



United States Government Accountability Office
Washington, DC 20548

Decision

Matter of: Latvian Connection, LLC

File: B-409543

Date: June 2, 2014

Keven L. Barnes, Latvian Connection, LLC, for the protester.
Stephanie B. Magnell, Esq., and Scott N. Flesch, Esq., Department of the Army, for the agency.
Glenn G. Wolcott, Esq., and Sharon L. Larkin, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

DIGEST

Where agency has provided extensive justification for a sole-source award, protester's general allegations of fraud and bad faith provide no basis for sustaining the protest.

DECISION

Latvian Connection, LLC protests the Department of the Army's proposed sole-source award of a contract to Tapestry Solutions pursuant to solicitation No. W91B4N-14-R-7002 for satellite in-transit visibility (ITV) tracking services for trucking shipments in Afghanistan. Among other things, Latvian asserts that the sole-source award is "unwarranted." Protest at 2.

We deny the protest.

BACKGROUND

The agency states that there is an ongoing requirement to track, via satellite, the movement of military equipment and supplies moving on civilian transportation assets throughout Afghanistan. The agency further notes that failure to perform this requirement creates the potential for loss of assets and degradation of U.S. forces as they depart from Afghanistan, as well as the potential to inadvertently supply the enemy. Agency Report (AR), Tab 1, Contracting Officer's Statement, at ¶ 7. Tapestry Solutions is the incumbent contractor for these requirements, and the

protested procurement extends the incumbent contract for a 12-month period. AR, Tab 4, Justification & Approval for Other than Full and Open Competition (J&A), at 1.

On January 25, 2014, the agency executed the above-referenced J&A to meet the requirements at issue using other than full and open competition. AR, Tab 4. Among other things, the J&A contained the following discussion of the basis for the sole-source award, stating:

a. Award to another firm would create a substantial duplication of costs that would not be recovered and would cause unacceptable mission delays to the requiring activity, 1st Theater Support Command (TSC) via the NAT [National Afghan Trucking] and ATN [Afghan Trucking Network] contracts. Under the existing contract for ITV, the contractor provides equipment, licenses, and service. A change of systems would require recalling existing contractor-furnished equipment within the CJOA [coalition joint operations area], fielding new equipment, loading the new contractor's software on those systems, and ensuring successful connectivity to the USG [U.S. Government] Battle Command Support and Sustainment System (BCS3). Additionally, the USG has worked with the incumbent contractor to tailor the software to the government's needs and would have to pay again to modify any new software and push it to all systems throughout the CJOA to meet the government's needs. The cost of this substantial duplication of effort is estimated at \$4,100,000, based on the cost of modifications under the existing contract.

b. With the selection of a new contractor, the new system would require retraining of all movement control personnel located in Afghanistan on the new system. During the height of retrograde operations, this would effectively halt all satellite tracking of vehicles and halt any mechanism the USG has to combat contractor fraud. The Movement Control Battalion has affirmed that any disruption of the tracking of movement operations during this critical period of transportation operations in Afghanistan is unacceptable.

c. The USG has mandated that the NAT and ATN contractors use [the] GDMS [global distribution management system] and transponders that are compatible with the existing ITV system the USG has under contract. Tapestry Solutions is the only company that can meet that requirement since its hardware is installed in the NAT/ATN vehicles. A change of systems would require the NAT/ATN contractors to purchase new equipment, licenses, and airtime service plans. The contractors under the NAT and ATN contracts would be due an equitable adjustment for costs incurred to change existing

GDMS contracts. This would cost the USG approximately \$6,496,666.67 estimating that at least a third of transponders and airtime plans would have to be re-procured. This figure comes from the cost to the contractor to enter into new contracts for satellite airtime and procure and program new equipment. Satellite airtime for 12 months runs about \$220,000 per year; this cost multiplied by 17 carriers equals \$3,740,000 for ITV airtime service. The new transponders require programming, and the average cost for purchase and reprogramming is \$1,500 per transponder unit. Each of the 17 NAT and ATN contractors has about 700 transponders, totaling 10,500 transponders or \$15,750,000 (\$1,500 x 10,500). In total, this equates to \$19,490,000 in potential additional costs to the contractors to switch systems. Since the contractors are half or three quarters of the way through their contracts with Tapestry Solutions, their requests for equitable adjustments for changing ITV providers would be about \$6,496,666.67 (\$19,490,000/3 months).

d. Competing this effort would cost the USG an estimated \$10,596,666.67 (\$4,100,000 + \$6,496,666.67) while the sole source requirement is \$1,325,347.43. This substantial duplication of costs far exceeds any potential savings from competition and could cause several months in delays before an alternative solution could be implemented in theater. Additional costs and delays would be incurred to train movement control personnel in theater during the height of retrograde operations and to fill gaps in transportation services during a change in ITV services. Gaps in ITV services may also require otherwise unnecessary USG military escort convoys.

AR, Tab 4, J&A, at 2-3.

On February 25, Latvian filed this protest.

DISCUSSION

Latvian asserts that the procurement at issue is “an unreasonable sole source,” maintaining that the requirement should be competed.¹ Protest at 2.

¹ The agency has requested dismissal of Latvian’s protest arguing, among other things, that Latvian has no intention of competing for the requirements. AR at 13. The agency further maintains that, at the time the protest was filed, Latvian “was not in good standing with either the Secretary of State for California, the state under whose laws it achieved legal existence, nor with the California Franchise Tax Board.” Id. In light of our determination that Latvian’s protest submissions provide
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The Competition in Contracting Act (CICA) generally requires “full and open competition” for government procurements. 10 U.S.C. § 2304(a)(1)(A) (2006). However, CICA authorizes various exceptions to this general requirement, including the situation where an agency’s requirements can only be performed by a single source. 10 U.S.C. § 2304(c)(1). In implementing CICA’s statutory exceptions, Federal Acquisition Regulation § 6.302-1 provides that the single source exception is applicable where conducting a competition would result in substantial duplication of costs which are not expected to be recovered through the competition.

Here, as noted above, the agency’s J&A contained extensive calculations to support its determination that competition of the requirements at issue would result in substantial duplication of costs that would not be recovered through competition, and further notes the ongoing reduction of troops in Afghanistan.

In responding to the agency report, Latvian asserts that “[t]his J&A is in bad faith and is nothing less than bid-rigging and circumventing the Competition in Contracting Act.” Protester’s Comments on Agency Report, Apr. 4, 2014. Nonetheless, Latvian’s comments fail to discuss, or even acknowledge, the specific facts and calculations on which the agency relies to support its action.

A protester’s contention that procurement officials are motivated by bias or bad faith must be supported by convincing proof; our Office will not consider allegations based on mere inference, supposition, or unsupported speculation. Career Innovations, LLC, B-404377.4, May 24, 2011, 2011 CPD ¶ 111 at 7-8; Shinwha Elecs., B-290603 et al., Sept. 3, 2002, 2002 CPD ¶ 154 at 5 n.6.

Here, while Latvian has made numerous references to reported wrongdoing by government contractors and contracting officials, Latvian has failed to show that any of the referenced wrongdoing involve the procurement at issue. On the record submitted, Latvian’s various complaints and accusations provide no basis for sustaining its protest.

The protest is denied.

Susan A. Poling
General Counsel

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no basis for sustaining its protest, we do not rule on the agency’s request for dismissal.