



Comptroller General
of the United States

Washington, D.C. 20548

Decision

Matter of: ADT Security Systems, Mid-South Inc.

File: B-250930

Date: February 22, 1993

Richard D. Gluck, Esq., and Lowell D. Turnbull, Esq., Robins, Kaplan, Miller & Ciresi, for the protester. Capt. Gerald P. Kohns, and Maj. Bobby G. Henry, Jr., Department of the Army, for the agency. John Formica, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

DIGEST

Protester is not an interested party to challenge the agency's cancellation of a solicitation where it would not be in line for award even if its protest were sustained because it is not the low bidder under its intended bid.

DECISION

ADT Security Systems, Mid-South Inc. protests the cancellation of invitation for bids (IFB) No. DAKF27-92-B-0073, issued by the Department of the Army for the installation, lease, staffing, and maintenance of an intrusion detection system at the Army Field Support Center in Hanover, Maryland. ADT contends that the Army did not have a compelling reason to cancel the IFB after the bids had been opened.

We dismiss the protest.

The IFB, issued on August 25, 1992, contemplated the award of a firm, fixed-price contract. The solicitation stated that the awarded contract's "period of performance" consisted of a base year and 1 option year. The IFB specified that bidders were to enter prices for each item on the bid schedule and total their bid, and that a single award would be made to the bidder with the lowest total bid for all line items.

The bids of ADT and Wells-Fargo were the only bids received by the bid opening date of September 28, 1992. ADT submitted the apparent low bid of \$18,488. Wells-Fargo Alarm Services, the incumbent contractor, submitted a bid of \$18,489. The government estimate for the base and option years was \$53,000.

The agency reviewed the IFB after bid opening, and concluded that it was defective. The agency found that while the IFB specified that the period of performance would be 1 year with 1 option year, it failed to denote which of the bid schedule items pertained to the base year and which pertained to the option year. The agency subsequently canceled the solicitation. ADT protests that the agency lacked a compelling reason to cancel the solicitation because the IFB's bid schedule was clear "with respect to the option year."

At the top of the bid schedule, the period of performance was stated as follows:

"BASE YEAR: 1 OCTOBER 1992 TO 30 SEPTEMBER 1993
OPTION 1 : 1 OCTOBER 1993 TO 30 SEPTEMBER 1994."

The bid schedule then listed a total of seven contract line item numbers (CLIN), with CLINs 0001 through 0003, 0005 and 0006 each setting forth sub-CLINs. Sub-CLIN 0001AA provided for the installation of the security equipment. Sub-CLIN 0001AB, and CLINs 0002 and 0003 provided, respectively, for the lease, staffing, and maintenance of the equipment for a 1 year period. CLINs 0004 through 0006 repeated the items of work described in sub-CLIN 0001AB, and CLINs 0002 and 0003, that is, they also provided, respectively, for the lease, staffing, and maintenance of the equipment for a 1 year period.¹ CLIN 0007 provided for the removal of the security equipment. At the end of the bid schedule, there was a line, following all of the CLINs and sub-CLINs, on which bidders were to enter their "TOTAL BID."

Based on our review of the IFB, we find that it was clear as to the requirement for, and pricing of, a base year and an option year. The bid schedule first clearly provided that the contemplated period of performance consisted of a base year and an option year. The bid schedule next set forth three CLINs--CLINs 0001 (installation of the security system

¹Specifically, sub-CLIN 0001AB and CLIN 0004 both provided for the lease of the equipment for 1 year. CLINs 0002 and 0005 both provided for the staffing of the security system for 1 year and set forth sub-CLINs pertaining to the staffing of the system Monday through Friday (0002AA and 0005AA), weekends (0002AB and 0005AB), and holidays (0002AC and 0005AC). CLINs 0003 and 0006 both provided for the maintenance of the equipment for 1 year and set forth sub-CLINs pertaining to the performance of preventative maintenance (0003AA and 0006AA) and emergency service (0003AB and 0006AB).

and lease for a 1 year period), 0002 (staffing of the security equipment), and 0003 (maintenance of the equipment)--describing 1 years' worth of services, which logically would represent a base year period of performance. These CLINs were then followed on the bid schedule by three CLINs--CLINs 0004 (lease of the security system for 1 year), 0005 (staffing of the equipment for 1 year), 0006 (maintenance of the equipment for 1 year)--which (with the exception of the installation of the system as provided for in sub-CLIN 0001AA) repeated the items of work described in the first three CLINs; this logically would represent a subsequent year of services following the base year. Based on our review of the solicitation, when read as a whole, the only reasonable reading of the bid schedule is that sub-CLIN 0001AB, CLIN 0002 and CLIN 0003 pertain to the base year, while CLINs 0004 through 0006--which essentially repeat the items of work described in the first set of CLINs--pertain to the option year, and that the total of the seven CLINs to be inserted on the bid schedule's "TOTAL BID" line was to determine the total price for both the base and option periods of performance.

Thus, while the bid schedule should have expressly stated which line items represented base year services and which line items represented option year services, we agree with ADT that the IFB was clear and susceptible of only one reasonable interpretation. However, as described below, ADT's argued for interpretation of the bid schedule (not that described above) is clearly unreasonable and demonstrates that its intended bid was not low.

ADT completed the bid schedule by entering a price of \$12,600 for CLIN 0001AA (installation of the security equipment); a monthly unit price of \$400 and extended price for 1 year of \$4,800 for sub-CLIN 0002AA (staff security system Monday through Friday); and a unit price of \$544 and extended price of \$1,088 for sub-CLIN 0003AA (preventative maintenance of the system); ADT inserted the notation "-0-" for the remaining CLINs and sub-CLINs. The protester explains that as it understands the IFB "the government will have the option to extend the contract to be awarded for an additional year, and it will pay the same prices on each item for the option year as it pays for the first year." Thus, in accordance with ADT's explanation of its understanding of the IFB, its bid was intended as an offer to perform the base period of the contract for the total bid price of \$18,488, and the option period of the contract for an additional \$5,888 (the same price of \$4,800 for the staffing of the security system as charged for the base year under sub-CLIN 0002AA plus the same price of \$1,088 for the maintenance of the equipment as charged for the base year under sub-CLIN 0003AA). This interpretation of the IFB, based on ADT's contention that "[t]he IFB does not provide

separate items, columns, or blanks for the quotation of option year pricing," renders meaningless CLINs 0004 through 0006, for which ADT inexplicably (unless ADT intended to perform the option work at no cost to government) entered "-0-", and is thus unreasonable. Akal Sec., Inc., B-244386, Oct. 16, 1991, 91-2 CPD ¶ 336.

ADT has made it clear that, notwithstanding its stated "TOTAL BID" of \$18,488, its bid, properly read, provides for the base year of security services at a price of \$18,488, and the option year at a price of \$5,888, for a total bid price of \$24,376. Wells Fargo submitted a total bid of \$18,489 for the base and option years.² Thus, under ADT's own argument, it is not the low bidder under the IFB. See generally Zeta Constr. Co., Inc., B-244672, Nov. 5, 1991, 91-2 CPD ¶ 428 (bid that was obviously based on an unreasonable reading of IFB cannot be accepted.)

Since ADT has not challenged the eligibility of Wells Fargo for award, ADT is not an interested party eligible to challenge the cancellation since it would not be in line for award even if we were to sustain its protest. Corrugated Inner-Pak Corp., B-233710.2, Mar. 29, 1989, 89-1 CPD ¶ 326. Under the bid protest provisions of the Competition in Contracting Act of 1984, 31 U.S.C. §§ 3551-3556 (1988), only an "interested party" may pursue a protest. That is, a protester must have an actual or prospective bidder or offeror whose direct economic interest would be affected by the award or failure to award a contract. 4 C.F.R. § 21.0(a). A protester is not an interested party where, as here, it would not be in line for contract award were its protest to be sustained. ECS Composites, Inc., B-235849.2, Jan. 3, 1990, 90-1 CPD ¶ 7.

The protest is dismissed.


James A. Spangenberg
Assistant General Counsel

²Wells Fargo's bid had prices inserted for both base year and option year line items.