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GAO Tosses Protest Of Base's Switch To In-House Work

By Joseph Marks

Law360, New York (November 29, 2010) -- The U.S. Government Accountability Office has dismissed a logistics company's claim that the U.S. Air Force improperly decided to move its vehicle maintenance work at a base in-house rather than renewing the company's contract, saying the protester failed to state a valid claim.

Triad Logistics Services Corp. argued that the Air Force violated a section of the U.S. Code when it moved the work in-house, but the GAO on Wednesday said that particular section of the Code falls outside the GAO's purview because it relates to internal personnel policy in the U.S. Department of Defense and doesn't deal directly with procurement.

The Air Force awarded Triad the vehicle maintenance contract at the Columbus Air Force Base in Mississippi for a one-year term beginning in October 2006 with four one-year optional renewals, the decision said. Just before the fourth renewal option in June, though, the Air Force told Triad it would be moving the work in-house.

Triad protested the decision, arguing that an internal Air Force document comparing the cost of Triad's work with its in-house equivalent violated 10 U.S.C. §129a, which requires the U.S. Secretary of Defense to include a "complete justification for converting from one form of personnel to another" in manpower requirement reports.

The cost comparison showed that doing the vehicle maintenance work in-house would be about 10 percent less expensive than continuing to contract the work out to Triad, the decision said. Triad obtained the comparison through a Freedom of Information Act request, the decision said.

After reviewing Triad's protest, though, the GAO said that section of the U.S. Code was merely "internal agency guidance."

Calls to Triad were not immediately returned Monday.

Florida-based Triad's website describes the company as a Disabled Veteran-Owned Small Business, established by two retired military officers in 2004.

Triad is represented by Edward J. Kinberg of Kinberg & Associates LLC.

The case is In The Matter of Triad Logistic Services Corp., case number B-403726, in the U.S. Government Accountability Office.

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