

DECISION

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

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FILE: B-210049**DATE:** September 15, 1983**MATTER OF:** Williams Elevator Company**DIGEST:**

Invitation for bids containing bid evaluation clause which did not provide for award on basis of total cost of work was defective. Award to low bidder on total work is upheld, however, since protester has not shown prejudice.

Williams Elevator Company (Williams) protests the award of a 3-year contract to Global Crane Institute, Inc. (Global), for annual inspections and test monitoring of elevators under invitation for bids GS-04B-4PPBI issued by the General Services Administration (GSA), pursuant to 40 U.S.C. § 490(a)(14) (1976).

The protest is denied.

The work requirements of the contract were divided into four geographical areas. The solicitation contained a separate bid price schedule for each area. Each price schedule was subdivided according to the two work requirements--annual elevator inspections and monitoring 3 and 5 year load tests. Under each of those subdivisions was a list of different types of elevators with the number of each type. Next to each elevator type was a space for bidders to insert a unit price and an extended price (the unit price multiplied by the number of elevators of that type). At the bottom of each price schedule was a grand total line representing the sum of the extended prices for both types of work.

The method of bid evaluation clause stated that the grand total bid for each area will be determined by multiplying the number of units in a line item by the unit price and then adding those amounts.

The solicitation stated that the Government reserved the right to award a contract covering any combination of the areas. That is, there could be anywhere from one to four contracts. Award was to be made based on lowest grand total prices. The term of the contract was to be 3 years.

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Williams submitted the low total bid based on the addition of the four grand totals. Global was the second low bidder on that basis. The bid prices were as follows:

	<u>Annual Inspections</u>	<u>Monitoring Tests</u>	<u>Total</u>
Williams	\$30,000	\$2,646	\$32,646
Global	\$26,324	\$12,765	\$39,089

The contracting officer determined that Williams had submitted an unbalanced bid because the bid price for monitoring tests was below cost for that work and the price for annual inspection was above cost for that work. The contracting officer rejected Williams' bid and awarded the contract to Global. Williams protested that action.

In its response to the protest, GSA's Office of General Counsel (OGC) reviewed the contracting officer's position and concluded that it was incorrect with regard to Williams' bid being unbalanced but that Global was the actual low bidder on the total amount of work. The contracting officer determined the low bidder by adding the four grand totals as the method of bid evaluation clause states. According to GSA OGC, this does not result in a bid evaluation which includes the price of all work to be awarded. The bid price schedules include the unit and extended prices for 1 year's annual inspections. However, the contract is for 3 years of annual inspections. Consequently, the total cost of annual inspections for the full contract term is actually three times the cost of annual inspections entered on the bid pricing schedule. Monitoring 3 and 5 year load tests occurs only once for each designated elevator during the contract term so those prices entered in the bid pricing schedule do represent the cost of that work for the full contract term.

According to GSA OGC, the correct bid evaluation then yields the following result:

	<u>Williams</u>	<u>Global</u>
<u>Price Bid for Annual Inspections</u>	\$30,000	\$26,324
<u>Contract Term</u>	<u>X 3 yrs.</u>	<u>X 3 yrs.</u>
<u>Total Price for Annual Inspections</u>	\$90,000	\$78,972
<u>Price Bid for Test Monitoring</u>	\$2,646	\$12,765
<u>Total</u>	\$92,646	\$91,737

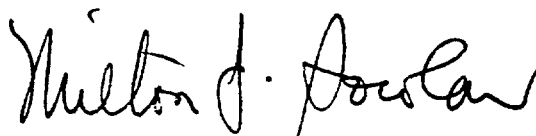
GSA OGC contends that since nine bids were received, competition was not affected by the faulty method of bid evaluation clause. Consequently, the award should stand. The contracting activity has been directed to revise the clause for future use to reflect the total amount of work to be awarded.

Williams admits that its bid is not low for the total amount of work awarded, but argues that the faulty bid pricing schedules misled it and that it might have lowered its price if it knew that bids would be evaluated in the manner that GSA has now used. In that regard, Williams states that it was able to offer favorable pricing because 3 and 5 year test monitoring could be coordinated with the annual inspection of the relevant elevators. Since the owner of Williams performs both functions himself, he was able to offer a low price for the test monitoring. Williams claims that the bid pricing schedules led it to believe that 3 and 5 year tests would occur as often as annual inspections. If it had realized that 3 and 5 year tests do not occur as often as annual inspections, Williams asserts that it might well have further lowered its price for monitoring those tests.

We agree with GSA OGC's analysis. As GSA OGC has pointed out, we have held that award in an advertised procurement must be made to the lowest responsive, responsible bidder on the total amount of work to be awarded. 50 Comp. Gen. 583 (1971). Here, that bidder clearly is Global. We have also held that solicitations must clearly state the

basis on which bids will be evaluated for award, Deterline Corporation, B-208986, April 21, 1983, 83-1 CPD 427, and the actual bid evaluation must conform to the method stated in the solicitation. Tennessee Valley Service Company, 57 Comp. Gen. 125 (1977), 77-2 CPD 442. Here, the GSA OGC evaluation was not performed in the manner stated in the solicitation. However, we do not consider that to be critical in this case.

As stated above, Williams claims that it was prejudiced because the bid pricing schedule led it to believe that 3 and 5 year monitoring occurred as frequently as annual inspections. Contrary to Williams assertion, the bid pricing schedules were clear concerning that information and logic would dictate that 3 and 5 year tests do not occur annually. The defect was that neither the method of bid evaluation clause nor the bid pricing schedule totaled the price of 3 years of annual inspections for determining the low bidder. Williams does not claim that it was prejudiced by that defect. In that connection, see Square Deal Trucking Co., Inc., B-183695, October 2, 1975, 75-2 CPD 206, affirmed, November 14, 1975, 75-2 CPD 303, where we required an award on the basis of the lowest bid for the term of the contract stated in the solicitation rather than on the shorter term specified in the award factors of the solicitation, since the award would be consistent with the mandate of 41 U.S.C. § 253(b), which requires award on the basis of the most favorable cost to the Government, and competition was not adversely affected by the defective award factor.

for 
Comptroller General
of the United States