

CLIENT ALERT

CFC Rules That GAO Made Faulty OCI Analysis

July 21, 2010

In *Turner Constr. Co. v. U.S.*, the Court of Federal Claims effectively reversed a decision by the GAO in which it had found an organizational conflict of interest resulting from intermittent acquisition negotiations between a subcontractor of the awardee and the parent of a company that assisted the Army Corps of Engineers in preparing the solicitation and evaluating proposals, negotiations that resulted in a post-award acquisition. The Army had followed the GAO recommendation and had disqualified the original awardee, Turner, but the Court concluded that the agency had erred by relying upon the GAO decision because that decision was irrational in light of the fact that GAO had applied the wrong standard of review and “[GAO] overturned the CO’s determination without highlighting any hard facts that indicate a sufficient alignment of interests” between the two companies.

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