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

Decision

Matter of: Hughes & Smith, Inc.
File: B-250770
Date: January 22, 1993

Jack Rephan, Esq., Sadur, Pelland & Rubinstein, for the protester.
Albert J. Andersen for Albert J. Andersen, Inc., an interested party.
Robert S. Brock, Esq., Federal Emergency Management Agency, for the agency.
John Formica, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

DIGEST

Protest that bid is unbalanced is dismissed where the protester does not allege that the bid contained overstated prices and there is no doubt that the acceptance of the bid will result in the lowest overall cost to the government.

DECISION

Hughes & Smith, Inc. protests the award of a contract to Albert J. Andersen, Inc. under invitation for bids (IFB) No. EMV-92-B-0313, issued by the Federal Emergency Management Agency (FEMA) for construction services. Hughes & Smith contends that Andersen's bid was materially unbalanced and should have been rejected by the agency.

We dismiss the protest.

The IFB, issued August 26, 1992, contemplated the award of a firm, fixed-price contract for a base bid item representing the basic construction services, and three option items representing additional construction services to be performed if sufficient funds became available. The IFB included the standard "Evaluation of Options" clause, set out at Federal Acquisition Regulation § 52.217-5, which states in relevant part that the government will evaluate bids for award purposes by adding the total price for all options to the total price for the basic requirement.

Four bids were received in response to the solicitation. Andersen, the apparent low bidder, and Hughes & Smith, the next low bidder, bid as follows:

	Andersen	Hughes & Smith
Base item	\$133,400	\$139,630
Option 1	158,000	127,870
Option 2	22,150	27,867
Option 3	51,500	96,734
TOTAL	\$365,050	\$392,101

Hughes & Smith argues that Andersen's bid is "materially unbalanced" because "[o]nly when all three options are taken into consideration does [Andersen's] bid become the lowest bid."

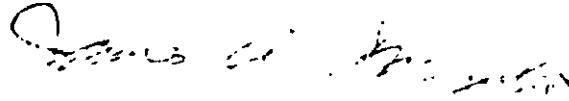
Before a bid can be rejected as unbalanced, it must be found both mathematically and materially unbalanced. Oregon Iron Works, Inc., B-247845, May 27, 1992, 92-1 CPD ¶ 474. A bid is mathematically unbalanced where it is based on nominal prices for some of the items and enhanced prices for other items. OMSERV Corp., B-237691, Mar. 13, 1990, 90-1 CPD ¶ 271. A bid cannot be found mathematically unbalanced absent evidence that it contains prices which are overstated. IMPSA Int'l, Inc., B-221903, June 2, 1986, 86-1 ¶ 506. A mathematically unbalanced bid is considered materially unbalanced and cannot be accepted where there is reasonable doubt that acceptance of the bid will result in the lowest overall cost to the government. Star Brite Constr. Co., Inc., B-244122, Aug. 20, 1991, 91-2 CPD ¶ 173.

Hughes & Smith has neither argued nor shown that Andersen's bid contains understated prices for some items and overstated prices for others. As Hughes & Smith has not alleged that Andersen's bid contained any overstated prices, its assertion that Andersen's bid is unbalanced is without merit. GAI, B-241465, Oct. 15, 1990, 90-2 CPD ¶ 292. To the extent that the protester meant to argue that Andersen's prices were overstated in comparison with the prices of Hughes & Smith's bid, a comparison of a competitor's prices with one's own prices does not by itself establish price enhancement or that a bid is unbalanced. David Boland, Inc., B-244817, Oct. 29, 1991, 91-2 CPD ¶ 397.

Moreover, because the agency has now exercised all the options due to available funding, there is no doubt that award of the contract to Andersen will result in the lowest overall cost to the government, so it cannot be said that

Anderson's bid is materially unbalanced, even assuming it was mathematically unbalanced.

The protest is dismissed.

A handwritten signature in dark ink, appearing to read "James A. Spangenberg", is written above the typed name.

James A. Spangenberg
Assistant General Counsel