

DECISION



7/10/82
**THE COMPTROLLER GENERAL
OF THE UNITED STATES
WASHINGTON, D. C. 20548**

118801

FILE: B-206784

DATE: June 23, 1982

MATTER OF: Warfield & Sanford, Inc.

DIGEST:

Where only responsive bid was 70 percent above Government estimate, protest of cancellation of solicitation because of price unreasonableness is denied. Fact that resolicitation resulted in prices much higher than estimate has no bearing on propriety of cancellation since contracting officer had no way of predicting such prices.

Warfield & Sanford, Inc., protests the cancellation after bid opening of invitation for bids No. GS-1-C-20076, issued by the General Services Administration for elevator maintenance service. After GSA determined that the only responsive bid, which was submitted by Warfield, was unreasonable as to price, the solicitation was canceled. Warfield contends its price was reasonable and that award should have been made to it because Federal Procurement Regulations (FPR) § 1-2.404-1(a) requires that after bids are opened, award must be made to the responsible bidder offering the lowest responsive bid. We deny this protest.

Warfield's price of \$93,357.36 exceeded the Government's estimate of \$54,709.37 by \$38,647.99. The agency rechecked its estimate and made some adjustments, but was unable to find Warfield's price to be reasonable. The procurement was canceled and resolicited. As support for its contention that its price was reasonable, Warfield points out that in response to the resolicitation, three of the bidders submitted prices above its bid, which was again \$93,357.36, and the low bid was only \$7,857.36 below its bid.

Cancellation of an IFB after bid opening is authorized when all acceptable bids received are unreasonable as to price. FPR § 1-2.404(b)(5) (1964 ed.); McNamara-Lunz Vans & Warehouses, Inc., B-198259, August 11, 1980, 80-2 CPD 107. The determination of price reasonableness is a matter of administrative discretion which our Office will not question unless there is a showing of bad faith or fraud or it is unreasonable. No bad faith or fraud has been alleged here. When there is no evidence to the contrary at the time, the determination may be based upon a comparison with a Government estimate and we have recognized that such estimates are inherently inexact. The Holloway Company, B-197557, August 18, 1980, 80-2 CPD 128; Lashcon, Inc., B-201633, June 9, 1981, 81-1 CPD 469.

As Warfield's bid was about 70 percent above the Government estimate, we find no basis for questioning the contracting officer's decision in this case. We have found cancellation to be justified where the low bid was as little as 7.2 percent greater than the Government estimate. Building Maintenance Specialists, Inc., B-186441, September 10, 1976, 76-2 CPD 233.

Since there was no way the contracting officer could have known the resolicitation would result in prices closer to Warfield's bid than to its estimate, such prices have no bearing upon the propriety of his determination to cancel the initial solicitation. Custom Marine, Inc., B-198082, July 3, 1980, 80-2 CPD 9.

The protest is denied.

for Milton J. Fowler
Comptroller General
of the United States