



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

Decision

Matter of: Service Technicians, Inc.
File: B-249329.2
Date: November 12, 1992

I.F. Thomas, Esq. for the protester.
Leonard G. Crowley, Esq., and Paul M. Fisher, Esq., Naval Facilities Engineering Command, Department of the Navy, for the agency.
Linda C. Glass, Esq., and Michael R. Golden, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

DIGEST

Protest by incumbent contractor that solicitation for housing maintenance and repair services is defective because the selected contractor is required to perform change of occupancy maintenance and other repair services on a lump-sum, fixed-price basis and because it does not provide reliable information needed to bid on these services is denied where the solicitation contained information such as detailed performance standards, layout drawings, opportunities for site visits, number of changes of occupancy per month, and fiscal year occupancy, that should be sufficient to permit bidders, using their expertise, to adequately estimate the cost of performing the services and thus to compete intelligently and on an equal basis.

DECISION

Service Technicians, Inc. (STI) protests the terms of invitation for bids (IFB) No. N68711-92-B-6421, issued by the Department of the Navy for military family housing maintenance and repair services at the Marine Corps Air Stations at El Toro and Tustin, California. STI, the incumbent contractor at Tustin, contends that the IFB is defective because the IFB contains a pricing scheme which imposes an unreasonable risk on bidders and lacks sufficient information regarding the services to be performed to permit STI to submit a meaningful bid.

We deny the protest.

The IFB, which solicits bids on a combination lump-sum fixed-price and indefinite-quantity basis for a base year and four 1-year options, is a follow-on to a contract for similar services that the protester is currently performing at Tustin. The IFB requires the selected contractor to furnish all labor, materials and supervision necessary to maintain and repair the housing facilities as described in section C of the IFB. The requirement is divided into two line items; one for the lump-sum fixed-price work, the other for indefinite-quantity work. Line item 0001 on the bid schedule requires bidders to enter a single lump-sum bid for all fixed-price work set forth in the statement of work; line item 0002 is the total for various subline items identified as indefinite-quantity work. The IFB required bidders to provide a firm, fixed price for repairs or replacement of appliances and change of occupancy maintenance at El Toro.

The solicitation also contained detailed performance standards, layout drawings for each type of housing unit, the fiscal year (FY) occupancy level, and the monthly number of changes of occupancy. The solicitation included the number, make, model, and age of appliances to be serviced. The solicitation also included historical service calls data and historical appliance replacement data. Offerors were also invited to participate in a site visit.

STI maintains that the IFB data only includes the total number of service calls for El Toro but does not indicate what portion of those service calls was devoted to appliance repairs. STI objects to the agency's failure to provide estimates as to the amount of repair work on the appliances at El Toro. STI also asserts that the information provided on the replacement of appliances at the El Toro facility is inadequate; only ranges of 50-164 for kitchen stove units and 50-107 for refrigerator units are given. STI contends that these broad ranges are inadequate for bidding purposes.

As a general rule, a procuring agency must give sufficient detail in a solicitation to enable offerors to compete intelligently and on a relatively equal basis. See Hero, Inc., 63 Comp. Gen. 117 (1983), 83-2 CPD ¶ 687. Where estimates are provided in a solicitation, there is no requirement that they be absolutely correct; rather, they must be based on the best information available and present a reasonably accurate representation of the agency's anticipated actual needs. DSP, Inc., B-220062, Jan. 15, 1986, 86-1 CPD ¶ 43. In addition, there is no legal requirement that a solicitation be so detailed as to eliminate all performance uncertainties; such perfection, while desirable, is manifestly impractical in some procurements, and the mere presence of a risk factor does

not render a solicitation improper. Benco Contract Servs., B-233748, Feb. 24, 1989, 89-1 CPD ¶ 205. Rather, offerors properly may be left to exercise some business judgment in preparing their proposals. Petchem, Inc., B-233006, Feb. 8, 1989, 89-1 CPD ¶ 126.

We find that the information concerning appliances in the IFB is not defective. The solicitation contains the number of service calls per month for El Toro for FY 1988-1991, and for the first 7 months of 1992.¹ As previously stated, the solicitation also contains detailed information as to the make, age, size, and numbers of various appliances to be maintained. It also includes historical data at El Toro for FY 1990, 1991, and the first 7 months of calendar year 1992 for replacement of ranges, hot water heaters, refrigerators, dishwashers, smoke alarms, garbage disposals, and water closets. While STI argues that the wide range of replacement quantities for appliances at El Toro is not an adequate basis for bidding purposes, STI does not establish that the El Toro historical data is inaccurate or is not the best information available.

The information the agency has provided adequately describes the appliances to be maintained. This information shows that a large portion of the appliances at El Toro have recently been replaced. For example, the historical data shows that more than 60 percent of the appliances are 6 years old or less. In fact, more than 75 percent of the ranges and dishwashers are 6 years old or less. We think a firm could make some reasonable estimates of which of these items will need replacement or major repairs during the course of this contract.² As stated above, estimates need only be based on the best information available and there is no showing that the information furnished is not the best information available. AAA Eng'g & Drafting, Inc., B-236034, Oct. 31, 1989, 89-2 CPD ¶ 404.

¹The protester questions the fact that more detailed information on appliance repairs are provided for Tustin than for El Toro. We simply note that at El Toro the requirement was previously performed by government employees and apparently there was no requirement to maintain such detailed records.

²STI argues that since the government has the unilateral right to determine the number of actual appliance replacements, this represents an additional risk. The solicitation states, however, that the contracting officer will direct a contractor to replace appliances only where the appliance is beyond economical repair.

STI also argues that the agency improperly included change of occupancy maintenance in the firm, fixed price portion of the solicitation.³ STI maintains that its experience at Tustin demonstrates the unreliability of change of occupancy historical information and imposes upon the bidders an unreasonable and unpredictable risk. STI contends that change of occupancy maintenance is unsuitable for a firm, fixed-price contract because the performance uncertainties cannot be identified and reasonable estimates of cost impact cannot be made.

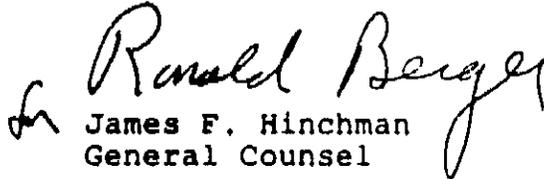
The agency reports that prior to the development of historical data change of occupancy maintenance requirements were included in the indefinite-quantity portion of the solicitation. The agency states that it has included the change of occupancy maintenance requirements in the firm, fixed-price portion on the last two procurements and maintains that the historical data provided has been reliable and adequate. According to the agency, including the change of occupancy maintenance requirements in the fixed-price portion of the solicitation allows the contractor full management control of the work and greatly reduces the paperwork. The agency states that a contractor can limit the change of occupancy work by providing good service in response to service calls, and that including the change of occupancy as a fixed-price item provides an incentive for a contractor to not delay service calls or provide poor service where a change of occupancy may be pending.

The determination of the government's minimum needs and the best method of accommodating them is primarily the procuring agency's responsibility; our Office will not question that determination unless it is unreasonable. Bean Dredging Corp., B-239952, Oct. 12, 1990, 90-2 CPD ¶ 286. The solicitation defines in detail the change of occupancy maintenance scope of work. The solicitation includes a maintenance checklist, a make-the-unit-ready-cleaning checklist and performance standards. Offerors are provided the number of change of occupancy per month from 1987 to 1991, and the FY occupancy level from 1986 to 1991. STI does not argue that the change of occupancy maintenance work requirements are unreasonable but maintains that the quantities are so indefinite as to pose an unreasonable risk. We think the estimates and scope of work provided are sufficient to inform bidders of the amount and type of work which it can anticipate under the contract. Again, STI has

³Change of occupancy maintenance refers to the work needed to make a unit ready for occupancy, such as interior and exterior routine maintenance, equipment preventive maintenance, repairs and interior painting.

not shown that this information is inaccurate and, as stated above, the presence of some element of risk does not mean that a solicitation is improper. We consider the information furnished in the solicitation sufficient to enable prospective bidders to estimate their costs and to compete intelligently and on an equal basis.

The protest is denied.


James F. Hinchman
General Counsel