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**Comptroller General
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**United States General Accounting Office
Washington, DC 20548**

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Decision

Matter of: Teximara, Inc.

File: B-293221.2

Date: July 9, 2004

Wayne A. Keup, Esq., Blank Rome, for the protester.
Michael J. O'Farrell, Esq., Department of the Air Force, and Laura Mann Eyester, Esq., Small Business Administration, for the agencies.
Sharon L. Larkin, Esq., and David A. Ashen, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

DIGEST

Protest that solicitation that consolidated grounds maintenance with 13 other base operations support functions violated the Competition in Contracting Act's and the Small Business Act's bundling rules is denied where the agency reasonably determined that consolidation would result in significant efficiencies and savings, and is necessary to meet its needs.

DECISION

Teximara, Inc. protests the consolidation of grounds maintenance with 13 other base operations support functions under request for proposals (RFP) No. F41689-02-R-0048, issued by the Department of the Air Force for base operations support (BOS) at Kessler Air Force Base (AFB) in Mississippi. Teximara, a small business that performs grounds maintenance, contends that consolidation of grounds maintenance with the other functions violates the Competition in Contracting Act (CICA) and the Small Business Act.

We deny the protest.

BACKGROUND

The RFP is one of two solicitations issued as part of an agency effort to conduct Office of Management and Budget (OMB) Circular A-76 cost comparison studies for 17 BOS functions at Kessler AFB. One solicitation, not protested here, is set aside exclusively for small business concerns and consolidates the following functions: communications and information technology, multimedia services, and publishing

management. That solicitation is valued at approximately [REDACTED] annually. Contracting Officer's Statement at 4.

The RFP protested here consolidates nine civil engineering functions--housing, operation and maintenance, grounds and site maintenance, emergency management, utilities and energy management, engineering services, environmental management, resources management, and space management--with community services, human resources, supply services, marketing and publicity, and weather support.¹ The contract, with a 5-month transition period, 1-year base period, and nine 1-year option periods, is to be awarded on the basis of "full and open competition." The RFP is valued at approximately [REDACTED] annually; the grounds maintenance portion of this work is approximately either \$1.6 million (according to the protester) or \$1.7 million (according to the agency). Acquisition Strategy Panel Briefing Slides at 8; Small Business Coordination Record (Revision 2) at 12; Hearing Transcript (Tr.) at 1035.²

The overall consolidation efforts here result from a number of Air Force concerns, including: (1) manpower constraints resulting from the fact that the Air Force currently exceeds the manpower ceiling set by the Office of the Secretary of Defense and therefore needs to reduce its workforce; (2) budgetary constraints, resulting from the agency's need to make available resources required for necessary recapitalization and modernization of equipment and operations, as well as the need to pay salaries for positions not currently funded because the Air Force has exceeded its manpower ceiling; and (3) a desire to more effectively and efficiently accomplish the agency's mission. Tr. at 36, 38-39, 299-300, 326, 447-50, 684. The consolidation efforts here are also based on the Air Force's A-76 strategy. In this regard, the agency has concluded that consolidating functions is necessary because: (1) it has only a limited capacity to conduct multiple A-76 cost comparison studies; (2) it will reduce the additional "turmoil" to the agency workforce that would otherwise result from conducting multiple cost comparison studies and multiple reductions in workforce; and (3) it would allow offerors to maximize efficiencies in a manner that would not be available with multiple, more limited study areas. Tr. at 30-34, 51-55, 450, 657, 664.

The Air Force determined to consolidate the specific, selected functions based on market research which indicated to the agency that aligning areas that are "integrally linked" "maximizes cross[-]utilization and cross[-]training opportunities between

¹ Hereafter, references to the "RFP" or "BOS" refer to the larger of the two solicitations unless otherwise noted.

² Our Office held a 2-day hearing, where we took the testimony of eight agency witnesses and a representative of the protester, and explored the agency's rationale for its bundling decision.

service areas[,] thereby increasing efficiencies.” Competition, Consolidation, and Small Business Opportunity Analysis, at 2. As the agency explained, “maximiz[ing] efficiencies through cross[-]utilization of resources to reduce total costs, while maintaining and improving service levels and customer satisfaction” is “[f]undamental to the Kessler acquisition.” Id. at 1.

Teximara initially protested the RFP to our Office on November 6, 2003, challenging the consolidation of grounds maintenance with the other BOS functions. The Air Force then undertook to take corrective action, stating that it would reexamine its decision to consolidate the requirements. Based on this action, we dismissed the protest as academic on December 8. On March 23, 2004, the agency notified counsel for the protester that it had determined that the “bundling decision” could be justified, and Teximara thereafter filed this protest with our Office.

CONSOLIDATION ANALYSIS

The Air Force prepared two detailed documents in which it explained its rationale for consolidating grounds maintenance with the other functions.

Initial Linkage Analysis

In an initial 80-page “linkage analysis,” prepared prior to this protest, the Air Force set forth the overall acquisition strategy, its efforts to maximize small business opportunities, and its “consolidation analysis” identifying efficiencies crossing all services areas within the RFP. In this regard, the agency cited potential management-related efficiencies, such as “[b]roader spans of control, reduction in redundancies, increased supplier and performance management efficiencies, economies of scale and scope, and strategic leverage,” as well as efficiencies resulting from cross-utilization and cross-training in such areas as program management, finance, procurement and supply, customer support, training, transportation, and quality assurance. Competition, Consolidation, and Small Business Opportunity Analysis, at 4-7.

In addition, the linkage analysis included specific examples of the efficiencies generated from the overlap between the 14 BOS functions in the RFP. Analyzing each function individually, the agency identified overlap with the other functions in terms of common skill sets, equipment, duplicate processes, and/or management and oversight, and cited examples of potential efficiencies and redundancies. For example, the Air Force compared the requirement for operations and maintenance with each of the other functions and identified areas of overlap and efficiencies. It then compared energy and utilities with each of the functions and identified areas of overlap and efficiencies, compared emergency management with each of the other functions, and so on for each of the 14 functions.

With regard to grounds and site maintenance, the Air Force identified specific examples of overlap in tasks also performed by emergency management, operations and maintenance, energy and utilities, housing, engineering, community services, and environmental management. Where the tasks overlapped, the analysis identified instances where consolidation would result in workforce efficiencies (cross-utilization and cross-training of personnel), equipment efficiencies (cross-utilization of tools, equipment, and vehicles), training and certification efficiencies, and environmental compliance efficiencies. Initial Linkage Analysis at 40-41.

For instance, regarding the overlap between grounds and site maintenance and emergency management, the agency determined that since both functions perform disaster recovery efforts such as preparing sand bags, preparing shelters, cutting back growth, and clearing debris, there were opportunities for cross-utilizing and cross-training the workforce. Also, the agency noted that both functions use some of the same maintenance equipment and supplies (e.g., special and general purpose vehicles, materials, hand tools, and personal equipment) so that duplicate equipment could be eliminated, resulting in inventory and maintenance savings. Likewise, as another example, the agency determined that grounds and site maintenance personnel could be cross-utilized and cross-trained with environmental management personnel to perform mowing, application of pesticide and herbicides, seeding, runway clearing, and other functions in support of habitat control; and that duplicate equipment could be eliminated because both functions use some of the same equipment (e.g., mowers, sprayers, and weed eaters). Similarly, the agency determined that cross-utilization of personnel and equipment could occur between grounds maintenance and community services, which maintain athletic fields and parks; and between grounds maintenance and housing, which inspect the grounds. Id.

Supplemental Linkage Analysis

In a 34-page supplemental linkage analysis, prepared in response to this protest, the Air Force described in more detail the functional overlap, first between grounds maintenance and site maintenance, and then between grounds and site maintenance combined with the other BOS functions in the RFP. For each functional comparison, the agency included a matrix that provided examples, on a task-by-task basis, of where efficiencies could be gained from cross-utilizing or cross-training personnel, eliminating redundancies in equipment or vehicles, and taking advantage of management and training efficiencies; this matrix also included a breakout by task of the savings that could be generated as a result of consolidation.

For example, in the functional comparison of grounds with site maintenance, the matrix provided examples of overlap in performing the following tasks: pest control; vegetation control (herbicides); heavy equipment operation; landscaping and grounds restoration; debris accumulation, collection, and processing; project

planning; self-help consulting; mowing, edging, and trimming; and fence and sign inspection and maintenance. For each of these tasks, the agency described with specificity redundancies in personnel, equipment, vehicles, management, and training associated with multiple functions performing some portion of the task, and quantified the savings that could be generated from eliminating the redundancies. For instance, the Air Force estimated that consolidating grounds with site maintenance for purposes of performing pest control would result in [REDACTED] savings in personnel (the equivalent of [REDACTED] full time equivalent employee (FTE)), [REDACTED] savings in equipment, [REDACTED] savings in vehicles, and [REDACTED] savings in management and training. Supplemental Linkage Analysis at 2. The agency performed a similar analysis for each of the above-identified tasks in comparing grounds with site maintenance.

The agency likewise compared grounds and site maintenance combined with the other BOS functions, focusing on the overlap in grounds related work. For example, the agency identified redundancies, and calculated potential savings in manpower, equipment, vehicles, and management and training under the following tasks: disaster cleanup, hazmat containment and control, and disaster preparedness (comparing grounds and site maintenance with emergency management), Tr. at 862-65, 876-77; timers, alarms, controls, the Bird Air Strike Hazard (BASH) program,³ plumbing, and general labor skills (comparing grounds and site maintenance with operations and maintenance)⁴; utilities and water (comparing grounds and site maintenance with energy and utilities)⁵; inspections (comparing grounds and site maintenance with housing); landscape support (comparing grounds and site maintenance with engineering services); and athletic field inspection, maintenance, preparation and repair (comparing grounds and site maintenance with community services).

After performing its task-by-task analysis comparing grounds maintenance to all of the BOS functions in the RFP, the agency calculated an overall annual savings from

³ The BASH program seeks to eliminate the hazards to airplanes caused by birds flying into the propeller. Tr. at 878.

⁴ The agency determined that grounds maintenance employs plumbers and timer/control technicians to work on the irrigation and sprinkler systems; these services could be furnished by staff from other functions, such as operations and maintenance. Tr. at 882-83.

⁵ Both the grounds and site maintenance and energy and utilities functions employ plumbers. Although the grounds maintenance plumbers may not be able to perform the more complex energy and utility work, the agency determined that the grounds maintenance plumber positions could be eliminated and performed by the other functions (either energy and utilities or operations and maintenance). Tr. at 891-92.

consolidation of [REDACTED] ([REDACTED] in manpower savings, [REDACTED] in equipment and material savings, [REDACTED] in vehicle savings, and [REDACTED] in management and training savings). Of this, approximately [REDACTED] ([REDACTED] in manpower savings, [REDACTED] in equipment/material savings, [REDACTED] in vehicle savings, and [REDACTED] in management and training savings) will result from consolidating grounds with site maintenance, and [REDACTED] ([REDACTED] in manpower savings, [REDACTED] in equipment/material savings, [REDACTED] in vehicle savings, and [REDACTED] in management/training savings) is largely attributable to consolidating grounds maintenance with the remaining functions in the RFP. Supplemental Linkage Analysis at 34.

DISCUSSION

CICA Bundling

Teximara contends that the Air Force violated CICA by bundling grounds maintenance with the other BOS functions in the RFP. It maintains that the RFP, as currently structured, precludes the firm from submitting a proposal because it does not have the capacity to perform other than the grounds maintenance function.

CICA generally requires that solicitations permit full and open competition and contain restrictive provisions and conditions only to the extent necessary to satisfy the needs of the agency. 10 U.S.C. § 2305(a)(1) (2000). Since “bundled” (or “consolidated”) procurements combine separate, multiple requirements into one contract, they have the potential for restricting competition by excluding firms that can furnish only a portion of the requirement. Phoenix Scientific Corp., B-286817, Feb. 22, 2001, 2001 CPD ¶ 24 at 5. This is also true in the context of a competition like the one here, which is conducted pursuant to OMB Circular A-76. EDP Enters., Inc., B-284533.6, May 19, 2003, 2003 CPD ¶ 93 at 4. Thus, because of the restrictive impact of bundling, we will sustain a protest challenging a bundled solicitation issued in the context of an A-76 competition unless the agency has a reasonable basis for its determination that bundling is necessary to satisfy the agency’s needs. Id.; see Virginia Elec. and Power Co.; Baltimore Gas & Elec. Co., B-285209, B-285209.2, Aug. 2, 2000, 2000 CPD ¶ 134 at 11. We have recognized that bundling may serve to meet an agency’s needs where the agency reasonably determines that consolidation will result in significant cost savings or efficiencies. See, e.g., Virginia Elec. and Power Co.; Baltimore Gas & Elec. Co., *supra*, at 11-12 (protest denied where agency demonstrated that consolidation would result in significant cost savings, as well as more efficient use of personnel); EDP Enters., Inc., *supra*, at 6 (recognizing that “management efficiencies could reasonably justify an agency’s needs, particularly where cross-utilization and cross-training are planned”).

Although the Air Force contends that bundling here does not restrict competition, even if we assume (for purposes of this analysis) that it does, we find that the Air

Force has reasonably justified including grounds maintenance in its consolidated contracting approach. As explained below, we find that the agency has demonstrated significant efficiencies related to the overlap between grounds maintenance and the other RFP functions, that the savings attributable to these efficiencies (estimated as approximately [REDACTED]) are significant in amount when compared to the value of the grounds and site maintenance work, and that comparison to the value of the grounds and site maintenance work is a reasonable basis of comparison. In sum, we find that the agency's detailed analysis sufficiently justified bundling here.

As an initial matter, we note that Teximara "does not dispute that the Air Force was able to demonstrate that certain 'synergies' and 'efficiencies' would be realized by bundling grounds maintenance with site maintenance and, in turn, with the other [RFP] functions." Teximara's Post-Hearing Comments at 1. Teximara, however, does question the extent of the savings associated with such efficiencies.⁶ As discussed below, we find Teximara's challenge to the extent of the estimated savings to be unpersuasive.

While Teximara claims that the agency's estimate of cost savings was done quickly (in response to the protest) and was based on only unsupported assumptions, the record indicates that the underlying linkage analysis of functional overlaps and potential efficiencies was the result of several years of analysis, Tr. at 49, 602, and that the resulting cost estimates reflected the considered opinions of technical and cost experts based on the statement of work, performance requirements documents, unit manpower documents, equipment and vehicle price lists, and their own expertise in consultation with other functional experts in the field. Tr. at 720-21, 731-34, 736, 759-60. Further, our review of the record confirms that the agency's analysis was extraordinarily detailed and comprehensive. As discussed above, the Air Force specifically identified the functional overlap, first between grounds maintenance and site maintenance, and then between grounds and site maintenance combined with the other BOS functions in the RFP, focusing on the overlap with grounds maintenance work. For each functional comparison, the agency determined, on a task-by-task basis, where efficiencies could be gained from cross-utilizing or cross-training personnel, eliminating redundancies in equipment or vehicles, and taking advantage of management and training efficiencies; the agency then quantified the savings that could be generated from eliminating the redundancies and otherwise taking advantage of the potential efficiencies.

⁶ Teximara's earlier pleadings challenged the agency's asserted overlap and efficiencies between grounds maintenance and the other RFP functions. However, because it conceded in its post-hearing comments that such efficiencies exist, we do not address its earlier arguments. We have, however, reviewed the agency's asserted efficiencies and examples of functional overlap, including those areas initially challenged by Teximara, and find them to be reasonably supported.

Although Teximara has identified a small error in the calculations, it has not shown that the agency's assumptions were unreasonable, or that significant savings would not occur. Specifically, it appears that the agency's manpower assumptions regarding the pest control and herbicide tasks were slightly different from actual staffing. While the agency assumed that the current grounds maintenance contractor (Teximara) had four individuals performing the pest control and herbicide tasks on a full-time basis, actually, four individuals perform the functions on a part-time basis under Teximara's current contract. However, it appears from the record that when the actual manpower figures are considered, including both the contractor's and the agency's personnel performing similar work, significant savings are still possible; instead of the estimated [REDACTED] potential savings to be gained from a more efficient approach to performing the two tasks, the savings are likely to total [REDACTED]. See Tr. at 226.⁷

While this error decreases the total estimated savings, it appears from the record that the actual savings to be realized from consolidation will otherwise increase due to efficiencies relating to supply services (e.g., purchasing supplies), financial and management tracking, and human resources, the savings from which are not included in the Air Force's projected [REDACTED] estimate. Supplemental Linkage Analysis at 31. The Air Force also identified a number of management and "process" efficiencies, the savings from which likewise are not included in the estimate. E.g., Supplemental Linkage Analysis at 4, 6-7, 10, 16, 24, 29.

We find that the reasonably projected overall annual savings from the consolidation of the grounds maintenance function with, first the site maintenance function, and then grounds maintenance and site maintenance combined with the remaining RFP functions--whether the approximately [REDACTED] savings assumed by the agency, or a somewhat lower level to reflect the error discussed above--are significant. This

⁷ Teximara also suggests that the estimated savings failed to account for any loss of efficiencies resulting from potential subcontracting by the prime contractor. However, the protester has not explained why efficiencies cannot be maximized via the contractual agreement between the prime and its subcontractors, such that the projected savings could be realized, as envisioned by the agency. Further, while the protester suggests that the provision of government-furnished equipment (GFE) will reduce the projected savings at least in the first year of performance, the protester has not shown that the initial furnishing of GFE will significantly reduce the projected savings over the life of the 10-year potential contract period. Tr. at 262, 266-68. Further, while Teximara speculates that the estimated [REDACTED] savings may not be attributable solely to consolidation, but instead may include savings attributable to the A-76 process, the hearing testimony indicated that, in fact, the [REDACTED] does not include A-76 savings and is attributable solely to the consolidation efforts. Tr. at 210, 265, 941-42, 944.

level of savings, which the agency witnesses testified was based on “conservative” estimates, is approximately 9.7 percent of the annual cost of the grounds and site maintenance functions at Kessler AFB.⁸ The parties dispute what universe of costs these savings should be compared to—what the appropriate denominator should be. Teximara and the SBA argue that the [REDACTED] savings should be compared to the total annual value of the contract ([REDACTED]), which results in savings of less than 1 percent. While we recognize that one can reasonably disagree about the appropriate denominator, we find that the one advocated by Teximara and the SBA is inappropriate, because it compares “apples to oranges.” This is because the [REDACTED] savings represents efficiencies attributable almost entirely to grounds maintenance; it does not include the savings from synergies between the other functions on tasks that are not related to grounds maintenance, Tr. at 138, as would be necessary to provide an “apples to apples” comparison to the total contract value.

Teximara also argues that the agency failed to calculate the savings from alternative strategies, such as bundling smaller groups of requirements. None of these arguments, however, call into question the agency’s assertion that bundling is likely to generate significant efficiencies and savings, or furnishes a basis for questioning the consolidation here. As suggested by the focus of the agency’s analysis—that is, on the overlap of the functional requirements and the resulting efficiencies that could be gained from cross-utilizing or cross-training personnel, eliminating redundancies in equipment or vehicles, and taking advantage of management and training efficiencies—and as confirmed by the testimony of the agency’s experts, removing the grounds maintenance function (or the grounds and site maintenance functions) would result in a loss of synergies and the anticipated savings. Tr. at 368, 609, 624-25, 634, 968-69. Indeed, Teximara itself has essentially conceded this point, as when it acknowledged that the “record is fairly clear” that if grounds and site maintenance were bundled separately from the other functions, “the ‘lost’ savings would be [REDACTED].”⁹ Teximara Memorandum to GAO, June 7, 2004, at 1.

⁸ As noted above, the value of grounds maintenance work, as estimated by the Air Force, is approximately \$1.7 million and the value of site maintenance work is approximately \$1.5 million. Although Teximara asserts that the value of site maintenance cannot reasonably be lower than grounds maintenance, the record shows that grounds maintenance requires 31 FTEs to perform the work, while site maintenance requires only 25. Tr. at 914. In addition, we note that the [REDACTED] savings is almost entirely attributable to grounds maintenance work and, if compared solely to the grounds maintenance contract, the savings rises to 18 percent. Our analysis above, however, recognizes that some small portion of these savings is attributable to site maintenance and therefore we compare the savings ([REDACTED]) to the value of the grounds and site maintenance work combined (approximately \$3.2 million).

⁹ Teximara also challenges the inclusion of a number of non-civil engineering functions, such as weather support, in the RFP. Given our conclusion that the

(continued...)

In sum, we find that the agency has reasonably shown that the anticipated efficiencies and savings resulting from consolidating grounds maintenance with the RFP's other BOS functions are significant and that consolidation is therefore necessary to meet its needs.

Small Business Act Analysis

Teximara also asserts that the consolidation of functions violates the Small Business Act. In this regard, it asserts, along with the SBA, that, in justifying its bundling determination, the Air Force failed to comply with certain provisions of Federal Acquisition Regulation (FAR) § 7.107 that implement applicable Small Business Act restrictions. FAR § 7.107 requires that, where an A-76 cost comparison will be performed, and the proposed acquisition strategy involves substantial bundling (that is, bundling where the annual contract value is \$10 million or more), the acquisition strategy must:

- (1) Identify the specific benefits anticipated to be derived from bundling;
- (2) Include an assessment of the specific impediments to participation by small business concerns as contractors that result from bundling;
- (3) Specify actions designed to maximize small business participation as contractors, including provisions that encourage small business teaming;
- (4) Specify actions designed to maximize small business participation as subcontractors (including suppliers) at any tier under the contract, or order, that may be awarded to meet the requirements;
- (5) Include a specific determination that the anticipated benefits of the proposed bundled contract or order justify its use; and

(...continued)
agency has justified consolidating grounds maintenance with the other civil engineering functions, and since Teximara does not appear to be able to perform a contract that includes all of these civil engineering functions, Teximara is not an interested party to protest the inclusion of the non-civil engineering functions within the RFP.

(6) Identify alternative strategies that would reduce or minimize the scope of the bundling, and the rationale for not choosing those alternatives.

FAR § 7.107(e); see also 13 C.F.R. § 125.2(d)(7). Teximara primarily challenges the agency's compliance with the requirements to specify actions designed to maximize small business participation as prime contractors and identify alternative strategies that would reduce or minimize the scope of the bundling.¹⁰

The record indicates that the Air Force undertook to maximize small business participation to the maximum extent possible consistent with achieving significant savings and efficiencies. These efforts include setting aside for small businesses [REDACTED] worth of prime contract dollars under the smaller BOS solicitation, requiring a minimum of 25 percent small business participation under the larger BOS contract, and encouraging an even greater percentage of small business participation in the performance of the larger BOS contract through the award fee incentive provisions of the RFP. Furthermore, the Air Force will continue to reserve, exclusively for small businesses, the performance of approximately \$15 million in construction and other "miscellaneous" work. As discussed below, we find that these efforts satisfied the agency's obligations under FAR § 7.107(e).

Although Teximara asserts that the Air Force failed to maximize small business prime contracting opportunities, we note that the requirement under FAR § 7.107(e) is that the agency's acquisition strategy must "[s]pecify actions designed to maximize small business participation as contractors." Here, the agency complied with the requirement to specify in its acquisition strategy its actions to maximize small business prime contracting opportunities by setting aside for small businesses [REDACTED] worth of prime contract dollars under the smaller BOS solicitation.¹¹

¹⁰ Teximara also challenges the Air Force's compliance with the FAR § 7.107 requirement for a specific determination that the anticipated benefits of the proposed bundled contract justify its use. As discussed above, however, we find that the Air Force has reasonably determined that there will be anticipated benefits from bundling and reasonably concluded that the benefits warrant bundling here.

¹¹ While the SBA asserts that the set-aside under the smaller BOS solicitation should not be counted as a small business prime contracting opportunity under the larger BOS solicitation because the two solicitations are for "separate and distinct procurements," SBA's Comments at 4, the SBA's position fails to account for the fact that the Air Force's procurement strategy provides for the acquisition of base operations support services generally, albeit by means of two different contracts. We are aware of no requirement that an agency, having carved out for exclusive small business participation some of the services being procured, then must ignore those small business-reserved services in considering the small business participation to be achieved by its overall acquisition strategy.

As a result, while currently approximately \$27.1 million in work is being performed annually by small business prime contractors (including approximately \$11.9 million in contracts within both the larger and smaller BOS areas of studies, approximately \$8.6 million in construction contracts, and \$6 million in “miscellaneous” contracts such as laundry services), the Air Force anticipates that even after consolidation, approximately \$24.6 million worth of work will be awarded annually to small business prime contractors (including [REDACTED] under the smaller BOS contract, \$8.6 million in construction, and \$6 million in “miscellaneous” contracts). Contracting Officer’s Statement at 4; Tr. at 1085. We find that the agency satisfied its obligation under this provision by specifically considering and adopting means by which it could maximize small business participation as prime contractors in a manner consistent with its need for cost savings and efficiency.¹² Teximara cites no requirement, nor are we aware of any, for the Air Force to do more.

Teximara also asserts that the Air Force failed to identify alternative strategies that would minimize or reduce the scope of bundling. However, the record shows that, throughout the development of its acquisition strategy, the Air Force engaged in an ongoing dialogue concerning alternative strategies. For example, it considered conducting 2 studies (the smaller and larger BOS studies), 4 or 5 studies (based on smaller numbers of bundled functions), and 17 separate studies (with none of the functions bundled). Tr. at 101, 295, 441-42; Business Strategy Plan at 6. The agency also considered whether to withdraw grounds maintenance from the RFP and procure these services as a separate small business set-aside, or retain it as part of the consolidated effort. Tr. at 121-24, 302, 321-22. The agency determined, however, that it was not willing to lose the efficiencies that would be generated by the 2-study approach by removing grounds maintenance from the consolidated effort. Tr. at 458, 945-46, 968-69; see Teximara Memorandum to GAO, June 7, 2004, at 1. We find that these efforts satisfy the requirements of FAR § 7.107 with regard to considering alternative strategies.¹³

¹² The agency explains in this regard that the acquisition strategy here was adopted only after extensive consultation with the SBA’s procurement center representative (PCR), and with the PCR’s full concurrence; the PCR never raised a concern about the number of available contracts, but instead focused only on the dollar value of the work that would be performed by small business concerns. Tr. at 422, 466-67, 469, 596.

¹³ Furthermore, as discussed above, Teximara is not an interested party to protest that the agency failed to consider bundling fewer base operation support services under the RFP; again, since Teximara does not claim that it could perform the other base operation support services functions when bundled with grounds maintenance, it is not an interested party to protest the inclusion of the other functions under the RFP.

In sum, we find no basis to question, either under CICA or the Small Business Act, the Air Force's consolidated acquisition approach here.

The protest is denied.¹⁴

Anthony H. Gamboa
General Counsel

¹⁴ Teximara requests we find it entitled to the costs of pursuing this protest. While recovery of such costs is appropriate where we sustain a protest, 4 C.F.R. § 21.8(d), here, we deny Teximara's protest. Thus, there is no basis for recommending recovery of Teximara's protest costs.