



Decision

Matter of: Adelaide Blomfield Management Company--
Claim for Costs

File: B-253128.4

Date: December 30, 1994

Timothy H. Power, Esq., Law Offices of Timothy H. Power, for the protester.

Richard J. Moen, Esq., General Services Administration, for the agency.

Andrew T. Pogany, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

DIGEST

1. General Accounting Office (GAO) Bid Protest Regulations provide for the reimbursement, in appropriate circumstances, of reasonable proposal preparation and protest pursuit costs; all claims for costs are subject to the test of reasonableness, and GAO will not award costs for claims which appear excessive on their face or are otherwise unreasonable.

2. Contracting agency properly disallowed costs for hours claimed by an individual for protest pursuit costs where the individual failed to keep records of the time spent assisting in the protest and failed to adequately document the claim.

DECISION

Adelaide Blomfield Management Company requests that our Office determine the amount it is entitled to recover from the General Services Administration (GSA) for proposal preparation costs in connection with the offer it submitted under solicitation for offers (SFO) No. MAK91191, and for the costs of filing and pursuing its protest in Adelaide Blomfield Management Co., 72 Comp. Gen. 335 (1993), 93-2 CPD ¶ 197. As discussed below, we conclude that GSA properly determined that Adelaide is entitled to recover a total of \$45,588 in proposal preparation and protest costs.

BACKGROUND

In our decision, Adelaide Blomfield Management Co., supra, we sustained the firm's protest that GSA had miscalculated proposals for lease of office space in Anchorage, Alaska, but we were unable to recommend termination of the awarded lease because the lease did not contain a termination for convenience clause. Since there was no basis for terminating the improperly awarded lease, we found that the company's relief was limited to recovery of its proposal preparation costs and the reasonable costs of pursuing its protest, including attorneys' fees. We advised the company to submit its claim directly to GSA.

Adelaide submitted its claim to GSA on November 24, 1993. The following is a summary of the total claim:

PROPOSAL PREPARATION COSTS

John Blomfield--589 hours at \$125 per hour	\$73,625.00
Miscellaneous Proposal Preparation Costs	11,643.52
Thomas W. Rochford	2,419.00
Subtotal Proposal Preparation Costs	\$87,867.52

PROTEST COSTS

John Blomfield--175 hours at \$125	\$21,875.00
Thomas W. Rochford	18,017.45
Timothy H. Power (legal counsel)	12,340.25
Subtotal Protest Costs	\$52,232.70
Total Costs Requested	\$139,920.22

Concerning the company's proposal preparation costs, GSA made some adjustments to the costs and fees claimed, which the company accepted. The only element of cost remaining in dispute, and which GSA has refused to allow, is the 589 hours claimed for the services of John Blomfield in preparing the company's proposal (\$73,625). Concerning protest costs, the parties have also agreed on all costs claimed except for the 175 hours claimed for the services of John Blomfield in assisting his counsel in the protest proceedings (\$21,875).

ANALYSIS

Our Bid Protest Regulations provide for reimbursement, in appropriate circumstances, of reasonable proposal preparation and protest pursuit costs. See 4 C.F.R. § 21.6(d) (1994). All claims for costs are subject to the test of reasonableness; we will not award costs which appear

to be excessive on their face or are otherwise unreasonable. See Stocker & Yale, Inc.--Claim for Costs, 72 Comp. Gen. 193 (1993), 93-1 CPD ¶ 387. Proposal preparation costs or protest costs are not reimbursable to the extent that they exceed the amount which a prudent offeror would incur in preparing a proposal or in pursuing a protest. See id.; Consolidated Bell, Inc., 70 Comp. Gen. 358 (1991), 91-1 CPD ¶ 325.

Proposal Preparation Costs

The protester argues that its business records show that the firm paid John Blomfield for 589 hours of time at a rate of \$175 for proposal preparation. The protester states that it only claimed an hourly rate of \$125, which is the usual amount "charged by John Blomfield to other clients." The protester, which was the incumbent lessor, states that the 589 hours claimed were reasonable because the protester, in its proposal, offered a "total renovation of both interior and exterior while [the awardee] did not do so," a fact we noted in our prior decision. The protester has submitted a breakdown of the hours spent by John Blomfield for architectural, mechanical, electrical, and other proposal preparation areas.

The agency's position is that "[t]he hours expended are not reasonable, as evidenced by the proposal material. We have obtained proposal cost figures for comparable acquisitions and have found these costs in total to range from about \$5,000 to \$15,000." The agency therefore proposed to pay an amount of \$16,032.80, which includes miscellaneous costs and \$4,000.00 for John Blomfield's participation. We agree with the agency's determination.

In view of the evidence offered by the agency that offerors under comparable acquisitions have only incurred costs for proposal preparation costs in the amount of \$5,000 to \$15,000, we think that the company's claim for \$87,867.52 is

¹The protester also states that John Blomfield, who is apparently a realty advisor or consultant to the company, was paid an additional \$120,000 bonus for "winning the protest." This latter amount was not claimed by the protester as a reimbursable expense from the government.

²For example, one of the breakdowns states as follows:

"General Contractors 35 hours
 --Meet with General Contractors
 --Priced out complete job
 --Construction schedule
 --Draw Schedule"

excessive on its face. While the company claims that it was totally renovating the building, lease acquisitions routinely involve major renovation work and the protester submitted no evidence that its proposal here called for unusual efforts. For example, the claim includes a significant number of hours billed for analyses and studies of the interior and exterior of the building including the mechanical, electrical heating, and air conditioning systems; however, no evidence of the work products from these studies and analyses has been furnished. In the absence of more compelling evidence, we rely on the past history of proposal preparation costs in comparable acquisitions, and conclude that the agency's award of \$4,000 for John Blomfield's services and \$16,032.80 for total proposal preparation costs is reasonable. We deny the remainder of the claim.

Protest Costs

The protester argues that while "John Blomfield did not separately document each task he performed in aiding the pursuit of the protest, his involvement was significant." The protester states that a review of the documents submitted in the protest shows that many of these related to studies in the Anchorage area, statements from Anchorage officials, and other documents that related to the procurement in Anchorage and which supported the protest. The protester states that Mr. Blomfield was responsible for gathering this information because he was the only individual located in Anchorage.

GSA found "no verifiable documentation supporting John Blomfield's participation" in the protest and denied this claim entirely.

Our Office was aware during the protest proceedings that John Blomfield was obtaining documents from Anchorage officials in support of the protest; he subsequently provided some of these documents to our Office. While we were aware of this participation, Mr. Blomfield failed to keep any records of the time spent assisting in the protest or otherwise adequately documenting his claim. In the absence of any specific documented evidence supporting this claim, we must affirm GSA's disallowance of these costs. See Bush Painting, Inc.--Claim for Costs, B-239904.3, Aug. 16, 1991, 91-2 CPD ¶ 159.

³The protester notes that the protester's legal counsel and its lease consultant (Mr. Rochford) were located in California.

CONCLUSION

We conclude that GSA properly disallowed the excessive claims relating to the services of John Blomfield in both the proposal preparation and protest pursuit cost areas. GSA has offered to pay a total of \$45,588 in settlement of all claims. We think that this offer is reasonable and that the company is not entitled to any greater amount.

\s\ James F. Hinchman
for Comptroller General
of the United States