



The Comptroller General  
of the United States

Washington, D.C. 20548

## Decision

Matter of: Albert Construction Company

File: B-224437

Date: September 15, 1986

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### DIGEST

Whether irrevocable letters of credit tendered after contract award are acceptable alternatives to sureties on performance and payment bonds involves a matter of contract administration not cognizable under General Accounting Office Bid Protest Regulations.

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### DECISION

Albert Construction Company protests the Navy's refusal to accept irrevocable letters of credit in lieu of performance and payment bonds under a contract awarded pursuant to invitation for bids (IFB) No. N62477-86-B-2054 for demolition work at the Naval Research Laboratory. We dismiss the protest.

The solicitation required that within 10 days of award, the awardee furnish performance and payment bonds. Award was made to Albert on June 27, 1986, and on July 9 Albert provided two irrevocable letters of credit authorizing the Navy to draw on Citizens Bank & Trust Company of Maryland amounts up to \$26,792 and \$13,396. The Navy refused to accept the letters of credit since they were not among the types of security listed in the Federal Acquisition Regulation (FAR) as acceptable alternatives to sureties on performance and payment bonds, 48 C.F.R. § 28.203 (1985), and because by their terms both letters expired before the contract would be completed. Albert then protested to our Office.

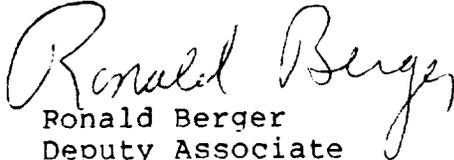
Albert states that a Navy representative informed it that letters of credit would be acceptable and argues that neither the regulations nor the solicitation prohibited the use of letters of credit. The Navy states that it informed Albert

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that a letter of credit would be acceptable as a bid bond rather than as a performance or payment bond. Further, the Navy maintains that in a later preaward conference it informed Albert that letters of credit would not be acceptable.

We will not consider the protest. Questions such as this, arising after contract award, involve matters of contract administration, which are not cognizable under our Bid Protest Regulations. See 4 C.F.R. § 21.3(f)(1) (1986); Singleton Contracting Corp., B-212594, Jan. 23, 1984, 84-1 CPD ¶ 96. We therefore cannot rule on the matter.

The protest is dismissed.

  
Ronald Berger  
Deputy Associate  
General Counsel