

November 10, 1993

P.S. Protest No. 93-17

CARAVELLE INDUSTRIES, INC.

Purchase Order No. 363199-93-P-1264

DIGEST

Protest against issuance of purchase order under simplified purchase procedures is denied where protester fails to show that the evaluation of its oral quotation was arbitrary or in violation of procurement regulations.

DECISION

Caravelle Industries, Inc., ("Caravelle") timely protests the July 15, 1993, issuance to LWS, Inc., of purchase order 363199-93-P-1264 for a "Vehicle Washer, Water Reclamation System (Including 60" Horizontal Brush)" for a Raleigh, NC, postal facility.¹

The process of acquiring the vehicle washing system started in August, 1992, when the acting Manager of Vehicle Services in Raleigh contacted Caravelle and two other companies requesting information on vehicle washer/water reclamation systems for inclusion in a new Raleigh vehicle maintenance facility. Caravelle submitted a letter dated August 5, 1992, containing two quotes, a basic wash system for \$40,479.50 plus \$4,497.70 for a 60" brush, and a different washing system for \$53,573.00. Caravelle's initial quotes did not include a water reclamation system, but on August 31 it offered two alternative reclamation systems, model CTRS-400 for \$19,913.50, and model CTRS-500 for \$23,713.00. LWS submitted a quote dated September 1 for a system totaling \$58,584.00. Subsequently, by letter dated November 24, Caravelle quoted the basic wash system which had been quoted in its August 5 letter, with the brush now included, for \$40,479.50, plus a CRS-50 water "recovery" system for a total cost of \$45,526.00.²

¹ The issuance of the purchase order was governed by Procurement Manual (PM) 4.2, Simplified Purchasing. That section prescribes the manner by which fixed-price purchases under \$100,000 may be accomplished seeking competition to the extent practicable (PM 4.2.1 d.1.) and making award on the basis of the "best value to the Postal Service" (PM 4.2.1 e.1.).

² Caravelle stated: "Both the CTRS 400 and the CTRS 500 are totatecl[a]m[at]ion systems. [E]ther will operate efficiently without a connection to the city sewer system." The CRS 50 "recovery system," on the other hand, requires the Postal Service to provide an "outlet to the sanitary sewer for overflow

purposes."

Postal Service officials decided not to procure the washing system until after the facility was constructed. In April, 1993, after the building was partially erected, Caravelle and other interested parties were invited to view the site. In the course of that site visit it was discovered that two inground pits for sediment and oil separation had been omitted from architectural drawings and therefore not installed as planned. According to the contracting officer, after the site visit Caravelle offered two solutions for that problem: if the Postal Service installed the missing pits, it could purchase Caravelle's CRS-50 water recovery system for \$5,046.50. If the Postal Service decided not to install the pits, then it could purchase Caravelle's CRS-140 recovery system for \$15,548.00 or its more expensive CTRS-400.³ (Caravelle did not quote a price for the CTRS-400 at that time.)

The Postal Service decided that it would be more economical to obtain an advanced reclamation system than to install the missing pits. Accordingly, the lowest Caravelle quote available for the Postal Service's consideration at that time was \$56,027.50 (the basic wash system plus the CRS-140 reclamation system). On May 19, LWS offered its washing and reclamation systems for a total price of \$47,200.

On May 24, the Greensboro Purchasing Service Center (PSC) took over the procurement. That office received copies of Caravelle's August 5 options along with its April 23, 1993, quote around that time. According to the contracting officer, the PSC did not receive Caravelle's November 24 quote and did not become aware of it until Caravelle's initial protest.

The PSC did not act on the requisition immediately. When, in July, the purchase still had not been made, PSC personnel decided that the quotes from Caravelle and LWS were stale, since they were several months old.⁴ Caravelle, LWS and a third firm "were . . . given an opportunity to review and revise their quotes, if necessary." A procurement specialist contacted the firms on July 15, and, according to the contracting officer, advised them that "she had a request for a vehicle washing system/water reclamation system for the Raleigh, NC Post Office." Caravelle was asked if it was familiar with the project. According to the procurement specialist, during that July 15 conversation, Caravelle's representative:

stated (1) he had visited the site, and (2) the quote of 8/5/92 for the 60" dia[eter] top brush and associate equipment originally priced at \$4,497.70, was now included in the basic washing system price of \$40,479.50. [The

³ The contracting officer explains that Caravelle's CRS systems use "only fresh water to rinse the vehicles and the excess is discharged into the sanitary sewer system," while the more expensive CTRS systems "will also reclaim, clean, and make available for reuse 100% of all rinse water."

⁴ According to the contracting officer, "[t]he period of acceptance for quotes, which is normally 30 days unless otherwise stated, had expired." This understanding was incorrect. To the contrary, "[b]ecause a quotation is not a proposal subject to acceptance by the Postal Service, a purchase order issued in response to a quotation does not become a binding contract until the contractor either begins performance of the work or accepts the purchase order in writing . . ." PM 4.2.4 b. Since a quote is not binding, there is no particular significance to its age; a quoter may agree to honor a long-standing quote while not honoring a more recent one.

representative] also confirmed his price of \$15,548 for the water reclamation system for a total price of \$56,027.50. [The representative] never mentioned any other water reclamation system or price.

In its July 15 conversation, LWS restated its total price of \$47,200.⁵ The third firm was higher than Caravelle and LWS. Based upon these quotations, the purchase order was issued to LWS.

In an initial protest to the contracting officer dated July 23, Caravelle alleged that it furnished a lower price, \$45,526.00, for both a wash and water recycle system in its November 24 quotation, and that LWS should not have been given the order at a higher price. On August 2, the contracting officer denied Caravelle's protest as obviously without merit. This protest followed.⁶

The protester has commented on the protest and attached copies of its offers of August 5, August 31, and November 24, 1992, as described above. Caravelle also submitted a copy of a quote it had sent to another purchasing specialist at Greensboro via facsimile on May 20 in which it offered a wash system for \$40,489.50 and its CRS-50 reclamation system for \$5,212.00, for a total of \$45,701.50.

The protester claims that on July 15, 1993, it was asked "what is your best and final offer for your CRS-140 water recycle' not what is your best price for a recycle?" The protester claims that the Model CRS-140 is higher-priced because it is a higher volume filtration reclamation system. The protester states: "We had no way of knowing that the [P]ostal [S]ervice folks were still 'price shopping' because we had on numerous occasions provided our CRS-50 price to the [P]ostal [S]ervice."

Caravelle concludes that it was unfair that the Postal Service "selected a higher priced Caravelle product to compare with a lower priced product of a firm that is new to manufacturing this type of product . . . Caravelle should not be punished for the errors of the Postal Purchasing system folks."

DISCUSSION

⁵ LWS' offer was as follows:

Automatic washing system	\$39,950.00
Standard LWS water reclamation system.....	4,550.00
Additional charges to modify reclamation system to operate with the site conditions.....	<u>2,700.00</u>
	\$47,200.00

⁶ While the contracting officer termed her denial of Caravelle's initial protest as a "final decision," from which Caravelle termed this subsequent protest an "appeal," the procedures actually followed come under PM 4.5.6 c.2., which states: "The contracting officer . . . may, within the time allowed for a decision: . . . determine that the protest is obviously without merit and advise the protester in writing accordingly." Such a determination may be the subject of a further protest to this office. PM 4.5.7see, e.g., *Sanimasters, Inc.*, P.S. Protest No. 93-09, August 2, 1993.

The thrust of Caravelle's protest is that its " quotation was improperly evaluated, that the Postal Service should have taken quoted prices stated earlier than July 15, 1993, into account when awarding the contract. When a protester claims that improper evaluation procedures were used, this office will not disturb the evaluation unless it is shown to be arbitrary or in violation of procurement regulations." *Cutler Manufacturing Corporation*, P.S. Protest No. 90-28, July 5, 1990; *Computer Systems & Resources, Inc.*, P.S. Protest No. 86-4, March 27, 1986.

PM 4.2.2 a. states that oral solicitations are acceptable where simplified purchasing procedures are employed. The recommended procedures for soliciting oral quotations, as outlined in Procurement Handbook (PH) 4.2.2 d-11, include: (1) identification of the contracting officer by name and as a representative of the Postal Service; (2) a complete description of the supplies or services to be purchased and the quantities needed; (3) any other pertinent information; (4) a request for specified information from the vendor, such as its name, address, type of business and price terms; and (5) documentation on a solicitation worksheet. *T&S Products*, P.S. Protest No. 90-06, March 9, 1990. From the evidence on this record, we cannot say that the contracting officer and contracting specialist did not sufficiently follow the recommended procedures. The solicitation worksheet indicates that three offerors were contacted for quotes on July 15, and the contracting officer maintains that Caravelle's representative was not asked to quote a price for a specific equipment model; rather, she states that he was asked only to verify that he was familiar with the project and then to quote Caravelle's price for a suitable washing/water reclamation system.

To the extent that Caravelle and the contracting officer disagree as to what was actually discussed on July 15, it is a factual dispute. In addressing factual conflicts between the protester and the contracting officer, the statements of the contracting officer are accorded a "presumption of correctness" which the protester must overcome. See, e.g., *A-1 Transmission*, P.S. Protest No. 93-14, October 29, 1993; *Rickenbacker Port Authority and The Turner Corporation*, P.S. Protest No. 91-78, February 10, 1992. The protester has not met its burden here.

To the contrary, the protester's insistence that its November 24 and May 20 quotes for its (less expensive) CRS-50 model should have been considered because it was "a recycle" is not logical in light of the architect's omission of the inground pits and the Postal Service's decision not to install them--developments which raise doubts as to the technical acceptability of the CRS-50.⁷ Further, Caravelle has not shown, nor can it be inferred from the record, that in requesting quotations, the contract specialist gave it instructions or made inquiries that were different from those given to the other vendors. Consequently, the record contains insufficient evidence to overcome the presumption of correctness attached to the contracting officer's actions and statements.

⁷ As discussed, *supra*, the contracting officer states that Caravelle indicated in April that the Postal Service's options included the use of the CRS-50 if the pits were installed, or the use of the CR340 or another model if the pits were not installed. The protester has not indicated that it disputes the contracting officer's statement in that regard.

A protester has the duty to make sure its offer is understandable so that it is clear what equipment is being offered at what price. The burden is on the offeror to present a complete offer. "Any reduction in the evaluation scoring that results from an incomplete proposal is attributable only to the offeror." *Service America Corporation*, P.S. Protest No. 91-56, October 30, 1991, citing *Hill's Capitol Security, Inc.*, P.S. Protest No. 90-25, July 20, 1990; and *Chamberlain Manufacturing Corporation*, P.S. Protest No. 85-83, February 14, 1986.

Caravelle was given the same opportunity to quote its best price on July 15 as were LWS and the third offeror. Since the protester chose not to stand by its November, 1992, quote on July 15, Caravelle cannot now contend that the Postal Service should be bound by it. See *T&S, supra*.

The protest is denied.

William J. Jones
Senior Counsel
Contract Protests and Policies