



Comptroller General
of the United States

Washington, D.C. 20548

Anne B Perry
145-5-102

Decision

Matter of: Iowa-Illinois Cleaning Co.

File: B-245543

Date: January 2, 1992

Alvern Weed, Esq., for the protester,
Gabriel N. Steinberg, Esq. and A.R. Dattolo, Esq., General
Services Administration, for the agency.
Anne B. Perry, Esq., and Paul Lieberman, Esq., Office of the
General Counsel, GAO, participated in the decision.

DIGEST

Agency properly rejected bid as nonresponsive where bidder failed to submit a bid guarantee, required under the solicitation for base bids in excess of 125,000, and protester's base bid, calculated in accordance with the solicitation formula, exceeded the \$25,000 threshold.

DECISION

Iowa-Illinois Cleaning Co. protests the rejection of its bid as nonresponsive under invitation for bids (IFB) No. GS-04P-91-EWC-0081, issued by the General Services Administration (GSA) for janitorial and mechanical maintenance services at the Post Office/Courthouse in Jackson, Tennessee. Iowa-Illinois alleges that since its base bid is under \$25,000, it was not required to submit a bid bond with its bid.

We deny the protest.

The solicitation, issued June 24, called for a base year contract with two 1-year options. Prices were to be quoted for general recurring services and for additional services, which were to be quoted on an hourly basis. Section B, paragraph 2 of the IFB stated, in relevant part: "The total number of hours of additional service estimated to be required during the initial or any option period is 300 hours." The IFB also provided for a separate price for snow removal services, also to be quoted on an hourly basis, with a maximum of 40 hours.

The low bidder was to be determined in accordance with the following "Formula for Award":

"(a) The monthly price for Supplement to Standard Form 33 for the initial year of [basic janitorial and maintenance] service, multiplied by 12 months.

"(b) The per hour rate for productive additional services, Section B, paragraph 4A multiplied by 300 hours.

"(c) The per hour rate for removal of snow and/or ice accumulated using chemicals and tools, Supplement to SF 33, multiplied by 40 hours.¹

"(d) The per hour rate for removal of snow and/or ice accumulation using heavy equipment, Supplement to SF 33, multiplied by _____ hours.²

"(e) For evaluation purposes, the Government will assume a 8 percent increase in the Service Contract Act wage determination during the first year and escalate monthly price, the rates for productive additional services, and snow removal, if required, for option Lot I services

"(f) For evaluation purposes, the Government will assume a 17 percent increase in the Service Contract Act wage determination during the first two years and escalate the monthly price, the rates for productive additional services, and snow removal, if required, for option Lot II services

(1) The total price to be used for establishing the low bidder/offeror shall be determined by adding the products of (a), (b), (c), (d), (e) and (f) above." (Emphasis added.)

The solicitation also provided that if a bid exceeded \$25,000, a bidder was required to furnish a bid guarantee in a penal amount of 20 percent of the bid price "for the term of the contract (excluding options to extend the term of the contract, if any) or \$3,000,000, whichever is less." The clause further stated that "For bid guarantee purposes the amount of the bid shall be deemed to be the aggregate of each unit price bid multiplied by the applicable number of units shown on the bid form or in the method of award formula." (Emphasis added.)

¹The 40-hour figure was added to the IFB in amendment 1.

²Since no figure was included here, the multiplier is 0.

Eight bids were received by the July 25 bid opening date, and Iowa-Illinois was the apparent low bidder with a bid of \$27,000. Iowa-Illinois was notified by a letter dated August 6 that its bid was rejected as nonresponsive because it did not include a bid bond as required by the solicitation for bids over \$25,000. Iowa-Illinois protested this determination to the contacting agency on August 14, arguing that its base bid was only \$24,960, and therefore it was not required to submit a bid bond. The protester argued that it was unfair to consider the costs of additional services to determine whether its bid exceeded \$25,000 since there was no guarantee that these hours would be used. The agency denied Iowa-Illinois' protest by a letter dated August 21, on the basis that the IFB clearly stated that the method of evaluation of total cost included the additional services, and that to the extent that Iowa-Illinois challenged the award criteria, its protest was untimely. Iowa-Illinois protested this determination in our Office on September 6.

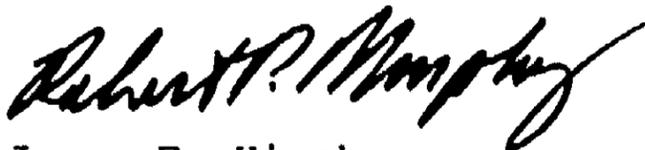
The protester now argues that since the award formula references a nonexistent paragraph 4A as the additional services, the total bid for purposes of the bid guarantee requirement must consist of only the base bid prices included in part "a" of the above award formula; otherwise the IFB is ambiguous.

The simple answer is that even if Iowa-Illinois' interpretation of the IFB were reasonable, the protester has not challenged the inclusion of the additional snow removal services, and when Iowa-Illinois' price of \$240 for these services is included, as is clearly required by the award formula, its bid is \$25,200, which is above the \$25,000 threshold for a bid guarantee. We also note that while the award formula inaccurately references the other additional services as being found in paragraph 4A of section B, there is no such paragraph within section B. The additional services in question are clearly described in paragraph 2 of section B, and an interpretation of the solicitation which simply eliminates these services would be unreasonable. DJ's Servs., Inc., B-240623, Dec. 5, 1990, 90-2 CPD ¶ 459. Additionally, the bidding schedule has a specific line item for this category of additional services for which bidders were required to submit an hourly price and for which the protester entered a price. Reading the solicitation as a

whole, the only reasonable interpretation is that the agency intended to evaluate the costs of these additional services in the award formula.³

Since Iowa-Illinois failed to provide the required bid guarantee, and the submission of a required bid guarantee is a material condition of responsiveness with which a bid must comply at the time of bid opening, the protester's bid was properly rejected as nonresponsive. Blakelee, Inc., B-239794, July 23, 1990, 90-2 CPD ¶ 65.

The protest is denied.


for James F. Hinchman
General Counsel

³To the extent that Iowa-Illinois is challenging the inclusion of the costs of these potential additional services in the total bid, the protest is untimely since the formula was included in the IFB and the protest was not filed until after bid opening. 4 C.F.R. § 21.2(a)(1) (1991), as amended by 56 Fed. Reg. 3759 (1991).