



Comptroller General
of the United States
Washington, D.C. 20548

Decision

Matter of: Pamfilis Painting, Inc.
File: B-237968
Date: April 3, 1990

Sidney J. Cohen, Esq., for the protester.
Vicki E. O'Keefe, Esq., Department of the Navy, for the agency.
Paula A. Williams, Esq., and John F. Mitchell, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

DIGEST

Agency's decision to reject an obviously mistaken bid was reasonable where the bidder failed to submit its original work sheets to support its bid calculations and there is reasonable doubt that the bid price included all costs associated with the work required by the solicitation.

DECISION

Pamfilis Painting, Inc., protests the rejection of its bid and the award of a contract to Condor Painting under invitation for bids (IFB) No. N62474-87-B-2382, issued by the Department of the Navy for re-roofing, painting, and exterior repairs of military family housing units at the Naval Air Station in Alameda, California.

The IFB was issued on August 17, 1989. The total bid price was to be the sum of a base bid and unit prices for several line items. The base bid work was described in the IFB's specifications and drawings as primarily re-roofing, painting, and deck coating; the unit price items were listed on the bid schedule and described as prices to be "used to adjust the contract price for any increase or decrease in actual quantities within the range of 85% and 115% of the estimated quantities." The estimated cost for the repair work was listed on the IFB as between \$500,000 and \$1,000,000.

At bid opening on September 18, 11 firms submitted bids ranging from Pamfilis's low bid of \$318,750 to a high bid of \$912,300. The government's estimate was \$570,738--\$561,418

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lump-sum base bid and \$9,320 unit price total--compared to Pamfilis's lump-sum base bid of \$290,000 and \$28,750 for the line items.^{1/} The Navy suspected a mistake in Pamfilis's bid because it was approximately 44 percent below the government estimate and initiated bid verification with Pamfilis to determine whether the firm could support its bid.

Three bid verification meetings were held with Pamfilis-- September 22 and 27, and on November 9, respectively. Prior to the first bid verification meeting, the protester was asked to furnish its original work papers from which its bid was prepared. In response thereto, at the September 22 meeting Pamfilis submitted a one-page post-bid opening unit price calculation for the line items. During this meeting, the procurement officials reviewed the contract requirements, specifications, government estimate, and bid submission with Pamfilis to ensure that the firm's bid represented a clear understanding of the scope of work. The agency reports that it became apparent that Pamfilis did not understand the requirements of the IFB and in some instances, had misread the IFB requirements.

For example, the Navy states Pamfilis did not appear to understand that the roof replacement consists of corrugated paneling as well as a built-up bituminous roofing system to be installed using specially certified laborers; the protester was unaware of the special requirements for installation of deck coating again using specially certified laborers; and, Pamfilis was unaware that water and other utilities would be contractor-furnished, not government-furnished. As a consequence thereof, the procurement officials suspected the firm had underbid the job and again asked Pamfilis to furnish the original work papers it used to calculate its lump-sum base bid.

Despite two other bid verification meetings with Pamfilis, the agency continued to question several omissions in the protester's bid and the protester's interpretation of the scope of work. The agency concluded that the protester did not price several essential items of work required by the solicitation and that the bid contained numerous errors based on Pamfilis's erroneous interpretation of the IFB requirements. The contracting officer rejected Pamfilis's bid because he determined that acceptance of the bid would

^{1/} During the pendency of the protest, the Navy revised its estimate for roof repairs from 14,165 square feet to 4,780 square feet resulting in a downward adjustment of the government's estimate to \$522,555.

be unreasonable and unfair to the protester and other bidders. The contract was awarded to Condor.

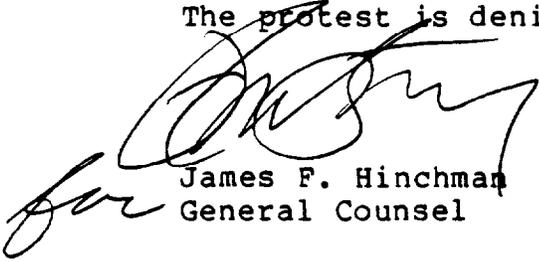
Pamfilis takes the position that its total bid price is not too low and that it is the Navy's estimate which is too high. Despite the fact that prior to rejecting its bid the Navy held three meetings with Pamfilis in an effort to verify its bid, in its bid protest Pamfilis has come forward only in a piecemeal fashion with explanations of its bid pricing, and none of the explanations are based on pre-bid opening work sheets or other similar contemporaneous documentation. We do not find the protester's position persuasive for the reasons discussed below.

A contracting officer's decision to reject an apparently mistaken bid under the authority of the Federal Acquisition Regulation § 14.406-3(g)(5) is subject to question only where it is shown to be unreasonable. See TLC Financial Group, B-237384, Jan. 26, 1990, 90-1 CPD ¶ 116; Veterans Administration-Advance Decision, B-225815.2, Oct. 15, 1987, 87-2 CPD ¶ 362. Moreover, an obviously erroneous bid may not be accepted even if it is verified by the bidder. Id.

The contracting officer's decision to reject Pamfilis's bid was reasonable. The record demonstrates that there is a significant disparity in Pamfilis's bid and the government estimate for many elements of work which creates reasonable doubt that the protester understood the scope of work required by the IFB. For example, the agency was particularly concerned about the \$62,000 disparity between Pamfilis's bid of \$2,000 (which it later alleged should have been \$20,000 because of a clerical error) and the government estimate of \$64,000 for deck coating. The agency points out that the deck coating specifications in the IFB require a specialized three layer elastomeric system consisting of a special primer, a fiber mat with filler and an elastomeric top coat. The Navy maintains that deck coating primer and finish are not the same as primer and finish for painting and are much more expensive than paint. As evidence that the protester still does not understand the deck coating requirements, the agency notes that in Pamfilis's latest breakdown of its costs--furnished in its comments on the agency report--Pamfilis estimated the same price for the deck coating primer and finish as the primer and finish for painting. The protester does not refute the agency's claim that the material costs for deck coating is greater than the material costs for paint nor does the protester explain if its labor costs for this requirement included the costs associated with the use of specially certified laborers.

Similarly, the record indicates that the Navy questioned whether Pamfilis's bid included the costs associated with (1) the specialty painting required in the solicitation, i.e., railing and trim painting, metal and fence painting; (2) demolition, (3) quality assurance, and (4) utilities, water, scaffolding and tools. While Pamfilis denies any mistake in its bid and continues to maintain that its total bid price is reasonable and includes all costs reasonably associated with all items of work to be performed, the protester has not furnished any probative evidence to support its bid calculations. As noted above, Pamfilis was repeatedly asked to furnish its original work papers which Pamfilis has failed to provide. In view thereof, and in view of the disparities between Pamfilis's bid and the government estimate, the contracting officer reasonably rejected Pamfilis's bid as mistaken. See TLC Financial Group, B-237384, supra.

The protest is denied.



James F. Hinchman
General Counsel