

**DECISION**

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

*27441***FILE:** B-213272**DATE:** February 15, 1984**MATTER OF:** Commercial Envelope Manufacturing  
Company, Inc.**DIGEST:**

Cancellation of IFB after bid opening was proper where specifications were inadequate and compelling reason exists to revise specifications to reflect government's minimum needs.

Commercial Envelope Manufacturing Company, Inc. (Commercial), protests the cancellation, after bid opening, of solicitation jacket No. 610-225, issued by the Government Printing Office (GPO) for a quantity of envelopes. Commercial also protests the resolicitation of the requirements under solicitation jacket No. 610-225-R and the subsequent award to another firm. Commercial contends that cancellation was unnecessary and requests our Office to reinstate the original invitation for bids (IFB) and award the contract to Commercial as the lowest responsive and responsible bidder. For the following reasons, we find the protest is without merit.

The original IFB, issued on September 6, 1982, solicited bids for brown kraft envelopes, requisitioned by the Internal Revenue Service (IRS). The specifications did not require a certain seam construction. At bid opening on September 20, 1983, GPO discovered that Commercial, the low bidder, proposed to furnish envelopes with side seam construction while the sample envelope from IRS, which was not furnished bidders, utilized center seam construction. GPO raised the issue of seam construction with IRS, which responded that center seam construction was essential. The contracting officer determined that cancellation and resolicitation with proper specifications were necessary because the original specifications were not explicit enough to declare Commercial's bid nonresponsive and to procure the envelope required by the agency. The IFB was reissued with the requirement of center seam construction and award was made to Service Envelope Company on October 13, 1983, notwithstanding the protest, because of IRS's urgent need for the envelopes.

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Commercial contends that cancellation and resolicitation were unnecessary from an operational and technical standpoint, because side seam envelopes will work effectively in all mechanical inserting equipment. The contracting officer justifies his decision to cancel the solicitation on the grounds that the original invitation was deficient because it did not reflect the government's actual needs.

This Office has long recognized that contracting officials have broad discretion to determine whether a solicitation should be canceled and the requirement reprocured. Apex International Management Services, Inc., 60 Comp. Gen. 172 (1981), 81-1 CPD 24. Our review is limited to the question of reasonableness of the exercise of discretion. Professional Carpet Service, B-212442; B-212442.2, October 24, 1983, 83-2 CPD 483.

However, because of the potential adverse impact on the competitive bidding system of canceling an invitation after bid prices have been exposed, contracting officers, in the exercise of their discretionary authority, must find that a compelling reason exists for the cancellation. Engineering Research Inc., 56 Comp. Gen. 364 (1977), 77-1 CPD 106; Pacific Scientific Company, Gardner-Neotec Division, B-208193, January 18, 1983, 83-1 CPD 61. The determination of whether a sufficiently compelling reason exists is primarily within the discretion of the agency and we will not disturb it unless it is arbitrary, capricious or not supported by substantial evidence. Surgical Instrument Company of America, B-211368, November 18, 1983, 83-2 CPD 583.

Generally, the use of inadequate or ambiguous specifications provides a sufficient basis for invitation cancellation. Central Mechanical, Inc., B-206030, February 4, 1982, 82-1 CPD 91. Federal Procurement Regulations § 1-2.404-1(b) (1964 ed. amend. 121). Specifications are inadequate when they do not state the government's actual needs. Kemp Industries, Inc., B-192301, October 2, 1978, 78-2 CPD 248. Thus, our Office will not object to the cancellation of a solicitation containing inadequate specifications when an award under that solicitation would not satisfy the government's minimum needs. Central Mechanical, Inc., supra.

While it is unfortunate that the inadequacy in the specifications was not discovered before bid opening, under the above standards, we conclude that the contracting officer's decision to cancel the IFB was reasonable since the specifications in the original IFB were not explicit enough to procure the center seam envelope needed by the IRS.

The protester also argues that bidding should not have been limited to one type of envelope construction, but should have permitted either type of seam construction and, thus, award should have been made to Commercial. An award may not be made under an inadequate solicitation if the actual needs of the government would not be met. Oregon Typewriter & Recorder Company, B-200890, May 22, 1981, 81-1 CPD 405. Here, an award to Commercial under the original solicitation would not have met the actual needs of the government and, therefore, the monetary savings Commercial contends were available are irrelevant.. Additionally, we have no reason to question the revised specification for center seam construction since government procurement officials are in the best position to know the government's needs and to draft appropriate specifications. Atkinson Marine Corporation, B-210483, June 21, 1983, 83-2 CPD 10.

The protest is denied.

*Milton J. Fowler*  
for  
Comptroller General  
of the United States