

DECISION

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

FILE: B-218080

DATE: March 19, 1985

MATTER OF: Porta-John Corporation

DIGEST:

1. A mathematically unbalanced bid is one in which a nominal price is submitted for some work and an enhanced price is submitted for other work.
2. Even if awardee's low bid is mathematically unbalanced, bid is acceptable since protester has not established that award will not result in lowest ultimate cost to the government.
3. No basis exists to preclude contract award merely because bidder may have submitted below-cost bid.

Porta-John Corporation (Porta-John) protests the award of a contract for the rental and maintenance of portable toilets to Consolidated Portable Sanitation (Consolidated) under invitation for bids (IFB) No. MOO681-85-B-0016 issued by the United States Marine Corps. Porta-John complains that the awardee's bid was unbalanced and, therefore, should not have been accepted.

We deny the protest.

Porta-John bases its protest on the price bid by Consolidated on item three, fiberglass or plastic chemical toilets installed for a period less than 1 month. The protester states that the unbalanced nature of Consolidated's bid is demonstrated in four different ways: (1) a comparison of Consolidated's bid for item three with the prices bid by others in this and the previous procurement indicates that Consolidated's price is approximately five times less than the next lowest price; (2) a comparison of Consolidated's price for this item with the price the firm bid for item one, which is an item of a similar nature, shows that Consolidated bid a lower price for item three than for item

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one, even though item three is more expensive to perform; (3) an estimate of the cost to provide item three shows that Consolidated will suffer a heavy loss in meeting the requirements of this item; and (4) an independent party's inquiry of Consolidated for the firm's rates for the rental of portable toilets similar to the service required under item three resulted in the quotation of a much higher price than the firm bid for this contract.

A mathematically unbalanced bid is one in which a nominal price is submitted for some work and an enhanced price is submitted for other work. Ace Van & Storage Company, B-213915, July 16, 1984, 84-2 C.P.D. ¶ 47. While Porta-John states that the awardee's bid for item three was lower than Porta-John thinks it had to be in light of the costs involved, it does not allege that the awardee priced other items unreasonably high.

In any event, even if Consolidated's bid were mathematically unbalanced, it could still be accepted. Only when a bid is materially unbalanced, i.e., there is reasonable doubt that award to the bidder submitting a mathematically unbalanced bid will not result in the lowest ultimate cost to the government, must the bid be rejected. Ace Van & Storage Company, B-213915, supra. We have found material unbalancing only where the quantity estimates stated in the solicitation are not valid or where evaluated option years are not reasonably expected to be exercised. ABC Siding & Remodeling, B-213390, July 10, 1984, 84-2 C.P.D. ¶ 32. Since Porta-John has not shown these conditions to exist here, the bid prices cannot be considered materially unbalanced.

Under these circumstances, we conclude that it was proper to accept Consolidated's bid, which is almost \$500,000 less than Porta-John's for the maximum possible contract period and approximately \$160,000 less for the base year alone.

Porta-John's actual concern seems to be that Consolidated bid lower on item three than what its cost will be in order to receive the award. However, the fact that a firm may have submitted a below-cost bid does not constitute a legal basis for precluding a contract award.

Microform Inc.--Reconsideration, B-208117.2, Sept. 27, 1983,
83-2 C.P.D. ¶ 380.

for *Sydney Egan*
Harry R. Van Cleve
General Counsel