



The Comptroller General
of the United States

Washington, D.C. 20548

Decision

Matter of: Constantine N. Polites & Co.

File: B-235304

Date: July 5, 1989

DIGEST

Although multiple awards were permitted by the solicitation, award of a single contract, rather than multiple awards, is proper where single award was less costly to the government than two awards.

DECISION

Constantine N. Polites & Co. protests the award of a contract to Patent Scaffolding Company under request for proposals (RFP) N00151-89-R-0022, issued by the Philadelphia Naval Shipyard (PNSY) for scaffolding components. The protester contends that a single aggregate award of a line item to Patent is improper because the RFP permitted split awards, and that split awards are in the best interest of the government, since Polites offered a lower price for less than the total quantity required. Polites also alleges that the agency's action restricts competition since only a firm that offers the full quantity can be considered for award.

We deny the protest.

The RFP was issued January 3, 1989, and amended three times. Line item 2, the subject of this protest, sought offers for 3,079 units of scaffolding components. Amendment 3 incorporated Federal Acquisition Regulation § 52.214-22, which provides that offers will be evaluated on the basis of advantages or disadvantages to the government that might result in making more than one award and that it is assumed, for the purposes of evaluating offers, that \$250 would be the administrative cost to the government for issuing and administering each contract awarded under the RFP. The provision further states that each contract awarded under this solicitation will be for the items or combination of items that result in the lowest aggregate cost to the government, including administrative costs.

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Polites, which submitted the only proposal by the initial February 3 closing date, offered to supply only a partial quantity of 1,500 units at \$18.50 each. Because no offers were received that met the government's stated requirement of 3,079 units, amendment 1 was issued to extend the closing date. Patent submitted an offer of 3,079 units at \$19.45 prior to the closing date. On April 10, Polites revised its offer to 1,348 units at \$18.50 each.

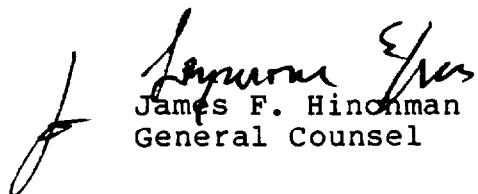
In order to determine the most economical way for the government to obtain the required total quantity of 3,079 units, the agency requested best and final offers on quantities of 1,348 units, 1,731 units, and 3,079 units. Patent submitted a price of \$19.45 for 3,079 units for a total of \$59,886.55 and a price of \$20.67 for quantities of 1,348 and 1,731 units. Polites offered 1,348 units at \$18.30 for a total of \$24,668.40. The agency conducted an evaluation to determine whether it would be more economical to award the entire quantity to the low offeror on the total quantity, or make two awards to the low offerors on the split quantities. PNSY determined that making two awards would result in paying Polites \$24,668.30 for 1,348 units, Patent \$35,779.77 for 1,731 units, and \$250 in administrative costs for a total of \$60,698.17. Because this exceeded the \$59,886.55 offer of Patent, the entire quantity was awarded to Patent. This protest followed.

We disagree with Polites' contention that it was improper for PNSY to award the entire quantity to Patent. The award was consistent with the stated evaluation factor for award provision. As indicated above, the amended solicitation merely stated that multiple awards were permissible and that the agency would evaluate offers to determine if multiple awards would be more advantageous than one award, considering a \$250 administrative cost for issuing and administering each contract awarded. The record clearly shows that a split award for this requirement would have resulted in a higher cost to the government, even without addition of \$250 for administrative costs. Since Polites advances no reasons as to why the agency's evaluation that Patent's offer for the total quantity was low was faulty, we have no basis to question the agency's determination that two awards would have been more costly to the government than a single award for the entire amount. See Muschong Metal & Mfg. Co., B-221410, Apr. 4, 1986, 86-1 CPD ¶ 327.

With respect to Polites' assertion that competition is restricted to only firms which offer full quantities, there is no evidence in the record that supports such a conclusion. Had Polites or any other offeror submitted a more

advantageous price which would have offset the added administrative costs of two awards, there is no reason to believe that the agency would not have evaluated the offers, as it did here, in accordance with the RFP in a manner which would result in the lowest aggregate cost to the government.

The protest is denied.



J
James F. Hinckman
General Counsel