

**DECISION**



*Martin*  
*15192 PLII*  
**THE COMPTROLLER GENERAL  
OF THE UNITED STATES**  
WASHINGTON, D.C. 20548

*[Protest Against Proposed Award of Air Force Contract]*

FILE: B-198543

DATE: October 16, 1980

MATTER OF: Shipco General, Inc.

**DIGEST:**

Where IFB solicits bids for moving 200 military family housing units (Item I) and for performing three types of repairs to damaged walls and ceilings (Items II-1, II-2 and II-3) and fails to provide space for the estimated total of Item II but beneath Item II provides space for bidder to insert "Total amount of bid item I, basic bid and the estimated total of item II", it is apparent from IFB and face of bid that by telegraphic amendment stating "ADD TO ITEM I BASIC BID \$348,100, ADD TO ITEM II \$348,100" bidder intended to increase bid for total project by \$348,100, not \$696,200.

Shipco General, Inc., (Shipco) protests the proposed award of a contract to G&S Construction, Inc., (G&S) under invitation for bids (IFB) No. F32605-80-B-0001 issued by the Grand Forks Air Force Base. For reasons discussed below, this protest is sustained.

The IFB called for bids to relocate 200 military housing units. Item I of the schedule called for a fixed, job-lot price for relocating the housing units. Item II called for prices for each of three types of repairs as follows:

**"ITEM II**

Furnish all plant, labor, material, equipment and supplies necessary to perform the following repair items in strict accordance with the project technical provisions:

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	<u>Est Qty</u>	<u>Unit</u>	<u>Unit price</u>	<u>Est Total</u>
1. Repair damaged ceilings by installation of 3/8" gypsum board (See Tech Provisions, Section 6.5, para 1.2.1).	40,000	SF	\$ _____	\$ _____
2. Repair cracked joints in walls or ceilings (See Tech Provisions, Section 6.5, para 1.2.2 and 1.3.2).	4,000	LF	\$ _____	\$ _____
3. Repair by replacement damaged gypsum board walls (See Tech Provisions, Section 6.5, para 1.3.1).	200	SF	\$ _____	\$ _____

Estimated total amount-Item II-1, 2, & 3

Total amount of bid item 1, basic bid and the estimated total of item II.

\$ \_\_\_\_\_

NOTE: 'BIDDERS MUST BID ALL ITEMS TO BE CONSIDERED RESPONSIVE'

The Air Force concedes the lack of a dollar sign and line opposite "Estimated total for Item II-1, 2 & 3" was an error.

For Item I, Shipco bid \$4,864,900 and for Item II, it bid \$32,000, \$2,000 and \$200 for subitems 1, 2 and 3 respectively. It provided no total next to "Estimated total amount Item II-1, 2 & 3." In the space provided for the total of Items I and II, Shipco inserted \$4,899,100 which equaled the total of Item I and the three subitems of Item II.

This bid compared as follows to the Government estimate (including profit) and the other bids received:

<u>Bidders</u>	<u>Items</u>			
	I	II-1	II-2	II-3
Shipco	\$4,864,900	\$32,000	\$2,000	\$200
Gov't. Est.	5,206,000	40,000	4,000	600
G&S	5,447,000	20,000	8,000	200

Triax	5,649,000	30,000	2,400	180
Twin City	5,925,000	19,536	2,600	150
Central	7,227,092	60,000	16,000	1,000
White	8,432,831.76	18,400	9,200	230

None of the six bidders made an entry on the Bid Schedule adjacent to "Estimated total amount - Item II-1, 2 & 3," apparently because no dollar sign followed by underscoring was provided at that point on the form. The Air Force filled in this total on the bid abstract, however, simply by adding each bidder's "estimated total" for each of the three repair items.

About an hour before bid opening, the Air Force received a telegram from Shipco stating "ADD TO ITEM I BASIC BID \$348,100, ADD TO ITEM II \$348,100." The Air Force states that before bid opening, it called Shipco and verified the wording of the telegram; Shipco states the telephone call merely confirmed receipt of the telegram after Shipco had earlier called and found the telegram had not as yet been received. The Air Force added \$348,100 to both Items I and II, increasing Shipco's bid by \$696,200 from \$4,899,100 to \$5,595,300.

After bid opening, Shipco called and insisted its total bid was \$5,247,200 and that its telegram had been misconstrued by the Air Force. Shipco argued that its intent was to add \$348,100 only to Item I - the basic bid - and that by its instruction "Add to Item II \$348,100", it meant for the Air Force to carry that figure forward to the bottom of the Schedule, beneath Item II, and to add it to the figure appearing beside "Total amount of bid item 1, basic bid and the estimated total of item II." Therefore, Shipco contended, the format of its telegram simply followed that of the solicitation Schedule and was intended to add only \$348,100 to its bid for the entire project. After review, the Air Force concluded that Shipco had made a mistake but there was no convincing evidence as to what price Shipco actually intended to bid. After being notified that it could withdraw but not amend the bid as recorded, Shipco protested to this Office.

Shipco insists it made no mistake and the only mistake, if any, was made by the Air Force in omitting the subtotal line for the three subitems comprising Item II. Shipco contends it fully complied with the plain meaning of the solicitation and it should not be held responsible for any mistakes of the Air Force in failing to make its desires clear. It points out the IFB consistently headed each item requiring a total price with

a title in underlined capital letters and that the only total price called for under Item II was a total of both Items I and II. It asserts the insertion of a total price for the three subitems of Item II would have been nonresponsive. Shipco further contends that as Item II requires three different prices plus only a total for Items I and II, the lump sum addition to Item II by the Air Force without apportioning the \$348,100 among the three subitems as well as the addition of the same amount to the total for Items I and II was unreasonable. Shipco contends the \$348,100 added to the three subitems of Item II made it obviously out of line with the scope of work and 1181 percent higher than the "average of the five lowest bids including the Government's estimate."

The Air Force contends its interpretation is the only reasonable one when the schedule is read as a whole. It denies Shipco's allegation that Items I and II clearly call for "two distinct alternative bids" and contends Items I and II were properly treated as separate parts of an overall bid with Item I requiring relocation and Item II requiring repairs only. Although it agrees Shipco's telegram making a lump sum adjustment to Item II without apportionment among the subitems was inappropriate, it argues that the telegram was another indication that Shipco made a mistake. The Air Force denies that any "ambiguity in the legal sense" exists with respect to the IFB.

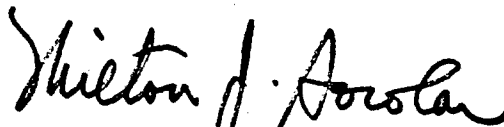
We find nothing in the record or the language and format of the IFB to support Shipco's contention that Items I and II required alternative bids. Item II clearly does not require relocation of the housing units and the evaluation plan clearly provides for the estimated total of Item II being added to the total of Item I. There is no evidence of an intention to award a contract which does not require performance under both Items I and II.

Even if the Air Force correctly viewed the Shipco bid as reflecting a mistake, however, we believe the bid properly could be corrected pursuant to Defense Acquisition Regulation § 2-406.3(a), since the intended bid could be clearly and convincingly ascertained substantially from the invitation and the bid itself, especially when Shipco's bid is compared with the others. Weathertrol, Inc., B-188929, August 11, 1977, 77-2 CPD 113. In this

regard, we note that virtually all of the work to be done was included within Item I and the wall and ceiling repairs contained in Item II were a relatively insignificant aspect of the project. In fact, a review of the Government estimate and the bids received shows a consistent pattern as to the relative value of Items I and II: stated in terms of the bid prices, at most the repairs under Item II represented about one percent of the total cost of the work.

Under these circumstances, and particularly in view of the fact that beneath Item II the IFB requested the "Total amount of bid item 1, basic bid and the estimated total of item II", we believe Shipco's intended bid is readily apparent. We find no ambiguity in Shipco's telegram unless it is interpreted in the context of the "ABSTRACT OF BIDS CONSTRUCTION" which contains the Item II totals as calculated by the Air Force. However, this abstract reflects the IFB format as apparently intended by the Air Force but not the actual IFB format to which all bidders responded. The telegram itself clearly instructed that Item I be increased by \$348,100 and Item II by the same amount. It is apparent from Shipco's bid that its intent was that the second \$348,100 be added to the total of Items I and II and not to a total which did not exist in the IFB. Under these circumstances, the Air Force's action in adding \$348,100 to both Items I and II and \$696,200 to the total of Items I and II in response to Shipco's instructions was unwarranted and we find no grounds to support the Air Force's position that Shipco's intended price could not be ascertained.

We therefore are recommending to the Secretary of the Air Force that the Shipco bid be considered for award. We also note with approval that the Air Force has already undertaken corrective action by way of a training program to insure more careful preparation and review of future solicitations.



For the Comptroller General  
of the United States