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**Comptroller General  
of the United States**

Washington, D.C. 20548

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# Decision

**Matter of:** Cascade General, Inc.

**File:** B-272271

**Date:** August 1, 1996

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John T. Jozwick, Esq., for the protester.

Keith B. Letourneau, Esq., United States Coast Guard, for the agency.

Susan K. McAuliffe, Esq., and Michael R. Golden, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

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## **DIGEST**

Protest that solicitation's provisions for evaluation of foreseeable costs to the agency (based on bidder's place of performance) unduly restrict competition and are ambiguous is denied where they provide for the proper evaluation of actual cost to the agency and, as amended, provide sufficient information to allow bidders to intelligently prepare their bids.

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## **DECISION**

Cascade General, Inc. protests certain provisions in invitation for bids (IFB) No. DTCG85-96-B-625L00, issued by the United States Coast Guard (USCG) for drydocking and vessel repairs for the USCG cutter Polar Star. Cascade contends that the solicitation's provisions for the evaluation of certain foreseeable costs to the agency are improper because they are unduly restrictive of competition and are ambiguous.

We deny the protest.

The IFB, as amended, provides for the evaluation of bids on the basis of price and price-related factors, identified in section M of the IFB as certain foreseeable costs to the agency "that will vary with the location of the commercial shipyard to be used by offerors of services under this solicitation."<sup>1</sup> Section M includes the following elements generally challenged by the protester: operating costs (including transportation costs at \$172.30 per nautical mile for one round-trip by the cutter

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<sup>1</sup>The agency explains that for each bidder's shipyard location, the agency will incur different vessel operating costs, per diem costs, rental car costs, crew travel costs, contracting and engineering personnel travel costs, and supply transportation costs.

from its home moorage at the USCG Support Center, Pier 36, Seattle, Washington, to the place of performance); and crew member travel (to be computed for 50 eligible personnel whenever the location of contract performance is beyond the "area" (defined by geographical boundaries provided in the IFB) from which personnel customarily commute daily to the home berth, calculated for a certain amount of round-trips (at government rates) from the location of the commercial shipyard to the home moorage at Pier 36).

The protester, located in Portland, Oregon, contends that the evaluation of foreseeable costs as provided in the IFB unduly restricts competition since it favors shipyards located closer to the cutter's Seattle, Washington berth. Cascade submits a 1986 Department of Transportation (DOT) homeport policy letter which it contends supports its position that its bid should not be subject to the application of certain additional foreseeable costs. However, while the DOT letter permits Portland shipyards to compete for ship repair contracts for vessels based in Seattle, it does not prohibit the use of foreseeable costs to evaluate bids. Under Federal Acquisition Regulation § 14.201-8, the evaluation of price-related factors, including foreseeable costs "to the [g]overnment resulting from such factors as differences in inspection, locations of supplies, and transportation," is a proper basis for award in a sealed bid procurement. Marlen C. Robb & Son, Boatyard & Marina, Inc., B-256516, June 28, 1994, 94-1 CPD ¶ 392. While higher transportation costs are associated with facilities that are further away from the home berth, those costs reflect actual cost to the government. Thus, consideration of such costs in the evaluation of bids does not confer an unfair competitive advantage and is not otherwise improper. See GE Am. Communications, Inc., B-233547, Feb. 17, 1989, 89-1 CPD ¶ 172.<sup>2</sup>

Cascade also asserts that the foreseeable cost factors stated in the IFB are ambiguous and that the firm's requests for explanation of those terms have not been adequately answered by the agency. Specifically, the protester contends that the IFB, as originally issued, contained varying terms such as "homeport," "home moorage," "cutter's mooring," and "homeport mooring area" without providing sufficient definition or distinction among the terms. Our review of the record, however, including the amendments to the IFB (which deleted some of the challenged terms and clarified the basis of the agency's intended evaluation of the identified foreseeable costs), does not support the protester's allegations.

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<sup>2</sup>We note that several of the IFB's identified foreseeable costs will be lower for Cascade's Portland shipyard than for the Seattle shipyard (e.g., regarding per diem rates and certain equipment shipping costs), and some of the IFB's personnel travel costs (e.g., airfare to Alameda, California) are identical for Portland and Seattle shipyards.

As a general rule, the contracting agency must give bidders sufficient detail in a solicitation to enable them to compete intelligently and on a relatively equal basis. The mere allegation that a solicitation is ambiguous or restrictive does not make it so. Skyline Indus., Inc., B-257340, Sept. 22, 1994, 94-2 CPD ¶ 111. Rather, where, as here, a challenge has been posed as to the actual meaning of a solicitation provision, our Office will resolve the matter by reading the solicitation as a whole, and in a manner that gives effect to all provisions of the solicitation. Plum Run, B-256869, July 21, 1994, 94-2 CPD ¶ 38.

As stated above, the agency has issued amendments, several of which were issued subsequent to the filing of Cascade's protest, clarifying the terms of the IFB that provide for the evaluation of foreseeable costs. In particular, amendment No. 3 deleted the challenged term of "homeport" from the IFB's general explanation (at § M.1.A.5) of the application of foreseeable costs and substituted the term "home moorage," which term is consistently defined in the IFB as Pier 36, Seattle, Washington; this amendment also deleted the requirement at § M.2.D. which referenced the challenged "cutter's mooring" term. Additionally, amendment No. 5 deleted the challenged term "homeport mooring area" and substituted the term "home moorage" (i.e., Pier 36). These amendments clearly clarify the challenged terms of the solicitation as initially issued.

As to Cascade's allegation of ambiguity in the agency's continued reference to the term "homeport" for purposes of evaluating crew member travel costs pursuant to § M.2.F. of the IFB, we believe the IFB's terms are straightforward and sufficiently detailed to allow bidders to compete intelligently and fairly. The Coast Guard reference to the term "homeport" in this regard is, as explained by the agency in an amendment, reflective of that term's use in Joint Federal Travel Regulation U7115, which provides for entitlement when the crew member's dependents reside "in the area of homeport." The IFB, as amended, provides that "the term 'area' means places surrounding the homeport for which personnel customarily commute daily to the homeport." The amended IFB further provides that 50 crew members are eligible for the amount of travel identified in the IFB, and the IFB provided detailed information regarding the surrounding boundaries (by citing the furthest home addresses of the eligible personnel) of the Seattle metropolitan area that constitute the "area of homeport" for purposes of calculating the applicable travel costs. In its recently issued amendment No. 8, the agency gives bidders detailed examples of calculated costs under this IFB provision, including an example of a Portland shipyard bidder's evaluated cost, to aid bidders in the preparation of their bids. In

short, the record does not support the protester's allegations of ambiguity; rather, the record shows that the amended IFB adequately defines the challenged provisions.

The protest is denied.

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