

Support
2397

DECISION



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

FILE: B-210025

DATE: January 11, 1983

MATTER OF: Morse Diving Equipment Company, Inc.

DIGEST:

1. No basis exists to preclude a contract award because bidder may have submitted below-cost bid.
2. GAO does not review affirmative determination of responsibility except in limited circumstances not applicable here.
3. An allegation that a firm will not be able to comply with IFB requirements will not be considered since it involves a matter of contract administration which is the function and responsibility of the contracting agency.

Morse Diving Equipment Company, Inc. (Morse), protests any award to Umpqua Marine Ways, Inc. (Umpqua), under invitation for bids (IFB) No. N00024-82-B-4406, issued by the Department of the Navy (Navy). Morse argues that Umpqua submitted an unreasonably low bid. In view thereof, Morse questions whether the firm is a responsible bidder and will comply with the requirements of the solicitation.

With respect to below-cost bids, we are aware of no legal principle on the basis of which an award may be precluded or disturbed because bidders have submitted below-cost bids. See J & R Cleaning & General Maintenance, B-206343, February 19, 1982, 82-1 CPD 148, and cases cited. Rather, the question of whether a bidder can adequately perform the contract at its bid price depends on the responsibility of the bidder. Before award, the agency must make an affirmative determination of the awardee's responsibility. Our Office does not review such a determination absent a showing that the contracting officer acted fraudulently or in bad faith or that definitive responsibility criteria in the solicitation have not been met. Neither exception has been alleged here.

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With regard to Morse's suggestion that Umpqua will not comply with the IFB requirements, this matter pertains to contract administration which is the function of the contracting agency. Tenavision, Inc., B-208857, September 21, 1982, 82-2 CPD 256; Nedlog Company, B-204557, September 21, 1981, 81-2 CPD 235.

We dismiss the protest.

Harry R. Van Cleve
Harry R. Van Cleve
Acting General Counsel