

**DECISION**

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Smith  
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**THE COMPTROLLER GENERAL  
OF THE UNITED STATES  
WASHINGTON, D. C. 20548**

**FILE:** B-209694**DATE:** November 22, 1982**MATTER OF:** Guardian Security Agency, Inc.**DIGEST:**

Protest alleging that awardee cannot perform contract at bid price is dismissed because rejection of a below-cost bid requires a determination that the bidder is nonresponsible. If contracting agency makes affirmative determination of below-cost bidder's responsibility, GAO will not review it except in circumstances not present here.

Guardian Security Agency, Inc. protests the proposed award of a contract to Gilbert Security, Inc. by the General Services Administration under solicitation No. GS-11C-20343. The contract is for security services at the General Accounting Office and Pension Buildings in Washington, D.C. We dismiss the protest.

Guardian asserts that a minimum bid of \$8.27 an hour is required to cover wages, equipment, and overhead, and that acceptance of the Gilbert bid price of \$8.17 an hour would lead to a termination for default or result in Gilbert's inability to pay the \$7.48 an hour due its employees under a Department of Labor wage determination. Moreover, Guardian contends that Gilbert's bid price manifests a lack of understanding of the contract requirements.

The submission of a below-cost bid is not, standing alone, a proper basis to challenge the validity of a contract award. Gupta Carpet Professionals, Inc., B-204260, August 24, 1981, 31-2 CPD 172. The rejection of a bid as unreasonably low requires a determination that the bidder is not responsible. NonPublic Educational Services, Inc., B-204008, July 30, 1981, 81-2 CPD 69. In other words, before making award to

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Gilbert, the contracting officer must make an affirmative determination of the firm's responsibility. An affirmative determination will reflect the contracting officer's conclusion that Gilbert is capable of performing the contract, including meeting required wage levels and all other requirements of the specifications. Because such determinations are largely subjective business judgments, our Office does not review them absent a showing of possible fraud on the part of procuring officials or an allegation that definitive responsibility criteria contained in the solicitation were not applied.

Guardian has not alleged that either of these exceptions to our general policy applies; therefore, we will not consider its protest.

The protest is dismissed.

*Harry R. Van Cleve*  
Harry R. Van Cleve  
Acting General Counsel