



The Comptroller General
of the United States

Washington, D.C. 20548

Decision

Matter of: Holk Development, Inc.

File: B-230830.2

Date: December 1, 1988

DIGEST

A bid is considered responsive even though the bid bond expires prior to award due to extensions of the bid acceptance period.

DECISION

Holk Development, Inc., protests the proposed award of a contract by the General Services Administration (GSA) to Specialty Electric Co., under invitation for bids (IFB) No. GS-11P-88-MQD-0145, issued for the acquisition of electric construction services. Holk argues that Specialty's bid was nonresponsive because its bid bond expired.

We deny the protest.

The IFB was issued on January 22, 1988, seeking sealed bids for an indefinite quantity term contract for general electrical construction on various Department of Defense buildings throughout the Washington metropolitan area. Bid opening was on March 3, 1988. After the low bidder was determined to be nonresponsive, Specialty was found to be the low bidder.

Specialty submitted a bid bond with its bid, as required by the solicitation. Specialty's bid bond, executed on a Standard Form 24, and guaranteed by a corporate surety, was considered acceptable.

On March 16, Specialty's corporate surety notified GSA that it would not issue performance and payment bonds; on March 17 a replacement corporate surety was located by Specialty's

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insurance agent. Holk then filed a protest with our Office on March 28, contending that Specialty's bid should not be considered because of the replacement corporate surety. We dismissed the protest on grounds that affirmative determinations of responsibility are generally not reviewed by our Office.

On April 25, a pre-award survey showed Specialty to be financially nonresponsive and the matter was referred to the Small Business Administration (SBA) for the possible issuance of a certificate of competency (COC) on June 24. Because of delays associated with the issuance of the COC, award was not made within the bid acceptance period stated in the IFB, and the contracting officer obtained extensions of the bids.

Specialty, by letter dated May 2 extended its bid by 30 days. By letter dated June 1 Specialty again extended its bid until September 15. The protester extended its bid to September 2, and also voluntarily extended its bid bond until August 2. The SBA issued a COC to Specialty on July 29.

Holk now contends that because Specialty's bid bond expired prior to the proposed date of award, the requirement of a bid bond was not fulfilled, Specialty's bid became non-responsive and award to Specialty would be improper.

It is GSA's position that the expiration of the bid bond, due to extensions of the bid acceptance period, does not render the proposed award to Specialty invalid. GSA contends that such extensions were not required, so that failure to provide extensions of the bid bond has no effect on the responsiveness of the bid. We agree.

The extensions of the bid acceptance period were for the benefit of the government. As noted by GSA, Specialty's failure to voluntarily extend its bid bond when it extended its bid was not a failure to comply with the requirements of the IFB. Furthermore, Specialty's bid could not be considered nonresponsive, since at the time of bid opening its bid was responsive as it met all IFB requirements. Where, as here, the IFB does not require extensions of the bid bonds, a responsive bid can be accepted by the government, even though the bid bond expires prior to award due

to extensions of the bid acceptance period. Niedermeyer-
Martin Co., 59 Comp. Gen. 73 (1979), 79-2 CPD ¶ 314; Engle
Acoustic & Tile, Inc., B-190467, Jan. 27, 1978, 78-1 CPD
¶ 72.

The protest is denied.

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for James F. Hinchman
General Counsel