

DECISION



**THE COMPTROLLER GENERAL
OF THE UNITED STATES**
WASHINGTON, D. C. 20548

51025

FILE: B-183381

DATE: September 22, 1975

MATTER OF: Edward B. Friel, Inc.

97441

DIGEST:

1. As general rule, mathematically unbalanced bid--bid based on enhanced prices for some work and nominal prices for other work--may be accepted if agency, upon examination, believes IFB's estimate of work requirements is reasonably accurate representation of actual anticipated needs. But where examination discloses that estimate is not reasonably accurate, proper course of action is to cancel IFB and resolicit based upon revised estimate.
2. Proposed acceptance of apparent low mathematically unbalanced bid is not proper where (1) agency determines bid is low through reevaluations using substantially revised estimates of work requirements, which, in themselves, indicate that "material unbalancing" (existence of reasonable doubt that any award would result in lowest cost to Government) is present; (2) under reevaluation using one of revised estimates, bid is not low, confirming existence of material unbalancing; (3) reevaluation procedure has effect of introducing new evaluation factors into procurement and contravenes requirement that bidders compete equally based on objective factors in IFB.

This decision involves issues of unbalanced bidding on two requirements-type, 1-year term contracts. The invitations for bids (IFB's)--Nos. GS-03B-49528 and -49529--were issued by the General Services Administration (GSA). IFB -49528 involved miscellaneous elements of work connected with the installation of acoustical ceilings in several Government buildings; IFB -49529 involved miscellaneous elements of work connected with the installation of partitions.

Edward B. Friel, Inc. (Friel), Michael O'Connor, Inc. (O'Connor), and Free State Builders, Inc. (Free State), bid on

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both IFB's. Each bidder through its counsel has presented arguments demonstrating what it considers to be proper disposition of the apparent low bids and/or the solicitations. We will discuss each IFB in turn.

IFB -49528

IFB -49528 called for submission of unit price bids on 51 items, many of which further required the submission of unit prices for subitems. For each item or subitem, bidders were required to submit a price for performing that work during Government working hours and a price for performing the work during non-Government working hours. Each unit price for work during Government and non-Government hours was to be multiplied by a specified evaluation quantity. These evaluation quantities were estimates of GSA's expected work requirements. All extended prices in the Government hours column were to be totaled and multiplied by a factor of 90 percent, representing the probability that most of the work would be performed during Government working hours. The total of extended prices in the non-Government working hours column was to be multiplied by a factor of 10 percent. The two factored figures were to be added together to obtain a total evaluated price.

Following this formula, the evaluated bid prices were:

| | |
|-------------------------------------|---------------|
| O'Connor | \$ 342,648.94 |
| Friel | 391,864.65 |
| Free State | 411,354.87 |
| Tuxedo Contractors, Inc. | 425,813.25 |
| Elrich Construction Co., Inc. | 477,374.00 |
| Ogburn & Associates, Inc. | 514,959.50 |
| Cherokee Construction Company, Inc. | 517,313.60 |
| Silas Bolef Company | 2,288,504.40 |

Friel protested against the O'Connor bid as unbalanced, and Free State's protest then requested an examination of the bids by our Office.

GSA's initial report to our Office, dated April 30, 1975, stated that O'Connor's bid was unbalanced in so many respects that it was neither practical nor necessary to describe the unbalanced elements in detail. GSA also stated that it had reviewed the IFB's evaluation formula and the estimated quantities which were stated therein and had found the estimated quantities to be defective.

In this regard, the agency expressed the view that use of actual prior year requirements as the evaluation quantities would be the soundest means of evaluating the bids for a term contract of the type involved here. The report included a "quantity take-off" showing the actual quantities of items ordered under the predecessor contract, which differed "substantially or even radically" from the estimated quantities which had been included in the IFB. In applying the actual quantities to the bids, GSA concluded that because the quantity differences were so great in so many items, and because the evaluated bid prices were relatively close, the cost impact of the unbalancing could not be realistically estimated. GSA's April 30, 1975, report, therefore, concluded that since there was insufficient assurance that award to any bidder would result in lowest cost to the Government, IFB -49528 should be canceled and the bids resolicited using the prior year's requirements, or a projection based thereon.

O'Connor, in its comments on the April 30, 1975, report, argued that there existed no compelling reason under Federal Procurement Regulations (FPR) § 1-2.404-1 (1964 ed. Circ. 1) (41 C.F.R. § 1-2.404-1 (1974)) to justify cancellation of the IFB. O'Connor pointed out that the basis used by the contracting officer in formulating the estimated quantities included in the IFB had not been shown, and that, absent evidence to the contrary, the quantities should be assumed to have a rational basis. Moreover, O'Connor's comments included calculations showing that using the actual prior year requirements set forth in the report, its bid remained lowest in price.

In a later report to our Office, dated June 24, 1974, GSA modified its prior position and proposed to accept the O'Connor bid. In reaching this conclusion, GSA noted that over a period of time, three estimates of the quantity of requirements had been made. The first estimate (the one contained in the solicitation) was made at the time the IFB was being prepared, prior to February 27, 1975. The preparing office sought to secure quantity takeoffs, by item of work, from the orders issued up to that time under the predecessor contract. The totals for each item were doubled to get an approximate projection of a year's requirements.

When the protests were filed, GSA then sought to verify whether the IFB's weighting factors were valid. For this purpose, a second quantity takeoff by item was made in April 1975 and was included in GSA's initial report. These figures took into account work orders issued up to that time and, in GSA's words, they "* * * clearly disclosed that serious errors must have been committed in making the original take-off on which the [IFB's] evaluation factors were based."

Further, based on GSA's initial conclusion that cancellation and readvertisement was necessary, a third quantity takeoff was made for purposes of preparing the new IFB. One important change was that the proposed new IFB eliminated the provision for submission of two separate prices on each item (one for performance during Government working hours and the other for performance during non-Government working hours). This was because GSA had determined, based on experience under the predecessor contract, that the two types of requirements arose in a ratio of approximately 40:60, that is, in "roughly equal" proportions.

In addition, the draft of the new IFB redefined the units on which bid prices were to be submitted and proposed to call for unit prices for approximately 119 items. Also, several new items of work were apparently added.

GSA found that the application of these three sets of estimates to the bids resulted in O'Connor's bid being lowest in each instance. In applying the third quantity takeoff, GSA took the approach that, because of the differences in the bid forms, wherever different bid prices had been submitted (as, for example, significantly different prices for performing an item during Government hours and non-Government hours), the higher of O'Connor's two prices was used in the recalculation and the lower of the two prices submitted by Friel and Free State. We note that for most items O'Connor's "Government hours" prices appear to be substantially higher than its "non-Government hours" prices, whereas, Friel's prices for both appear to be identical for all items, and Free State's prices for both are almost identical for all items.

The essence of GSA's final position in the matter is stated as follows in its June 24, 1975, report to our Office:

"We are fully appreciative of the principle that bids must be evaluated on the basis specified in an invitation and not on any basis not so specified. However, these re-evaluations are for an entirely different purpose. They serve to show that although the evaluation formula in the invitation for bids on Contract No. GS-03B-49528 was defective, it is not so defective as to constitute a 'compelling reason' to cancel the solicitation and readvertise. The computations made on two other bases serve only to demonstrate that the formula specified in the invitation did, in fact, fulfill the intended purpose (namely, that of identifying which bid, if accepted, would result in lowest contract cost to the Government)."

However, we note that it was subsequently brought out that GSA, in its calculations using the third quantity takeoff, made an error in addition. GSA had found that O'Connor's bid was low at \$553,482, Free States second low at \$650,230 and Friel's third low at \$723,468. Friel, in its July 11, 1975, letter to our Office, included information showing that O'Connor's bid, if correctly totaled under the approach used by GSA, would be \$747,152. At the conference on the protest held on July 24, 1975, the GSA representatives admitted that their calculations were in error on this point. Therefore, while it appears that O'Connor's bid is lowest using the first and second quantity takeoffs, under the third quantity takeoff as applied by GSA it is not lowest.

Also, GSA in a report to our Office dated July 14, 1975, further refined its evaluation by applying the second quantity takeoff figures to the bids and correcting the 90:10 ratio to a 40:60 ratio.

To summarize, the various evaluations show the following results:

--Evaluation 1 (using the estimated requirements and the 90:10 ratio in IFB -49528):

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|------------|--------------|
| O'Connor | \$342,648.94 |
| Friel | 391,864.65 |
| Free State | 411,354.87 |

--Evaluation 2 (using the actual requirements under the predecessor contract and the 90:10 ratio):

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|----------|--------------|
| O'Connor | \$650,301.29 |
| Friel | 674,569.85 |

--Evaluation 2A (using the actual requirements under the predecessor contract and a 40:60 ratio):

| | |
|----------|--------------|
| O'Connor | \$412,788.48 |
| Friel | 674,615.85 |

--Evaluation 3 (using the most recent estimate of requirements, the third quantity takeoff, and applying the higher of O'Connor's two prices for any given item and the lower of the two prices submitted by the next two lowest bidders):

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|------------|-----------|
| O'Connor | \$747,152 |
| Friel | 723,468 |
| Free State | 650,230 |

Friel believes that GSA has erred in concluding that the resolution of an unbalanced bidding situation turns solely upon the propriety of the bid evaluation factors. Friel's position can be summarized as follows. The propriety of the evaluation factors represents only the first step in a proper analysis. If an IFB is structured so as to encourage unbalanced bidding, it is per se defective and no bid can be properly evaluated; there is insufficient assurance that any award will result in the lowest cost to the Government. On the other hand, if the IFB evaluation factors reasonably weight the several unit prices according to their relative importance on some bona fide and reasonable basis such as prior year requirements, the IFB evaluation formula discourages bid unbalancing and is proper. If a mathematically unbalanced bid is submitted, consideration of the range over which requirements may reasonably be expected to fluctuate is simply a means to determine whether that bidder, through intentional unbalancing of its bid, has prevented a proper evaluation of its bid.

Friel cites Mobilease Corporation, 54 Comp. Gen. 242 (1974), 74-2 CPD 185, in support of the proposition that resolution of bid unbalancing cannot be limited solely to the propriety of the bid evaluation criteria. Global Graphics, Incorporated, 54 Comp. Gen. 84 (1974), 74-2 CPD 73, is also cited in support of a two-step analysis, i.e., consideration of the propriety of the evaluation formula, as well as "the independent principles which focus upon individual bidder conduct." Friel believes that B-172789, July 19, 1971, recognizes that bidder conduct of intentionally unbalancing its bid to a material extent requires rejection of that individual bid notwithstanding the propriety of the IFB evaluation factors. Also, B-172154, April 23, 1971, is cited as an example of a case focusing solely on bidder conduct--a situation where, regardless of the evaluation factors, the extent of bid unbalancing was so great that sufficient doubt arose that an award to the bidder would result in the lowest cost to the Government.

Following this reasoning, it is Friel's position that O'Connor's bid is materially unbalanced and must be rejected, and that award should be made to Friel, which submitted the lowest-priced, responsive bid. Friel points out that the three quantity takeoffs developed

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by GSA are "extremely disparate," and that GSA cannot, by mechanically plugging unit prices into new evaluation quantities, conclude that the materially unbalanced O'Connor bid is lowest. Friel also points out, as noted supra, that GSA's calculations that O'Connor's bid is lowest based on the third quantity takeoff are in error.

Moreover, Friel points out that aside from the numerical totals, GSA has overlooked the drastic sensitivity of O'Connor's bid in relation to changing requirements, since the price difference between the O'Connor and Friel bids is relatively slight, and with possible changes in GSA's estimated quantity of requirements--as illustrated, for example, by the third quantity takeoff--the O'Connor bid is displaced as lowest.

Free State's position is that the bids must be evaluated on the basis of the evaluation factors stated in the IFB. Free State believes that to apply new evaluation factors to bids already submitted "* * *" is to engage in conjecture and speculation of so vast a degree as to leave the Government in the position of awarding a contract which has never been advertised and on which the bidders have had no informed opportunity to prepare an intelligent competitive bid." Free State agrees with GSA's original position that IFB -49528 should be canceled.

In addition to the decisions of our Office mentioned supra, the parties have cited other decisions dealing with unbalanced bidding. We will take advantage of this opportunity to clarify our position on the issues of unbalanced bidding raised by the parties. Having reviewed the facts of record and our decisions, we believe the following principles are pertinent.

B-168205(1), June 30, 1970, describes unbalanced bidding as follows:

"* * * The term 'unbalanced' * * * is applied to bids on procurements which include a number of items as to which the actual quantities to be furnished is not fixed, in which a bidder quotes high prices on items which he believes will be required in larger quantities than those used for bid evaluation, and/or low prices on items of which he believes fewer will be called for. * * *"

Our Office has recognized the two-fold aspects of unbalanced bidding. The first is a mathematical evaluation of the bid to determine whether each bid item carries its share of the cost of the work plus profit, or whether the bid is based on nominal prices for some

work and enhanced prices for other work. The second aspect--material unbalancing--involves an assessment of the cost impact of a mathematically unbalanced bid. A bid is not materially unbalanced unless there is reasonable doubt that award to the bidder submitting a mathematically unbalanced bid will not result in the lowest ultimate cost to the Government. See Mobilease Corporation, supra. We think the controversy in this case largely involves a question of how it is determined that material unbalancing is present.

We believe that, as a general rule, the inquiry into material unbalancing begins with an examination of the solicitation and its evaluation formula. The determination that a mathematically unbalanced bid has been submitted has the effect of calling into question the accuracy of the solicitation's estimate of the anticipated quantity of work and, thus, the evaluation basis upon which bids or offers are being considered for award. If, after examination, the contracting agency believes that the solicitation's estimate is a reasonably accurate representation of actual anticipated needs, then the mathematically unbalanced low bid may be accepted. See R & R Inventory Service, Inc., 54 Comp. Gen. 206 (1974), 74-2 CPD 163; Cf. 51 Comp. Gen. 792 (1972).

On the other hand, in cases where the contracting agency concludes after examination that the solicitation's estimate is not a reasonably accurate representation of actual anticipated needs, we have indicated that the solicitation should be canceled. See B-159684, October 7, 1966; B-164429, August 21, 1968.

It is also pertinent to note that in determining whether a cogent and compelling reason exists to cancel an IFB, consideration of at least two basic factors is involved--whether the best interests of the Government would be served and whether bidders would be treated in an unfair and unequal manner. The fact that the terms of an IFB are deficient in some way does not necessarily justify cancellation after bids have been opened and bidders' prices exposed. For instance, even in a case where the agency believed the IFB's purchase description to be materially deficient, our Office found no cogent and compelling reason to support the cancellation where bidders had offered to meet the Government's actual requirements and the cancellation was believed to damage the integrity of the competitive bidding system. See 52 Comp. Gen. 285 (1972). In Joy Manufacturing Company, 54 Comp. Gen. 237 (1974), 74-2 CPD 183, the agency canceled an IFB and proposed to resolicit because it desired to add additional specifications. However, it appeared that

the low, responsive bid had offered an item which might meet the additional specifications which were proposed to be added. In these circumstances, our Office held that acceptance of the low bid--if it were found to meet all of the Government's actual needs--would work no prejudice to the other nonresponsive bidders.

Even where the deficiency in the IFB is related to the method of calculating the lowest overall price, cancellation is not necessarily justified. For example, in 50 Comp. Gen. 583 (1971), it appeared that the IFB's provisions concerning award on aggregate and separable items were defective. We held, however, that since the record did not show that competition for the total work was adversely affected by the award provisions, award should properly be made to the lowest overall bidder.

Decisions such as 52 Comp. Gen. 285, Joy Manufacturing Company, and 50 Comp. Gen. 583, supra, are readily distinguishable from the present situation. Here, the deficiency in the IFB covers the sum total of the work being called for (i.e., the estimated quantum of requirements) and this factor, in turn, directly controls the bid prices.

In this light, the initial difficulty with GSA's position is that its reevaluations demonstrate, in our view, the existence of a reasonable doubt that acceptance of the O'Connor bid, or award to any mathematically unbalanced bidder, would result in the lowest ultimate cost to the Government. There are two reasons for this. The first is the substantial variations between the IFB's estimates and the succeeding estimates. This in itself tends to create substantial doubt that award to any mathematically unbalanced bidder or, for that matter, any bidder, would result in the lowest cost. In other words, where the IFB's estimates are not reasonably accurate, there is a strong indication per se that material unbalancing is present. In this regard, it must be noted that whatever estimated quantities are used in evaluating the bids are, of course, precisely that--estimates of what may be ordered in the future under the contract. There are no "actual requirements" on which to evaluate bids, and the substitution of one estimate for another merely reflects the agency's best judgment, at a given point in time, of what may transpire in the future and what ultimate costs the Government may incur.

The second reason is that under one of the evaluations--the third quantity takeoff--the O'Connor bid is not low. This, in our view, confirms the existence of a reasonable doubt that any award

to a mathematically unbalanced bidder or any bidder would result in lowest overall cost. See, in this regard, GSA's position concerning the proposed cancellation of IFB -49529, infra.

In addition, we believe that the procedure employed by GSA in reevaluating the bids based on substantially different quantity estimates is in itself contrary to the requirements of 41 U.S.C. § 253(b) (1970). This law requires that after advertising, award shall be made to that responsible bidder whose bid, conforming to the IFB, will be most advantageous to the Government, price and other factors considered. We have stated that among the purposes of this provision is to give all persons equal right to compete for Government contracts. 36 Comp. Gen. 380 (1956).

We understand the distinction drawn by GSA, supra, that its reevaluations were only for the purpose of demonstrating that the IFB's evaluation criteria served their intended function of identifying the lowest bid. However, we believe that the net effect of a procedure of this type is to introduce totally new evaluation factors into the procurement. To sanction this approach would mean that any instance where mathematically unbalanced bids are submitted could result in a reevaluation by the contracting agency using some basis other than the one specified in the IFB.

One apparent problem with this approach is that in the absence of any protests, the reevaluation would presumably be conducted without the bidders' knowledge. This would be contrary to the open and public nature of advertised procurement procedures and to the requirement that the IFB inform all bidders of the objective factors upon which they are to submit their bids and on which their bids are to be evaluated. See 36 Comp. Gen., supra. Also, in any case involving unbalanced offers in a negotiated procurement, e.g., Global Graphics, Incorporated, supra, a reevaluation process of this kind would of necessity be conducted on a confidential basis, because disclosure of the number, identity and ranking of offerors prior to award of a negotiated contract is prohibited. See FPR § 1-3.805-1(b) (1964 ed. Circ. 1) (41 C.F.R. § 1-3.805-1(b) (1974)). Unless the details of the evaluation were made public after the award, offerors would have no means of knowing how their offers were evaluated, or whether they would have a basis for protest.

Also to be noted is the fact that as the estimates used in the reevaluations change, the possibility is raised that the bidders, if they had the opportunity, might change their pricing strategy and

offer different bid prices. We believe that proposed acceptance of an apparent low bid, which is based, in effect, on a revised evaluation formula, must be viewed as making an award on a basis as to which unsuccessful bidders have not had an opportunity to compete.

For the foregoing reasons, we believe that GSA's proposed acceptance of the O'Connor bid is not proper. IFB -49528 should be canceled and the requirement resolicited based upon what GSA, in its best judgment, believes to be a correct estimate of actual anticipated needs.

It appears that GSA, in adopting the position it has taken in this case, was relying primarily on Global Graphics, Incorporated, supra. GSA has cited this decision in support of the proposition that an IFB's evaluation criteria may be defective, but not so defective as to constitute a cogent and compelling reason to cancel the solicitation.

Global Graphics involved a situation where an RFP did not specify estimated quantities. Our decision noted that the low offer was unbalanced, but that the contracting agency also believed the price was fair and reasonable when compared to prices previously paid for the supplies. This result could be read, as GSA has done, as implying that although a solicitation is defective in failing to discourage unbalanced offers, an unbalanced offer could nonetheless be accepted absent a sufficient quantum of doubt that the award would not represent the lowest cost to the Government.

As with all decisions of our Office, Global Graphics must stand upon its own facts. Given those facts, to the extent that the decision may be susceptible of the interpretation stated by GSA, it will no longer be followed by our Office. In this regard, we would note that the solicitation in Global Graphics lacked any estimate of anticipated requirements, and that our decision specifically noted that, due to substantial performance of the contract, corrective action was not in the Government's best interests. In this regard, we have taken the position that the absence of estimated quantities in solicitations--encouraging unbalanced bidding and making it impossible to determine whether the bid prices are fair and reasonable--properly calls for cancellation of the solicitation. See 43 Comp. Gen. 159 (1963).

As for Friel's position, we think that the foregoing discussion is sufficient to indicate that the appropriate course of action in the present case is to cancel IFB -49528: We do not believe that the

decisions of our Office cited by Friel, supra, support its proposed disposition of the bids under the circumstances of this case.

Mobilease Corporation, supra, does indicate that a showing of bidder conduct involving collusion or fraud is an element in determining whether to accept an unbalanced bid; however, the decision also points out that "* * * the more critical test of unbalancing is the quantum of doubt surrounding the price which the Government must ultimately pay as a result of its decision to accept a mathematically unbalanced bid." 54 Comp. Gen. 242, at 246. Without attempting to delineate what kind of evidence would be necessary to make a showing of collusion or fraud, we think it reasonably clear that variations among bidders in prices quoted for different items are insufficient, since such variations are normally to be expected under the circumstances. See 35 Comp. Gen. 33 (1955).

B-172789, supra, involved a situation where the IFB's estimated requirements, based on orders placed under the predecessor contract, were believed to be "as accurate as this agency can make them." In addition, in its consideration of the protest the agency attempted to estimate at what point in production the protester's bid would become more advantageous to the Government and decided that, based on the quantities ordered in the last 25 orders placed under the predecessor contract, the apparent low bid would offer the lowest price. The agency therefore proposed to accept the apparent low bid, and our decision denied the protest against this action. We do not read this decision as supporting Friel's proposition that a bidder's conduct in materially unbalancing its bid requires rejection of the bid notwithstanding the propriety of the IFB's evaluation criteria.

Our decision B-172154, supra, is not entirely specific on the issue of whether and to what extent the IFB was considered defective. The decision could be interpreted, as Friel has done, to support the proposition that a bidder's conduct alone could properly result in rejection of that bidder's materially unbalanced bid, and that the next low bid could properly be accepted. Since, in the present case, we have determined that the IFB's estimates per se were so defective as to reasonably indicate the existence of material unbalancing, we do not believe that B-172154, supra, is directly in point.

We would also note that B-161208, August 8, 1967, a decision not cited by the parties, involved a situation somewhat similar to the one here. In that case GSA canceled an IFB because of erroneous weight factors, revised them, and resolicited. After bids were opened

under the second IFB, GSA examined the revised weight factors, concluded that they still did not accurately reflect the potential requirements, and made further revisions. GSA concluded, after applying the final revised weight factors to the bids already opened, that awards to the apparent low bidders under the second IFB would result in the lowest ultimate cost to the Government. Our decision did not object to this conclusion.

B-161208, supra, is lacking in detail as to the extent of the defects in the second IFB's weighting factors and the closeness of the various bid prices. The IFB involved work in two service areas. As to the first area, the weights reportedly contained "inaccuracies," and the apparent low bid was unbalanced. As to the second service area, the final revised weights were "markedly changed" from those in the second IFB, but it was reported that the low bid on that portion of the work was not in any respect unbalanced. We note that if the revised weight factors in the second IFB had been believed by GSA to be reasonably accurate, though not 100 percent accurate, then consistent with our views as expressed in this decision, awards could have been made. However, to the extent that B-161208, supra, suggests that awards could be made based upon estimates which were not reasonably accurate, it will no longer be followed by our Office.

IFB -49529

This IFB was basically similar to IFB -49528 with respect to unit price bidding and method of evaluation except that the total of extended unit prices for work during Government working hours was multiplied by a factor of 10 percent and the total of extended unit prices for non-Government working hours was multiplied by a factor of 90 percent.

The evaluated bid prices were:

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|-------------------------------|--------------|
| O'Connor | \$267,671.40 |
| Free State | 278,338.50 |
| Klein Construction Co., Inc. | 391,280.00 |
| Tuxedo Contractors, Inc. | 437,575.00 |
| Friel | 464,357.50 |
| Ogburn & Associates, Inc. | 483,698.00 |
| Doit Contractors, Inc. | 508,165.00 |
| Elrich Construction Co., Inc. | 979,993.00 |

GSA proposed to cancel this IFB and resolicit because the evaluation formula was defective. GSA believes that the primary defect is that actual prior year experience indicates the Government hours vs. non-Government hours requirements arise in about 50:50 proportions, not 10:90. GSA's June 24, 1975, report pointed out that if O'Connor's bid was accepted and the requirements were to run in a 50:50 ratio, O'Connor would be paid more than the next low bidder.

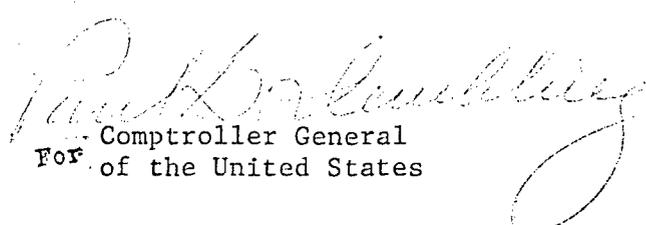
Also, GSA's July 14, 1975, report included calculations applying the actual requirements under the prior contract to the bids and correcting for a 50:50 ratio. O'Connor's bid totaled \$594,496.97 and Free State's bid \$515,113.30.

Based on a determination that cancellation of IFB -49529 would be in the best interests of the Government GSA proceeded to cancel the IFB and resolicit under IFB -49549.

O'Connor has protested against the cancellation. In its July 31, 1975, letter to our Office, O'Connor took the position that GSA should reconsider the cancellation, because it is only sensible to assume that most orders will in fact be placed for work during non-Government hours, so as to accommodate Government personnel and save expense to the Government.

In light of our views expressed supra, in connection with IFB -49528, we have no objection to GSA's cancellation of IFB -49529.

In view of the foregoing, the protests and the proposed dispositions of the bids and/or solicitations are decided accordingly.


Comptroller General
For of the United States