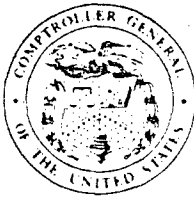


**DECISION**



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

50929 97537

FILE: B-184645

DATE: September 12, 1975

MATTER OF: Columbia Loose-Leaf Corporation

**DIGEST:**

1. Allegations that bid price is so low as to indicate that low bidder either does not understand what is required by specifications or will furnish "below specification" product is not for consideration since allegations raise issues related to bidder's responsibility and this Office does not review contracting officers' affirmative determinations of responsibility except for actions by procuring officials which are tantamount to fraud.
2. This Office will not consider allegation that low bidder will attempt to recoup losses on its allegedly inordinately low bid by seeking contract changes during performance since attempted "buy-in" does not afford a basis for rejection of a bid and appropriateness of contract modifications is matter of contract administration and is therefore responsibility of contracting agency.

Columbia Loose-Leaf Corporation (Columbia) protests the award of a contract to Norwood Industries (Norwood), the low bidder under invitation for bids No. FPOO-EC-80447-A, issued by the General Services Administration for several types of loose-leaf binders.

Columbia asserts that Norwood's bid, approximately \$942,000 lower than Columbia's second low bid, is so unreasonably low and so far below the cost of producing the required binders, as to constitute a nonresponsive bid. Columbia alleges that as a result of Norwood's inordinately low bid, Norwood will either offer "below specification" binders or seek price increases through change orders during the performance of the contract. Columbia therefore, concludes that Norwood is seeking award on an entirely different substantive basis than the other bidders, thereby making proper comparison and evaluation of the bids impossible. Columbia also contends that Norwood's bid is so low as to evidence a clear lack of understanding of the effort involved in performing the contract.

By letter dated August 5, 1975, Norwood verified its bid prices. On August 20, 1975, the contracting officer determined that Norwood met the standards outlined in Federal Procurement Regulations (FPR) § 1-1.1203-1 and § 1-1.1203-2 (amend. 95 Aug. 1971) and is therefore responsible within the meaning of FPR § 1-1.1202 (amend. 95 Aug. 1971).

We have long recognized that an allegation concerning the potential for a loss contract and the resultant difficulties encountered by the Government in receiving full and satisfactory performance is a matter of responsibility of the low bidder and its eligibility for award. See B-173276, August 19, 1971. Therefore, we view Columbia's arguments relative to Norwood's alleged lack of understanding of the contract specifications or unwillingness to comply therewith as questioning the responsibility of Norwood and not the responsiveness of its bid.

In Kelly Services, B-182071, October 8, 1974, 74-2 CPD 197 we stated that:

"This Office has discontinued its prior practice of reviewing bid protests involving a contracting officer's affirmative determination of responsibility of a prospective contractor since any such determination is largely within the discretion of the procuring officials who must suffer any difficulties experienced by reason of the contractor's nonresponsibility.  
/53 Comp. Gen. 931 (1974)/

Therefore, we concluded that:

"If pursuant to the applicable regulations the contracting officer finds the proposed contractor responsible, we do not believe the findings should be disturbed except for actions by procuring officials which are tantamount to fraud.  
/54 Comp. Gen. 66 (1974)/


Since no fraud has been alleged or demonstrated, we must decline to further consider the matter.

In reference to Columbia's contention that Norwood may seek to recoup its potential losses through contract changes during performance, we have held that an attempted "buy-in" does not afford a basis for rejection of a bid and that an award may not be withheld or disturbed merely because the low bid is below-cost. 53 Comp. Gen. 597 (1974). Furthermore, the appropriateness of contract modifications,

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and the amounts paid or received therefor, pertains to contract administration which is primarily a function and responsibility of the contracting agency, and is not ordinarily regarded as a matter for resolution under our Bid Protest Procedures. Kelly Services, B-182071, October 8, 1974, 74-2 CPD 197; B-173916, April 20, 1972. Accordingly, Columbia's contention concerning potential contract modifications will not be considered on its merits.

In view of the foregoing, there is no legal basis on which to question the award to Norwood.

  
Acting Comptroller General  
of the United States