

( Sprugel )



Comptroller General  
of the United States

Washington, D.C. 20548

## Decision

**Matter of:** APMCO, Inc.  
**File:** B-237746  
**Date:** January 29, 1990

---

### DIGEST

Bid was properly rejected where the bidder is found nonresponsible for its failure to establish that individual bid bond sureties were acceptable.

---

### DECISION

APMCO, Inc. (also known as Allied Production Management Co., Inc.), protests the rejection of its bid under invitation for bid (IFB) No. N62474-89-B-5275, issued by the Department of the Navy for asbestos removal in the Naval Weapons Station at Seal Beach, California. The Navy rejected APMCO's bid on the basis that its individual bid bond sureties had failed to present adequate proof of individual net worth equal to or exceeding the penal sum of the bid bond. APMCO contends that the documentation furnished on behalf of its sureties evidences sufficient net worth.

We deny the protest.

APMCO was the apparent low bidder in response to this IFB which required a bid bond in an amount equal to the lesser of \$3 million or 20 percent of bid price. APMCO's bid was guaranteed by the individual sureties, Lee Nixt and Richard Rowan, but the contracting officer requested additional documentation since he could not determine accurately the net worth of these sureties from the affidavits and supporting materials which had been provided on their behalf. While APMCO furnished some additional information and proposed two substitute sureties, the bidder did not produce the data sought by the Navy.

We recently considered the issue of whether APMCO was properly rejected by an agency on the basis that these individual sureties had failed to establish a net worth

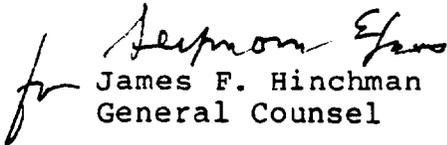
047602/140508

equal to or exceeding the penal sum of a bid bond. Allied Prod. Management Co., B-236227.2, Dec. 11, 1989, 89-2 CPD ¶ 534. The documentation offered by APMCO in that case on behalf of its sureties is essentially the same as that submitted under this IFB. The protester's arguments against the agency's rejection here are virtually the same ones considered in the previous decision. In the prior case, we found that the Navy reasonably determined that APMCO had failed to supply the agency with sufficient information to permit acceptance of Messrs. Nixt and Rowan as sureties. We also concluded that APMCO could not replace unacceptable sureties after bid opening, because surety liability is an element of responsiveness that must be demonstrated at the time of bid opening.

Finally, APMCO alleges this matter should be referred to the Small Business Administration (SBA) under the Certificate of Competency procedures. However, we have recognized that when the determination that a bidder is nonresponsible is based solely on the unacceptability of sureties, the determination need not be referred to the SBA. Allied Prod. Management Co., Inc., B-237126 et al., Dec. 22, 1989, 89-2 CPD ¶ 587.

Since the circumstances here are fundamentally the same as those in the cited case, we have no reason to disagree with the Navy's rejection of this APMCO bid.

The protest is denied.

  
James F. Hinchman  
General Counsel