



Comptroller General
of the United States

Washington, D.C. 20548

Decision

Matter of: Red Lion Hotel

File: B-251219

Date: March 4, 1993

Belinda J. Bessey for the protester.

David H. Brunjes, Esq., Department of the Treasury, for the agency.

Jeanne W. Isrin, Esq. and John M. Melody, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

DIGEST

In procurement for lodging and conference services, agency acted properly in not evaluating an \$800 hotel account credit added by protester at the end of its pricing schedule, where contracting officials reasonably interpreted the credit as intended for miscellaneous expenses and not as a reduction in contract price.

DECISION

Red Lion Hotel protests the award of a contract to Quebec Street Investments Inc. (Sheraton Colorado Springs Hotel) under invitation for bids (IFB) No. FTC 92-31, issued by the Federal Law Enforcement Training Center, Department of the Treasury, for lodging and conference services in support of training seminars.

We deny the protest.

The solicitation was issued on September 30, 1992. Five bids were received by the November 2 bid opening. The contracting officer determined that Quebec was the apparent low bidder at \$40,425, and that Red Lion was second low at \$43,373.60. After being informed of the bidding results, Red Lion argued to the agency that its bid had been improperly evaluated in several respects, including (relevant here): (1) the contracting officer erroneously included 7-day rates in evaluating several items for audio visual equipment whereas 5-day rates were the appropriate amounts; (2) the total amount for item 0001D, \$1,935, should have been reduced by \$430 because the bid indicated that 2 rooms per day would be at no charge; and (3) an \$800 hotel account credit was not subtracted from its total bid.

The agency conceded that the 5-day figure should have been included for the audio visual equipment, resulting (along with a minor extension error) in a reduction in Red Lion's bid to \$41,209. The agency did not agree with Red Lion's remaining arguments, however, and the adjusted bid remained second low. Red Lion filed this protest with our Office on November 4. On November 6, the agency proceeded to award the contract pursuant to a finding of urgent and compelling circumstances under Federal Acquisition Regulation § 33.104(b)(1). Performance was completed on November 20, 1992.

Red Lion reiterates its argument that its evaluated bid price should have been reduced by \$430 for the 2 complimentary rooms and by \$800 for the hotel credit. Because the difference between the apparent low bid and Red Lion's revised bid is \$784, the \$430 deduction, even if appropriate, would not change the outcome. We thus consider only Red Lion's argument concerning the \$800 credit.

At the end of the bid schedule in its bid, Red Lion stated: "ADDITIONAL CONCESSIONS OFFERED: . . . * \$800.00 credit to group master account to be used at hotel at discretion of FEDERAL LAW ENFORCEMENT." Red Lion claims this was meant to be a credit that the agency could apply to offset the contract price (that is, to reduce the price of lodging, meeting rooms, and equipment, the items included in the evaluated price), and that it thus should have been deducted from its evaluated price. However, the agency interpreted this language as offering the agency \$800 in hotel credit, not for items included in the contract price, but for additional items or services that might (or might not) be needed during the course of the conference; the agency concluded that this \$800 credit was not intended to be deducted from the basic contract price.

We find that the contracting officer's evaluation of Red Lion's bid without the \$800 credit was proper. While we see no reason why an overall contract price reduction could not be effected by a clear general statement in the bid to that effect, Red Lion's bid did not clearly indicate that the \$800 credit could be applied against the items that comprised the basic contract price. First, the language in the bid describing the credit--"group master account to be used at hotel"--did not specifically state that it could be applied against the contract price. The fact that Red Lion easily could have done so or, alternatively, just as easily could have built an \$800 price reduction into the line item prices, gave the agency reason to believe that such a price reduction was not intended. Moreover, the designation of the credit as an "additional concession offered" seems on its face to suggest that it was intended as a consideration apart from the line item prices listed above. This reading

is reinforced by the inclusion of "one complimentary Presidential Suite" and "two suite upgrades at the group rate of \$43.00 each" under the same "additional concessions offered" heading.

Even if we also considered Red Lion's interpretation of its bid to be reasonable, the bid could not be accepted. In this regard, where a bid is reasonably susceptible of being interpreted as offering either one of two prices shown on its face, only one of which is low, the bid must be rejected. Roy McGinnis & Co., Inc., B-239710, Sept. 24, 1990, 90-2 CPD ¶ 251. Red Lion's explanation as to what it intended could not be considered. Id.

Red Lion states that it set forth the \$800 credit based on advice from an unidentified person at the agency. It is well-established, however, that an offeror relies on such advice at its own risk. See Sharp Elecs. Corp., B-242302, Apr. 15, 1991, 91-1 CPD ¶ 374.

The protest is denied.


for James F. Hinchman
General Counsel