

DECISION



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

FILE: B-190878

DATE: May 4, 1978

MATTER OF: Ainslie Corporation

DIGEST:

1. A bid in which prices are omitted is nonresponsive and must be rejected except in limited circumstances where from other prices in the bid a consistent pricing pattern is discernible which establishes evidence of error and the intended bid. Where bidder omits prices for last two items on IFB schedule, representing option quantities of similar pieces of equipment, no consistent pricing pattern is apparent and bid must be rejected.
2. Determination that bid price, which is \$271,000 greater than Government estimate and 34 percent above bidder's earlier price, is unreasonably high and that solicitation should be canceled are not unreasonable.

Ainslie Corporation (Ainslie) protests against the proposed award of a contract to the Granite State Machine Company, Inc. (Granite State) under IFB N00024-77-B-7268 issued by the Washington Navy Yard, Naval Sea Systems Command. Ainslie maintains that Granite State's bid is nonresponsive because it contains no prices for option quantities.

The subject IFB was issued on September 27, 1977 to procure 16 AN/BRA-34 combined communications mast antennas (6 AN/BPA-34(A) (model A) and 10 AN/BRA-34(B) (model B)), spare cables and an option for 2 model As and 7 model Bs.

The IFB required two prices, based on whether the first article test requirement could be waived, for items 0001 (6, model A), 0002 (10, model B) and 0004 (spare cables). Items 0008 and 0009 for, 2 model As

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and 7 model Bs respectively, provided for one price for each of these option quantities. Bidders were instructed that the prices for the option quantities would be evaluated in determining the low bidder. Granite State bid a unit price of \$59,960 with first article, and \$56,874, without first article, on Item 0001 and the same for Item 0002. No price was bid on the option quantities represented by Items 0008 and 0009. Ainslie bid unit prices of \$79,500 with first article and \$65,500 without for Items 0001 and 0002 as well as \$65,500 for Item 0008 and \$65,500 for Item 0009 representing the option quantities.

After bid opening the agency contacted Granite State and that firm stated that it erroneously omitted its prices for the option quantities and indicated that it intended to bid a unit price of \$56,874 for both option quantities.

The Navy wishes to accept Granite State's bid despite the omitted option prices. Its position is that the consistency of the pricing pattern in Granite State's bid is such that both the existence of the error - the omitted option prices - and the bid actually intended - \$56,874 - are clear from the face of the bid. Accordingly, the agency concludes Granite State made a mere clerical error, which does not affect responsiveness and may be corrected.

On the other hand Ainslie argues that Granite State's bid is nonresponsive since it fails to set forth a price for a required item. Further Ainslie contends that even if a consistent bidding pattern could be shown it is not relevant in this instance because the omitted prices are for option items and the failure to bid on such items may not be classified as a mistake but is a matter of responsiveness.

A bid is generally regarded as nonresponsive on its face for failure to include a price on every item as required by the IFB and may not be corrected. Con-Chen Enterprises, B-187795, October 12, 1977, 77-2 CPD 284 and

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cases cited therein. This rule is applicable to option items, such those in this case, which are to be evaluated at time of award. 51 Comp. Gen. 528 (1972).

This Office has recognized a very limited exception to this rule. Even though a bidder fails to submit a price for an item in a bid, that omission can be corrected if the bid, as submitted, indicates not only the possibility of error but also the exact nature of the error and the amount involved. Con-Chen Enterprises, supra. This exception is based on the premise that where the consistency of the pricing pattern on the bid establishes the error and the price, to hold that bid nonresponsive would be to convert an obvious clerical error of omission to a matter of responsiveness. 52 Comp. Gen. 604 (1973).

We do not believe that the exception is applicable to a situation such as the instant one where prices for all option quantities are omitted. Although both 52 Comp. Gen. 604, supra and Con-Chen Enterprises, supra, have applied the "bid pattern" exception and allowed correction of pricing omissions in option quantities neither case dealt with a situation where the entire option quantity or quantities were omitted. In Con-Chen Enterprises, supra the bidder omitted the price for the first of two option years while in 52 Comp. Gen. 604, supra the bidder omitted a price for the third of four option quantities. In both cases the intent to bid on option quantities was clear from the face of the bid as prices were inserted for the last option year and the final option quantity, respectively. Also in each instance the amount of the omitted price was made absolutely plain by the prices bid on the other portions of the option quantities.

In the instant case although a reasonably clear bidding pattern for the regular quantities can be established since no option quantities were bid it is not clear whether the pattern would hold for the option quantities. Further, since the entire option was omitted it is not clear from the face of the bid that the bidder, in fact, intended to bid the option quantities.

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Accordingly, we do not believe that Granite State's bid contains sufficient evidence of a bidding pattern for the option quantities to invoke the very limited exception to the rule requiring bids on all necessary items. Granite State's bid should be rejected as nonresponsive.

The Navy has determined that Ainslie's bid should not be accepted because it is unreasonably high. In this regard the Navy reports that Ainslie's bid is \$271,000 greater than its estimate for the requirement. It is also reported that Ainslie's bid with first article is \$377,840 greater than Granite State's first article bid while Ainslie's bid without first article is \$202,996 above Granite State's comparable bid. Further the Navy indicates that Ainslie's present bid is almost 34 percent higher than its bid for similar quantities of the same item in 1976. Since the only responsive bid is, according to the Navy, unreasonably high the agency proposes to cancel the IFB and resolicit the requirement. Ainslie objects to any cancellation based on the alleged unreasonableness of its bid price. In this connection Ainslie has submitted documents which detail the cost estimates used in setting its price.

The contracting agency has broad powers of discretion in deciding whether a particular price is unreasonable, (Swedlow, Inc., B-189751, December 21, 1977, 77-2 CPD 489) and whether a solicitation should be canceled. Our Office will not interfere with such determinations absent lack of reasonableness. W.G. Construction Corporation, B-188837, August 9, 1977, 77-2 CPD 100. The cost elements which a bidder has used in determining its price are not germane to the issue of price reasonableness.

In view of the rather significant difference between Ainslie's bid and the Government estimate, the prices bid by the other bidder and by Ainslie itself in an earlier procurement, we are unable to conclude that the agency's determinations that Ainslie's price was excessive and should be rejected and the solicitation canceled were unreasonable.

The protest is sustained in part and denied in part.


Deputy Comptroller General
of the United States