



Comptroller General  
of the United States  
Washington, D.C. 20548

## Decision

**Matter of:** Armed Forces Sports Officials, Inc.

**File:** B-251409

**Date:** March 23, 1993

Henry G. Steele for the protester,  
Stan Warner for D'Iberville Officials Association, an  
interested party.  
Timothy A. Beyland, Department of the Air Force, for the  
agency.  
David Hasfurther, Esq., and Michael R. Golden, Esq., Office  
of the General Counsel, GAO, participated in the preparation  
of the decision.

### DIGEST

Agency properly canceled solicitation after bid opening  
where all bids exceeded the amount the agency had available  
for the procurement.

### DECISION

Armed Forces Sports Officials, Inc. (AFSO) protests the  
rejection of its bid under invitation for bids (IFB)  
No. F22600-92-B-0087, issued as a small business set-aside  
by Keesler Air Force Base for sports officiating services.  
AFSO's bid was rejected after its price was determined to  
be higher than the funds the agency had available for the  
services. AFSO contends that the agency did not have a  
valid basis for rejecting its bid and that the award should  
have been made to it.

We deny the protest.

The IFB, issued on July 24, 1992, requested unit and total  
prices for officiating an estimated number of games/matches  
for each listed sport and for conducting clinics. Prices  
were to cover a base year period and two 1-year option  
periods. Award was to be made to the low bidder for the  
base year and both option years. The IFB was amended twice.  
Amendment 0001 replaced the wage determination with a new  
determination which increased the minimum hourly wage a  
bidder would be obliged to pay from \$5.30 to \$5.52 and  
substituted three new pricing pages with minor changes.

Amendment 0002 changed the number of personnel a bidder would have to furnish for youth activity tackle football from three officials to four officials and one timer/scorer.

Three bids were received by the August 26 opening date. Coast Activities Association submitted the low bid of \$211,733.56 (base year \$69,002), D'Iberville Officials Association submitted the second low bid price of \$235,966 (base year \$77,304). AFSO's price was \$287,790.05 (base year \$95,531.10). Coast's bid was rejected because the bidder failed to acknowledge amendments 0001 and 0002. D'Iberville's bid was rejected because the bidder failed both to acknowledge amendment 0001 and to sign the bid. Although AFSO's bid was responsive, it was rejected because its base year price was determined to be "priced way out of our budget." The agency determined that the protester's bid price was unreasonable and canceled the IFB.

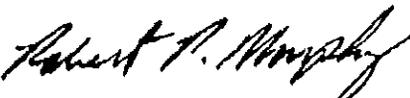
AFSO argues that its bid was reasonably priced based on previous contract award for these services. It states that the incumbent contractor bid a base year price of \$73,793 in 1989 and a total 3-year price of \$221,379 and that AFSO based its prices on the awardee's 1989 bid prices. AFSO also believes that the Coast and D'Iberville lower prices are not a valid indication of a reasonable price to be paid for these services since these bids, allegedly, do not include the costs of liability insurance and workers compensation as required. AFSO suggests that the agency canceled the IFB simply to permit these two bidders to compete again for this procurement.

According to the agency, it had allocated, as part of its fiscal year financial plan, \$59,397 for the base year, and additional funds were not available. The agency states that this allocated funding was not as high as the cost of the current contract for these services, but were believed to be sufficient because of a decrease of the number of games/matches requiring officiating and the number of officials required for certain games.

The management of an agency's funds generally depends on the agency's judgment concerning which projects and activities shall receive increased or reduced funding. A contracting agency has the concomitant right to cancel a solicitation when, as a result of its allocation determinations, sufficient funds are not available. Kato/Intermountain Elec., A Joint Venture, B-245807; B-245925, Jan. 30, 1992,

92-1 CPD ¶ 129. The agency's right to cancel a solicitation when sufficient funds are not available is not affected by disputes concerning the validity of the government estimate or the reasonableness of the low responsive bid price. Ignacio Sanchez Constr., B-238492, May 11, 1990, 90-1 CPD ¶ 467; Weststar, Inc., B-235652, Aug. 7, 1989, 89-2 CPD ¶ 112. While an agency may seek an increase in funds to cover unforeseen cost variations (see 10 U.S.C. § 2853 (Supp. III 1991)), there is no requirement that it do so. Since in this case the only responsive bid exceeds the amount which the Air Force was willing to allocate for sports officiating services, the agency properly canceled the IFB.

The protest is denied.

  
for James F. Hinchman  
General Counsel