



**Comptroller General
of the United States**

Washington, D.C. 20548

Decision

Matter of: Colonial Lock Supply Co., Inc.

File: B-265645

Date: September 27, 1995

Gary R. Baldino for the protester.

Col. Robert D. M. Allen, Department of the Air Force, for the agency.

Aldo A. Benejam, Esq., and Ralph O. White, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

DIGEST

Agency had a compelling reason to cancel invitation for bids (IFB) for door locks where the contracting officer discovered, after bid opening but before award, that the locks sought under the IFB are already available to the agency under an existing housing maintenance contract.

DECISION

Colonial Lock Supply Co., Inc. protests the Department of the Air Force's decision to cancel invitation for bids (IFB) No. F44600-95-B0008. The IFB was issued to replace locks at housing units located in the Bethel Housing Area, Langley Air Force Base, Virginia.

We deny the protest.

The contracting officer canceled the IFB because she discovered, after bid opening but before award, that the locks sought by the IFB are already being provided to the agency under an existing housing maintenance contract that covers the Bethel Housing Area. The protester argues that the cancellation was improper and that as the low bidder it should be awarded the contract.

Once bids have been opened, award must be made to the responsible bidder which submitted the lowest responsive bid, unless there is a compelling reason to reject all bids and cancel the IFB. Federal Acquisition Regulation (FAR) § 14.404-1(a)(1). FAR § 14.404-1(c)(10) specifically permits cancellation, consistent with the compelling reason standard, where cancellation is clearly in the public's interest.

Based on our review of the relevant provisions of the housing maintenance contract, we conclude that the agency reasonably determined that it was clearly in the public's interest to cancel the IFB since its need for locks was already covered under that contract. Michael O'Connor, Inc., B-185502, Apr. 5, 1976, 76-1 CPD ¶ 224.¹ Although it is unfortunate that the contracting officer was not aware of the existence of the maintenance contract earlier in the procurement, we have no legal basis to object to her decision to cancel the IFB. We consider all information relating to whether there is a compelling reason to cancel, regardless of when the information justifying the cancellation becomes known, or should have been known. See McGhee Constr., Inc., B-250073.3, May 13, 1993, 93-1 CPD ¶ 379.

Colonial does not dispute that the locks sought under the IFB are also provided under the existing maintenance contract. However, the protester points to a provision in the maintenance contract that under certain circumstances permits the agency itself to replace defective locks and deduct the cost from payments due the maintenance contractor. Colonial essentially contends that the Air Force should not have canceled the IFB, since the existing maintenance contract does not preclude the agency from procuring locks from other sources.

The existing maintenance contract is an indefinite quantity, requirements-type contract that creates a binding obligation upon the government to order from a particular contractor all of its actual requirements for specific supplies or services during the contract period. See FAR 16.503; Delta Oaktree Prods., B-248903, Oct. 7, 1992, 92-2 CPD ¶ 230 (distinguishing a requirements contract from a basic ordering agreement). Thus, contrary to Colonial's assertions, the Air Force is obligated to fill all of its requirements for locks to be used at the housing units within the Bethel Housing Area under the existing maintenance contract. While Colonial correctly argues that under certain circumstances set forth in the contract the Air Force may opt to replace defective locks and charge those costs to the housing maintenance contractor, there is no indication that any of those circumstances are present here, or that the agency issued the IFB for that purpose.

The protest is denied.

/s/ Christine S. Melody
for Robert P. Murphy
General Counsel

¹ We have also upheld cancellation of a negotiated procurement in a situation like this one. Astronautics Corp. of Am., B-222414.2; B-222415.2, Aug. 5, 1986, 86-2 CPD ¶ 147.