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DECISION



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

FILE: B-204358

DATE: February 8, 1982

MATTER OF: Uffner Textile Corporation

DIGEST:

Where agency determines after bid opening that specifications overstate its minimum needs, cancellation of solicitation is proper.

Uffner Textile Corporation (Uffner) protests the determination to cancel invitation for bids (IFB) No. 8FCB-B3-DW-D7362, issued by the General Services Administration (GSA) for the Department of Agriculture, Forest Service.

Based on the following, we find there was a compelling reason to cancel the IFB and deny Uffner's protest.

The IFB solicited general purpose, synthetic-filled sleeping bags, to be manufactured in accordance with various specifications, including military specification MIL-B-41826 for batting material. No revision to MIL-B-41826 was specified.

Eight bids were received. South Winds Manufacturing, Inc. (South Winds), submitted the lowest bid (\$29.62 for the item "A" destination and \$29.87 for items "B" and "C" destinations), and Uffner submitted the second low bid (\$40.1135 for all items).

The contracting officer (CO) believed South Winds' bid price was out of line and requested verification. South Winds responded that its bid was mistakenly based on revision "D" of MIL-B-41826, which had been superseded by the current revision "E." According to GSA, the only substantive difference between these revisions is that revision "D" called for Celanese Polarguard batting material, while revision "E" specified Polarguard, and also allowed DuPont Hollofil, an apparently less expensive batting material. South Winds advised that,

if its sleeping bag was manufactured to meet revision "E," its price would have to be increased. At this point, the CO contacted two other bidders concerning MIL-B-41826 and discovered one bid on revision "E" and another on superseded revision "C."

The CO notified all bidders that the IFB was canceled because of the problem with the specifications, two bidders not receiving the latest revision. Further, the CO referred to Forest Service advice that the specification for the sleeping bag's zipper was in error since the zipper had never been manufactured. Uffner protested to our Office that the cancellation was improper, South Winds' bid should be rejected as nonresponsive, and Uffner should receive the award.

GSA initially supported Uffner's position on the cancellation. As a result, the IFB was reinstated. Each bidder was asked to extend its offer until November 13, 1981. However, because South Winds failed to give GSA a timely unequivocal statement extending its bid, GSA rejected that bid. GSA then evaluated Uffner's bid. The CO once again determined that the IFB should be canceled and readvertised, based on the following:

"1. The price of sleeping bags offered by Uffner was unreasonable. The difference in the price of the bags offered by Uffner and the low bidder [South Winds] was 35%;

"2. The use of revised specifications requirements for batting and zippers will result in lower overall costs for the bags."

The CO also points to the Forest Service's position that the IFB specified a nonstandard custom manufactured zipper not currently manufactured. The Forest Service advises that it is unaware of any source for the currently specified zipper. In addition, the Forest Service submits that each bidder was given a \$3.01 quote from the same zipper manufacturer, YKK Manufacturing Co. However, it is argued that the zipper YKK intended to supply was its larger size zipper which was too stiff and not satisfactory for

the intended use of the sleeping bags. Furthermore, the CO provides that YKK will have available, with an 8-week leadtime, a smaller zipper that would comply with the style to be specified in a new IFB. This small zipper would cost only \$1.83. The record indicates that the currently specified custom zipper would require a 6-month leadtime. In addition, the CO submits that a less restrictive batting requirement, which would permit three types of batting material (Polarguard, Hollofil and Kodafill), would increase competition by allowing more sleeping bag manufactures to bid. The CO also states that this will result in a \$2 cost reduction per bag.

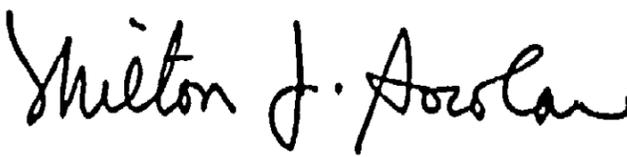
Uffner contends that the CO's determination of price unreasonableness is an abuse of discretion. Uffner argues that its price cannot be compared to that of a bidder which did not bid on the same specifications. Uffner believes the Forest Service's estimate of savings under a new specification is unsupported. Moreover, Uffner submits that its bid contemplated the use of the cheaper Hollofil batting rather than Polarguard, the more expensive batting. Uffner states that its bid was in strict accordance with the specifications. With respect to the specified zipper, Uffner contends that there is no evidence to show that the cost of this zipper affected the reasonableness of its price. Uffner states that the exact cost factored into its composite unit bid price was not the \$3.01 quote from the zipper manufacturer. Uffner concludes that the CO's determination of price unreasonableness was based on conjecture and "was not based on any analyzed investigation or evaluation of data reasonably available to her."

This Office has often stated that a solicitation may be canceled after bid opening only when a compelling reason for the cancellation exists. See, e.g., 52 Comp. Gen. 285 (1972); 49 *id.* 671 (1969). In determining whether such a reason exists, one of the factors which must be considered is whether the best interest of the Government would be served by making an award under the initial solicitation. Haughton Elevator Division, Reliance Electric Company, 55 Comp. Gen. 1051 (1976), 76-1 CPD 294; Edward B. Friel, Inc., 55 Comp. Gen. 231 (1975), 75-2 CPD 164.

Where it is determined that an invitation for bids contains specifications which overstate the minimum needs of the procuring agency, or the agency after bid opening decides that the needs of the Government can be satisfied by a less expensive design differing from that on which bids were invited, there exists a compelling reason for cancellation of the invitation. Praxis Assurance Venture, B-190200, March 15, 1978, 78-1 CPD 203. Here, as the agency reasonably determined that the use of the small zipper and less restrictive batting specification would be more cost effective and satisfy the needs of the Government, the cancellation of the IFB was not only proper but was required. See Ikard Manufacturing Company, B-192248, September 22, 1978, 78-2 CPD 220. In addition, the IFB in regards to delivery required three preproduction samples to be provided by the contractor within 20 calendar days, one-third of the quantity for each destination delivered within 45 days of the acceptance of the samples, the second one-third within 75 days of sample acceptance and the balance within 105 days. It is clear that the lead time apparently needed for the manufacture of the custom zipper would not meet the specified delivery schedule.

In this circumstance, we need not discuss the issue of price reasonableness.

We deny the protest. However, we recommend that in the future GSA specify the revision of the military specification which applies to the procurement.

for 
Comptroller General
of the United States