



Comptroller General  
of the United States

Washington, D.C. 20548

## Decision

**Matter of:** Allied Production Management Co., Inc.  
**File:** B-237745  
**Date:** January 24, 1990

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### DIGEST

1. Bid is properly rejected where the bidder is found nonresponsible for its failure to establish the acceptability of individual bid bond sureties.
2. A responsibility determination need not be referred to the Small Business Administration where it is based solely on the unacceptability of individual bid bond sureties.

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### DECISION

Allied Production Management Co., Inc. (APMCO), protests the rejection of its bid under invitation for bids (IFB) No. N62474-89-B-5287, issued by the Department of the Navy, for gymnasium repairs at the Naval Weapons Station in Seal Beach, California. The Navy rejected APMCO's bid on the ground that its sureties had failed to present adequate proof of individual net worth equal to or exceeding the penal sum of the bid bond. APMCO contends that the documentation furnished on behalf of its sureties evidences sufficient net worth.

We deny the protest.

APMCO was the apparent low bidder in response to this solicitation which required a bid bond in an amount equal to the lesser of \$3 million or 20 percent of bid price. APMCO's bid was guaranteed by individual sureties, Anthony Kaufman and John Sullivan, but the contracting officer found he could not determine accurately their net worth from the documentation which had been provided on their behalf and saw no reason for further inquiry.

We recently considered the issue of whether APMCO was properly rejected by the Navy on the basis that these same two individual sureties had failed to establish a net worth

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equal to or exceeding the penal sum of a bid bond. See Allied Prod. Management Co., Inc., B-237126 et al., Dec. 22, 1989, 89-2 CPD ¶ \_\_\_\_. The documentation submitted by APMCO on behalf its sureties in that case is essentially the same as that submitted under the present IFB. The protester's arguments against the agency's rejection are also virtually identical. In the December 22 decision, we found that the Navy reasonably concluded that APMCO had failed to furnish sufficient data to permit the agency's acceptance of Messrs. Kaufman and Sullivan as individual bid bond sureties.

AMPCO contends that the Navy was obligated to request further information before rejecting its sureties. However, the documentation requested and obtained from APMCO on these very same sureties in the December 22 case cast legitimate doubts on the acceptability of the sureties and raised serious questions concerning their credibility. Under the circumstances, the contracting officer was not obliged to request additional information regarding the sureties but could reject AMPCO without further discussion. See Seaworks, Inc., B-226631.2, Dec 22, 1989, 89-2 ¶ \_\_\_\_.

Finally, APMCO contends that the Navy was compelled to refer this case for a certificate of competency (COC) determination by the Small Business Administration (SBA). We have held previously that a responsibility determination need not be referred to the SBA by a contracting officer whose nonresponsibility determination is based solely on the unacceptability of a surety as opposed to some qualification of the small business itself. See AMPCO, Inc., B-237126, supra.

The protest is denied.

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for James F. Hinchman  
General Counsel