

**DECISION**

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

**FILE:** B-216489

**DATE:** December 21, 1984

**MATTER OF:** G&L Oxygen & Medical Supply  
Services

**DIGEST:**

1. Protest alleging that award should be made on the basis of unit price without regard to total contract cost is denied since it would result in award to other than the actual low bidder for the entire contract period which is inconsistent with the requirement that award be made on the basis of the most favorable cost to the government.
2. Award to actual low bidder is proper where there has been no showing that competition was adversely affected by the absence of an explicit statement in the IFB that bidders' monthly rental charges would be extended over the contract term in determining the lowest aggregate bidder.

G&L Oxygen and Medical Supply Services (G&L) protests the proposed award of a contract to American Medequip Corporation under invitation for bids (IFB) 631-3-85, issued by the Veterans Administration (VA) for home oxygen services and the maintenance of all support equipment for homebound VA beneficiaries at the VA Medical Center, Northampton, Massachusetts.

We deny the protest.

The contract is for a 1-year term with two 1-year options. The solicitation included seven bid items and for each item, the VA specified an estimated quantity of articles or services that may be ordered during the contract term. The IFB indicated that award would be made to the responsible bidder quoting the lowest aggregate price for all items, for any group of items, or on an item by item basis, whichever is more advantageous to the government.

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Line item 7 was for a liquid oxygen reservoir. This item was listed as follows on the bid schedule:

"7. Liquid Oxygen Reservoir consisting of a holding unit and a portable unit  
 Rental per month  
 27 ea. \$ \_\_\_\_\_"

The VA states that a monthly charge was requested because rentals are normally billed on a monthly basis. However, in evaluating the overall cost for this item, the VA extended the total monthly rental cost over the entire contract term of 12 months. The VA argues that although this method was not clearly set forth in the IFB, it is consistent with the requirement that award in an advertised procurement be made to the lowest responsive, responsible bidder on the total amount of work to be awarded. The VA contends that there has been no showing that the VA's evaluation method adversely affected competition and that the circumstances do not warrant the cancellation and resolicitation of the present IFB. The VA argues that award should be made to Medequip, the actual low bidder for the entire contract period.

G&L claims that the VA's bid evaluation method was improper since there was nothing in the IFB which indicated that the monthly rental charge would be extended over the 12-month contract term. G&L contends that the monthly rental charge should have been multiplied by the estimated quantity and then simply added to the remaining items to arrive at the total bid price. Under this evaluation method, G&L's bid would have been evaluated as low.

Our decisions have held that award in an advertised procurement must be made to the lowest responsive, responsible bidder measured by the total work to be awarded. Williams Elevator Company, B-210049, Sept. 15, 1983, 83-2 C.P.D. ¶ 327; Square Deal Trucking Co., Inc., B-183695, Oct. 2, 1975, 75-2 C.P.D. ¶ 206. In addition, we have clearly stated that where, as here, award is to be for a 1-year period, an award to a bidder who is low only based on monthly prices without regard to the extension of bid prices for the total contract term, cannot be said to have been made to the lowest bidder. Square Deal Trucking Co., Inc., B-183695, supra.

Here, the low bidder for the total amount of work to be awarded is clearly Medequip. While the IFB did not explicitly state that the monthly rental charge would be extended over the 12-month period, we do not consider this omission critical since we think it unreasonable for bidders to assume that a contract for a 1-year period will be evaluated based on the lowest monthly price rather than the overall cost to the government for the total contract term. Accordingly, we find that the VA's evaluation methodology, although not specifically set forth in the IFB, was proper and entirely consistent with the mandate of 41 U.S.C. § 253(b) (1982), which requires award on the basis of the most favorable cost to the government. While G&L asserts that the IFB misled bidders in the preparation of their bids, there has been no showing that competition was adversely affected. Therefore, award can be made to the lowest properly evaluated bidder.

The protest is denied.

*for*   
Comptroller General  
of the United States