

DECISION

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

Murphy
Ph-I
2/28/85

FILE: B-215588.2

DATE: November 14, 1984

MATTER OF: Safeguard Maintenance Corp.

DIGEST:

1. A bid in which prices for base year and 2 option years are not significantly different and will result in the lowest ultimate cost to the government is not materially unbalanced.
2. Questions regarding performance bond and other requirements which are implemented after award are matters of contract administration not cognizable under our bid protest procedures.

Safeguard Maintenance Corp. (Safeguard) protests the award of a contract to NOSLOT Cleaning Services, Inc. (NOSLOT), under invitation for bids (IFB) No. GS-11C-40268, issued by the General Services Administration.

We deny Safeguard's protest in part and dismiss the protest in part.

The IFB sought bids for custodial and elevator operation services for an initial period of 1 year and for two option periods of 1 year each. The lowest bid was to be determined by adding monthly bid prices for these services for the base year to bid prices for the option years after adjustment for estimated wage increases. Under "Pricing of Options," the IFB stated that:

"Offerors are cautioned that any bid/offer may be rejected as nonresponsive if it is materially unbalanced as to prices for the options and the initial contract period. A bid/offer is unbalanced when it is based on prices which are significantly less than cost for some work and prices which are significantly overstated for other work."

NOSLOT bid as follows:

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	<u>Base Year</u>	<u>Option 1</u>	<u>Option 2</u>
Janitorial Services	\$ 96,092.38	\$ 98,665.32	\$ 96,092.38
Elevator Operation	6,825.35	6,825.35	6,825.35
Total	<u>\$102,917.73</u>	<u>\$105,490.67</u>	<u>\$102,917.73</u>

Safeguard argues that NOSLOT's bid price for elevator operation services is less than the labor costs to be required under the contract,

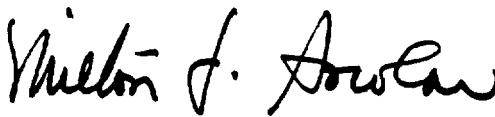
". . . when considering the daily mandatory requirements, holiday pay, vacation pay, sick pay, health and welfare, pension, workmen's compensation, general liability insurance and payroll taxes."

The protester has provided no more than the bare assertion that NOSLOT's bid does not reflect its true costs. Bids which may be too low and may cause a loss on the contract are not necessarily materially unbalanced. See J & J Maintenance, Inc. - Reconsideration, B-201484.3, Dec. 21, 1981, 81-2 C.P.D. ¶ 482. A bid is materially unbalanced when costs or profits on some work is shifted to other work (mathematical unbalancing), and this causes a reasonable doubt that an award will not result in the lowest ultimate cost to the government. Chrysler Corporation, B-182754, Feb. 18, 1975, 75-1 C.P.D. ¶ 100.

In this case, NOSLOT's bid prices are not significantly different for the base year and each option year. Its bid prices are low whether or not GSA exercises one or both options. Consequently, we do not believe that NOSLOT's bid is materially unbalanced.

The protester raised questions of whether GSA had awarded a contract to NOSLOT before receiving a performance bond, an annual schedule of cleaning, a quality control program, and necessary security clearance forms. Questions regarding performance bonds and other requirements which are to be implemented after contract award, as here, are matters of contract administration not cognizable under our bid protest procedures. See Singleton Contracting Corp., B-212594, Jan. 23, 1984, 84-1 C.P.D. ¶ 96; Kings Point Mfg. Co., Inc., B-207137, May 3, 1982, 82-1 C.P.D. ¶ 415.

Safeguard finally asserts that the agency has violated restrictions in the Competition in Contracting Act of 1984, Pub. L. No. 98-369, title VII, 98 Stat. 1175 (1984). The provisions of the act which covers the procurement protest system apply only to protests filed after January 14, 1985, and were not applicable to the award to NOSLOT.

for 
Comptroller General
of the United States