



The Comptroller General
of the United States

Washington, D.C. 20548

Decision

Matter of: Atlas Disposal Systems, Inc.

File: B-229714

Date: February 23, 1988

DIGEST

1. Where the bidder had entered the base year total price in the schedule of rates attached to the bid, thereby offering to perform as required and at a price apparent on the face of the bid, the failure of a bidder to enter a base year total price in another specified section of the bid does not render the bid nonresponsive.

2. The apparent low bid on a contract for refuse and debris removal is not mathematically and materially unbalanced where there is no reasonable doubt that acceptance will result in the lowest ultimate cost to the government.

DECISION

Atlas Disposal Systems, Inc., protests the eligibility of A.W. Stevens & Sons Disposal Systems, Inc., for award of a contract under invitation for bids (IFB) No. 5-58124/054, issued by the National Aeronautics and Space Administration (NASA) for the removal and disposal of trash and debris. Atlas contends that Stevens' bid should be rejected as nonresponsive because it does not include certain totals as required by the IFB, and because it allegedly is materially unbalanced.

We deny the protest.

The IFB was for a fixed-price, indefinite quantity contract for a basic term of 1 year, with option provisions for two additional periods, each period to run 1 year. Bids were received from six firms. NASA evaluated the prices offered for the basic term and the option periods and found Stevens to be the low bidder, with Atlas next low.

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The IFB required that bidders complete clause B.2, Consideration and Payment, which states in part:

"This is a Fixed Price Indefinite Quantity contract. The minimum amount is \$1,000. The Basic Year Total is \$. The contract shall not exceed \$, which is 130 percent of the Basic contract amount."

Atlas contends that Stevens' failure to complete clause B.2 renders the bid nonresponsive. NASA argues that this omission by Stevens may be considered a minor informality, as the information requested basically is provided by Stevens in the IFB's Schedule of Rates, where bidders entered unit, extended, and total prices.

We agree with NASA. The test for responsiveness is whether the bid as submitted represents an offer to perform, without exception, the exact thing called for in the IFB, so that upon acceptance, the contractor will be bound to perform in accordance with all the invitation's terms and conditions. Hild Floor Machine Co., Inc., B-217213, Apr. 22, 1985, 85-1 CPD ¶ 456. All that clause B.2 calls for is the same total price entry that is on the schedule, and a simple calculation and further entry. The omission of those items clearly does not affect the acceptability or evaluation of Stevens' bid, and therefore properly may be waived.

Atlas also protests that Stevens' bid is materially unbalanced.

There are two aspects to unbalanced bidding. The first is a mathematical evaluation of the bid to determine whether each item carries its share of the cost of the work plus profit, or whether the bid instead is based on nominal prices for some work and enhanced prices for other work. The second aspect, material unbalancing, involves an assessment of the cost impact of a mathematically unbalanced bid. A bid is materially unbalanced if there is a reasonable doubt that acceptance will result in the lowest ultimate cost to the government. See Edward B. Friel, Inc., et al., 55 Comp. Gen. 488 (1975), 75-2 CPD ¶ 333. Consequently, a materially unbalanced bid may not be accepted. See Landscape Builders Contractors, B-225808.3, May 21, 1987, 87-1 CPD ¶ 533.

The bid submitted by Stevens contains the following prices for the base year:

A. Container (cubic yards)	B. Number of Containers	C. Number of Dumps Per Year	D. Unit Cost Per Dump	E. Total Cost
4	3	250	\$4.00	\$3,000
6	1	250	4.00	1,000
6	10	250	4.00	10,000
8	17	250	4.00	17,000
20	2	104	200.00	41,600
40	1	250	200.00	50,000
40	1	36	200.00	7,200
40	1	6	200.00	1,200
Total				\$131,000

Stevens' option year prices were comparable, and the firm's total bid for all 3 years was \$410,437.50. Atlas bid \$138,420 for each of the 3 years, for a total of \$415,260.

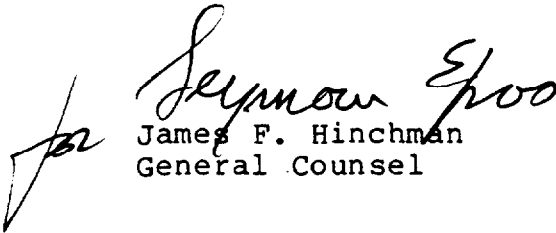
Atlas alleges that Stevens' bid is mathematically unbalanced as to bid prices for line items within each period because the unit cost per dump for containers of different capacities does not vary. As the above figures demonstrate, for example, Stevens' unit cost per dump of an 8 cubic yard container is the same as that bid for a 4 cubic yard container. Atlas argues that because contractors currently incur a \$35 per ton fee for disposing of refuse or debris, the unit cost per dump of a larger and, as Atlas assumes, heavier container should be greater than that of a smaller, lighter container. Atlas concludes that Stevens thus either overpriced the cost of dumping 4 cubic yard containers, or underpriced the cost of dumping the 8 cubic yard containers. (Atlas bid \$4 per dump for the 4 cubic yard containers and \$8 per dump for the 8 cubic yard ones.)

NASA responds that there is no direct correlation between the size of the particular container being dumped and the volume by weight of the debris or refuse in that container. The agency reports that variables such as whether the containers are full or empty, or contain light or heavy waste, preclude such a comparison.

There is no merit to the protest on this issue. First, we think NASA's explanation is persuasive that Stevens' method of pricing appears to be rationally based, that is, that Stevens' bid is not mathematically unbalanced.

Second, in any event, Atlas does not provide any indication as to why it thinks Stevens' bid is materially unbalanced. As stated previously, a bid is materially unbalanced if there is a reasonable doubt that award to the bidder will result in the lowest ultimate cost to the government. NASA points out in its report on the protest that the IFB statement of the dumping frequency for the 31 containers is virtually 100 percent accurate, since it is based on the established trash pick-up schedule. As Atlas does not dispute that assertion, we have no reason to think that award to Stevens, based on the firm's evaluated total extended price, would not result in a lower cost to NASA than would acceptance of any of the other bids. See Emerald Maintenance, Inc., B-225735, et al., May 6, 1987, 87-1 CPD ¶ 482.

The protest is denied.


James F. Hinchman
General Counsel