



The Comptroller General  
of the United States

Washington, D.C. 20548

Ze/Kowitz

## Decision

Matter of: Cantu Services, Inc.

File: B-230142

Date: June 2, 1988

---

### DIGEST

Cancellation of solicitation after bids have been opened and prices exposed is in the best interest of the government, and proper, where due to several of the lowest bidders' apparent misunderstanding regarding potential for multiple awards, leading them to request withdrawal of their bids, award to any of remaining competitors would not have allowed the government to obtain the requested services at the lowest possible price.

---

### DECISION

Cantu Services, Inc., protests the cancellation of Department of the Air Force invitation for bids (IFB) No. F02604-87-B-0078, which solicited bids to obtain mess attendant services for Luke Air Force Base and Gila Bend Air Force Air Field. Cantu contends that the Air Force lacked a compelling reason to cancel this solicitation.

We deny the protest.

The IFB required bidders to complete a bid schedule requesting separate prices for each of the two facilities and a total price for performing both items. The solicitation also provided that bids would be evaluated in accordance with the standard clause "Evaluation of Bids for Multiple Awards," Federal Acquisition Regulation (FAR) § 52.214-22, <sup>1</sup>/<sub>1</sub> and specifically advised bidders that the Air Force reserved the right to award separate contracts for the two facilities.

---

<sup>1</sup>/<sub>1</sub> This clause provides in pertinent part that "bids will be evaluated on the basis of advantages and disadvantages to the government that might result from making more than one award (multiple awards)."

042346

Fifteen firms responded to the IFB, three of which were rejected for submitting nonresponsive bids. Of the 12 remaining competitors, Cantu was the 2nd low bidder for the Luke portion of the contract, 10th low for Gila Bend, and 4th low overall. Upon initial examination of bids, the Air Force determined that separate awards would be most advantageous to the government. In attempting to make award on this basis, however, the Air Force encountered considerable difficulty. Except for the protester, which advised the Air Force that it would accept award for Luke alone, or for both items, the other firms approached for possible award--the low responsive bidder for Luke, and five of the six low bidders for Gila Bend--expressed an unwillingness to accept a split award, indicating that they had prepared their bids in contemplation of a combined award. These firms thus requested permission to withdraw their bids unless the award included both facilities. One such withdrawal request was granted and, before taking action on the others, the Air Force determined that in view of the widespread apparent misunderstanding of the bid process cancellation of the IFB and resolicitation would best serve the interests of the government.

Cantu argues that the solicitation was not ambiguous concerning the potential for multiple awards, and that the bidders' refusal to accept a contract award for only one facility necessarily must have been predicated upon the firms' own financial circumstances, not a misunderstanding of the basis for award. Cantu concludes that permitting withdrawal of the bids would not have been proper, and that the cancellation thus was not founded upon a compelling reason.

The FAR provides that, after bids have been opened and prices exposed, award must be made to the lowest responsible bidder unless there is a "compelling reason to reject all bids and cancel the invitation." FAR § 14.404-1(a)(1). At the same time, however, the determination as to whether such a compelling reason exists is an administrative one that we will not disturb absent a showing that it was unreasonable. Independent Gas Producers Corp., B-229487, Mar. 2, 1988, 88-1 CPD ¶ 217. Cantu has not shown that the cancellation was improper here.

Although we agree with Cantu that the solicitation seems to have adequately advised bidders of the potential for multiple awards, the fact remains that several of the bidders, including the low bidders on both items, evidently misunderstood the agency's intent regarding multiple awards, and prepared their bids as if only a single, combined award would be made. Whether or not this apparent misunderstanding would have constituted sufficient justification to

permit the withdrawal of their bids, see FAR § 14.406-3(c) (agency head may make a determination permitting a bidder to withdraw its bid where evidence, although not clear and convincing, reasonably supports the existence of a mistake), once faced with this situation, we think it was reasonable for the Air Force to cancel the solicitation rather than proceed with the procurement by awarding either separate contracts to the remaining competitors at higher prices, or a combined contract to the low aggregate bidder. It appears that award under either approach would not have been based on maximum competition, and most likely would not have enabled the government to obtain the requested services at the lowest possible prices. See FAR § 14.404(c)(9) (post-bid opening cancellation is proper where circumstances dictate that such action is clearly in the public's interest); Independent Gas Producers Corp., B-229487, supra (cancellation was justified where due to solicitation's failure to allow for evaluation of certain cost factors, award under solicitation would not have resulted in agency's obtaining lowest possible cost for services requested).

The Air Force believes the bidders' misunderstanding here resulted from the failure to provide separate bid schedules for each item, leaving the impression that the total bid price (for both items combined) would be the basis for award. The Air Force intends to clarify the IFB in this regard on resolicitation.

The protest is denied.

*Ronald Berger*  
for James F. Hinchman  
General Counsel