inference or supposition. *Id.* The burden of establishing bad faith is a heavy one; the protester must present facts reasonably indicating, beyond mere inference and suspicion, that the actions complained of were motivated by a specific and malicious intent to harm the protester. *Lawson Envtl Servs., LLC*, B-416892, B-416892.2, Jan. 8, 2019, 2019 CPD ¶ 17 at 5 n.5.

Here, Vinsys has not met this burden. Rather, the record reflects that, as part of its efforts to determine if the order issued to the second vendor had been improper and to understand the availability of Citrix services on the federal supply schedules, the agency communicated with both GSA and ImmixGroup, a subsidiary of which is the authorized Citrix reseller under federal supply schedule 70. See e.g., AR, exh. 7, Email from GSA to Agency, July 2, 2020; Protest attach., Immix Group Email to DOL, July 1-2, 2020, Dkt. No. 1.² As discussed above, based on its market research, of which these communications were a part, the agency reasonably concluded that cancelling the GSA RFQ and resoliciting under the SEWP contract likely would result in increased competition and result in lower pricing more in line with the agency's IGCE. Accordingly, this allegation is denied.

Issuance of SEWP RFQ on an Unrestricted Basis

Vinsys argues that the agency's resolicitation on an unrestricted basis under the SEWP contract is an attempt to circumvent small business procurement requirements. Protest attach., DOL Morris Broderick Email Response, July 7, 2020, Dkt. No. 2. Vinsys requests that our Office recommend that the agency cancel the SEWP RFQ and issue

Page 4 B-418892

-

² Vinsys included multiple documents with its initial protest filing in our Electronic Protest Docketing System (Dkt.). See Dkt. No. 1. After its initial protest filing, Vinsys submitted several more documents in support of its protest. See Dkt. No. 2. Vinsys did not apply a consecutive labeling system (e.g., Attachment A, Attachment B) to the documents it submitted in Dkt. Nos. 1-2. In this decision we cite to the supporting documents submitted by Vinsys in Dkt. Nos. 1-2 as "Protest attach." followed by the document title used by Vinsys in its submissions. We also indicate whether the cited document was submitted in Dkt. No. 1 or 2.

an order to Vinsys on the basis of its quotation submitted in response to the GSA RFQ. Protest at 1.

Protests filed with our Office "in connection with the issuance or proposed issuance of a task or delivery order" under an agency IDIQ contract--subject to title 10 of the United States Code--are not authorized except where the order is valued over \$25 million, or where the protester can show that the order increases the scope, period, or maximum value of the contract under which the order is issued.³ 10 U.S.C. § 2304c(e)(1)(B); ServeFed, Inc., B-417708, Sept. 18, 2019, 2019 CPD ¶ 326 at 3. Here, Vinsys does not allege that the SEWP RFQ increases the scope, period, or maximum value of the underlying SEWP contract. Rather, Vinsys argues that the agency's issuance of the SEWP RFQ on an unrestricted basis was improper because it was done "intentionally to bypass small business [set-aside] opportunit[es] on GSA[.]" Protest attach., DOL Morris Broderick Email Response, July 7, 2020, Dkt. No. 2. Consequently, Vinsys requests that we recommend the agency cancel the SEWP RFQ. Protest at 1.

Because Vinsys has not alleged that the SEWP RFQ, which has an estimated value well below \$25 million, COS at 2 ¶ 10, is beyond the scope of the IDIQ contract under which it was issued, we dismiss this protest allegation because it involves a challenge to the proposed issuance of a task order valued below the threshold of our jurisdiction to hear such protests. 10 U.S.C. § 2304c(e)(1)(B); see e.g., ServeFed, Inc., supra at 3 (dismissing protest challenging Air Force's removal of a requirement from the Small Business Administration's (SBA) 8(a) business development program without the requisite SBA approval where the issued task order was below \$25 million); Arch Systems, LLC, B-417567, B-417567.2, July 2, 2019, 2019 CPD ¶ 227 at 5-6 (dismissing protest challenging agency's decision to remove requirement from the HUBZone program and instead solicit from an SBA 8(a) contractor because the estimated value of the task order was below the dollar threshold for our Office to hear protests related to task orders issued under civilian agency IDIQ contracts).

Finally, we find no basis to consider the protester's request that an award be made to it under the cancelled GSA RFQ. See Protest at 1. The objective of our bid protest

Page 5 B-418892

_

³ The SEWP RFQ at issue here was issued by DOL, which is a civilian rather than a defense agency. DOL issued the SEWP RFQ under a NASA IDIQ contract, however, and NASA, although a civilian agency, is subject to the procurement provisions found in title 10 of the United States Code, rather than those found in title 41, to which other civilian agencies are subject. 10 U.S.C. § 2302; *Analytic Strategies LLC; Gemini Indus., Inc.*, B-413758.2, B-413758.3, Nov. 28, 2016, 2016 CPD ¶ 340 at 2 n.2. For purposes of determining the applicable dollar value threshold for our Office's jurisdiction to hear protests in connection with the issuance or proposed issuance of a task or delivery order, we look to what authority (*i.e.*, Title 10 or Title 41) under which the IDIQ contract was issued, rather than to the agency that issues the order. *Analytic Strategies LLC; Gemini Indus., Inc., supra* at 5, *recon. denied*, B-413758.4, B-413758.5, Mar. 9, 2017, 2017 CPD ¶ 87.

function is to ensure full and open competition for government contracts, and as a general matter, our Office does not consider it appropriate to review a protest that an agency should procure items from a particular firm on a sole-source basis. See, e.g., Bell Helicopter Textron, Inc., B-241037, Oct 12, 1990, 90-2 CPD ¶ 289 at 2 (dismissing protest where the agency's actions were "consistent with the objective of obtaining full and open competition" and the "the thrust of [protester's] argument [was] to restrict the competition to itself by receiving a sole-source award").

The protest is denied in part and dismissed in part.

Thomas H. Armstrong General Counsel

Page 6 B-418892