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DECISION



**THE COMPTROLLER GENERAL
OF THE UNITED STATES
WASHINGTON, D. C. 20540**

FILE: B-191205

DATE: July 6, 1978

MATTER OF:

Wichita Beverage, Inc., d/b/a/ Pepsi-Cola
and Seven-Up Bottling Company

DIGEST:

Where protester (incumbent contractor) was not solicited and only one bid was received, award need not be disturbed since there was significant effort to obtain competition, bid prices were reasonable, and there was no deliberate attempt to preclude protester from bidding.

Carswell Air Force Base issued invitation for bids (IFB) F41613-78-B-0003 for the procurement of soft drink syrup and carbonation and dispensing equipment for dining halls at Carswell, Sheppard, and Dyess Air Force Bases. Wichita Beverage, Inc., d/b/a/ Pepsi-Cola and Seven-Up Bottling Company (Wichita), protests the fact that its bid for the Sheppard Air Force Base contract was not solicited despite the fact that it had provided Sheppard Air Force Base with soft drink supplies and equipment during the preceding year and it had bid on soft drink contracts at Sheppard for the past 29 years. Wichita also asserts that it is a responsible bidder which would have bid on the Sheppard Air Force Base contract if its bid had been solicited, and, if awarded the contract, it would have provided satisfactory contract performance.

The contracting officer states that the IFB was forwarded to the prospective contractors on the bidders' mailing list, including the Pepsi-Cola Bottling Company of Fort Worth, Texas. At bid opening, it was found that only Coca-Cola Company (Coca-Cola) had submitted a bid for all three bases. It was also found that Pepsi-Cola's Fort Worth distributor, the only other bidder, submitted a bid for only Carswell Air Force Base because its franchise agreement did not permit it to service Sheppard or Dyess Air Force Base. The contracting officer was not aware of this franchise

arrangement until after bid opening. The contracting officer fully expected, based upon his past experience with a Coca-Cola distributor, that by providing a copy of the solicitation to Pepsi-Cola's Fort Worth distributor, either it or another Pepsi-Cola franchise company would submit bids for all three bases.

The contracts were awarded to Coca-Cola since Coca-Cola was the low bidder on the Carswell Air Force Base contract and the only bidder on the contracts for Sheppard and Dyess Air Force Bases.

Wichita, on the other hand, states that it was unreasonable to assume that Pepsi-Cola would submit bids for all three bases if the Fort Worth distributor were solicited. The contracting officer knew that the Fort Worth distributor would not bid outside of its territory. Further, it was unreasonable to assume that the Fort Worth distributor would forward the solicitation to the Pepsi-Cola franchise company or that the Pepsi-Cola franchise company would bid in competition with its local distributors. Moreover, the Air Force has ignored the fact that Wichita was one of the incumbent contractors at Sheppard Air Force Base and the contracting officer had Wichita's name and address. Nevertheless, Wichita's bid was not solicited. In addition, Wichita had requested that the contracting officer at Sheppard Air Force Base include its name on the bidders' mailing list. The contracting officer made a mistake by not soliciting Wichita's bid, and, as a result, there was no competition for the contract at Sheppard Air Force Base, since only one bid was submitted, Wichita has been deprived of a substantial portion of its income, and Coca-Cola will receive windfall profits.

In Michael C'Connor, Inc., b-185502, May 14, 1976, 76-1 CPD 326, we took note of numerous GAO decisions which have held that where adequate competition resulted in reasonable prices and where there was no purpose or intent on the part of the procuring agency to preclude a bidder from competing, bids need not be rejected solely because a bidder (even the incumbent contractor) did not receive a copy of the IFB. In

Reliable Elevator Corp., B-191061, April 27, 1978, 78-1 CPD 330, we noted that adequate competition is normally obtained if competitive bids are received. However, there is no legal requirement that no less than two bids must be received before a contract can be awarded. In fact, we stated in the above-cited case that a contract could be awarded to the only bidder if there was a significant effort to obtain competition, the bid price was reasonable, and there was no deliberate attempt to preclude a particular firm from bidding.

In the instant case, six prospective contractors were solicited. In our opinion, this constitutes a significant effort to obtain competition. The bid prices for Sheppard Air Force Base were lower than the bid prices for the Carswell Air Force Base contract. Furthermore, the bid prices for Sheppard Air Force Base were lower than the prices which the Air Force had been paying to both the protester and Coca-Cola under blanket purchase agreements during the preceding year. Consequently, it appears that Coca-Cola's bid prices for the Sheppard Air Force Base contract were reasonable. Finally, there is no evidence of record which indicates that the Air Force attempted to preclude Wichita from bidding.

Based on the foregoing, we cannot find that the award of the Sheppard Air Force Base contract to Coca-Cola was improper. Accordingly, the protest is denied.



Deputy Comptroller General
of the United States