



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

Martin-Rolsky

146039

Decision

Matter of: Advanced Design Fabrication Corporation
File: B-246341
Date: March 2, 1992

David A. Hearne, Esq., Outland, Gray, O'Keefe & Hubbard, for the protester.
Kerry L. Miller, Esq., Office of General Counsel, Government Printing Office, for the agency.
Leo F. Sharpe, Jr., Esq., for Printcraft Press, an interested party.
Neill Martin-Rolsky, Esq., and Barbara Timmerman, Esq., Office of General Counsel, GAO, participated in the preparation of the decision.

DIGEST

When evaluating bids under an IFB, the Government Printing Office may reduce a bidder's prices through adjustments intended to reflect prompt payment discounts offered by that bidder (even though this adjustment displaces another bidder's seemingly lower bid) because provisions incorporated by reference into the IFB provide for such adjustments.

DECISION

Advanced Design Fabrication Corporation (ADFC) protests the award of a contract to Printcraft Press, Inc. (Printcraft) under an invitation for bids (IFB) issued by the Government Printing Office (GPO) for a 1-year term requirements contract to obtain metal and plastic identification and information label plates and cut vinyl letters for the Department of the Navy, Program 2398-S. ADFC claims that GPO improperly displaced its lower bid prices by adjusting Printcraft's prices to reflect prompt payment discounts.

We deny the protest.

Three bidders responded to the IFB. ADFC bid \$204,008.18 with no discount for prompt payment. Printcraft bid \$207,952.94, with a 2 percent discount on payments made within 20 days. A third firm, Virginia Art Metal & Plastics (VAMP) bid \$356,709.16 with a 1 percent discount for payments made within 10 days. In order to evaluate the bids, GPO applied Printcraft's prompt payment discount to

reduce its bid to \$203,793.89, which made it the lowest bidder.¹

GPO made this adjustment pursuant to terms from the publication known as "GPO Contract Terms," which GPO maintains was incorporated by reference into the IFB.² This specifies, in section 9 (under the heading "Solicitation Provisions"), that

"Prompt Payment discounts offered by bidders will be applied by the Government as follows:

(a) Evaluation.

(1) Unless otherwise provided in the specifications, prompt payment discounts offered for payment within less than 20 calendar days will not be considered in evaluating bids for award.

(2) When prices are offered in response to an IFB, any prompt payment discount which is eligible for consideration in the evaluation of bids (i.e., for a period of 20 days or more) will be applied directly to the prices offered." GPO Pub. No. 310.2 (Rev. 9-88) (Emphasis added.)

GPO Contract Terms is prepared and issued by GPO to help prospective bidders and contractors to understand and comply with GPO's Printing Procurement Regulation.³ The quoted provision is consistent with that regulation, which specifies that GPO's contracting officers "for evaluation

¹ VAMP's 10-day discount did not qualify for consideration under GPO Contract Terms, Solicitation Provision 9(a)(1).

² The opening sentence of section 1 of the IFB states that "[a]ny contract which results from this Invitation for Bids will be subject to the applicable articles of GPO Contract Terms (GPO Pub. 310.2, effective December 1, 1987 (Rev. 9-88)) . . ." The very next sentence of the IFB should have underscored the relevance of the cited publication to the solicitation process since it offered a clarification of how one particular "solicitation provision" from that publication (relating to facsimile bids) would be applied to this IFB.

³ As a legislative branch agency, GPO is not subject to the Federal Acquisition Regulation or its general prohibition on evaluating prompt payment discounts. Cf. Capitol Hill Blueprint Co., B-220354, Nov. 13, 1985, 85-2 CPD § 550.

purposes, deduct from the bid price prompt payment discounts of 20 days or more." GPO Pub. No. 305.3 (Rev. 10-90).

ADFC contends that the IFB does not adequately indicate that GPO intended to adjust the prices bid by any prompt payment discounts offered. It also contends that the provisions quoted above from GPO's regulation and GPO Contract Terms are not consistent with section 3 of the IFB, "Determination of Award." This section states that "[t]he Government will determine the lowest bid by applying the prices quoted [by each bidder] in the 'Schedule of Prices' to . . . units of production [specified in the IFB] which are the estimated requirements to produce one year's order under this contract." ADFC argues that the IFB provision must control when such inconsistencies arise, and that, under the IFB provision, ADFC is the lowest bidder.⁴

We have previously considered the arguments made by ADFC in this respect in Capitol Hill Blueprint Co., B-220354, Nov. 13, 1985, 85-2 CPD ¶ 550. As we indicated then, we find no legal merit in these arguments. Bidders were clearly notified in the IFB to refer to the GPO Contract Terms. That complies with GPO's governing regulation and dictates that when it evaluates bids, GPO must adjust bidders' prices to reflect discounts offered. As we pointed out in Capitol Hill Blueprint Co.,

"there is nothing in the [IFB]'s statement that the government will determine the lowest bid by applying the prices quoted to the number of units required that either prohibits or is inconsistent with adjusting the quoted prices by an offered discount. A solicitation must be interpreted as a whole, giving effect to every word, clause, or sentence."

⁴ ADFC also argues, in passing, that Printcraft "did not enter its total bid price on the [GPO] form 910 and therefore did not submit a complete bid" and that the IFB incorporated only those portions of GPO Contract Terms relating to facsimile bids. Neither of these points is persuasive. First, ADFC itself has pointed out that the IFB specifically directed bidders not to complete the bid price portion of form 910 and required them to provide this information elsewhere in the bid. Second, the language of the IFB clearly refutes the interpretation offered by ADFC. (See note 2, supra.)

We find no basis to question GPO's award to Printcraft.
The protest is denied.

[Signature] James F. Hinchman
General Counsel

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