

DECISION



95318
30571
THE COMPTROLLER GENERAL
OF THE UNITED STATES
WASHINGTON, D.C. 20548

FILE: B-182915

DATE: February 24, 1975

MATTER OF: Tara Publications, Inc.

DIGEST:

Rejection of bid as unbalanced (no charge for 35 of 41 line items) was proper as agency discovered that estimates in IFB did not properly reflect actual future requirements and there was no assurance that award based on unbalanced bid would result in lowest cost to Government.

On October 10, 1974, the United States Government Printing Office (GPO) issued an invitation for bids (IFB) under its program 2317-M for short run printing services for the United States Geological Survey, Department of Interior.

The IFB's "Schedule of Prices" contained 41 line items to be priced with estimated quantities for 3 months' production. The IFB stated that the basis of award would be as follows:

"BASIS OF AWARD: It is the intention of the Government to make multiple awards under these specifications since it is anticipated that one firm may not be able to meet all the requirements.

"In order to establish multiple award contracts and to determine the sequence of contractors, the Government will apply the prices quoted in the 'Schedule of Prices' to the units of production listed hereinafter, which are the estimated requirements for 3 months' production under this contract. These units do not constitute, nor are they to be construed as, a guarantee of the volume of work which may be ordered under these contracts during a like period of time.

"Bids will be considered in the aggregate. The bidder whose prices, when so applied, result in the lowest aggregate cost will be declared the low contractor. The second, third, etc., low contractors also will be determined in like manner and awards made accordingly."

In addition the IFB contained the following statement in the "Schedule of Prices":

"The Public Printer reserves the right to reject any bid that contains prices for individual items of production (whether or not such items are included in the Basis of Award) that are inconsistent or unrealistic in regard to other prices in the same bid or to Government Printing Office prices for the same operation if, in his opinion, such action would be in the best interest of the Government."

Seven bids were received in response to the IFB and after evaluation using the basis of award as set forth in the IFB were ranked as follows:

"1. Tara Publications	\$ 67,044.52
2. Precision Printing	102,932.65
3. Holland Associates	115,300.84
4. Reproductions, Inc.	119,551.74
5. Arva Printers	126,335.19
6. Alexandria Graphics	126,692.35
7. Kopy Kat of McLean	258,987.22"

Since the bid of Tara Publications, Inc. (Tara), the incumbent contractor, was significantly lower than the other bids, a review was made of Tara's bid which showed that Tara bid "N/C" (no charge) for 35 of the 41 items in the schedule. Thereafter, the contracting officer determined Tara to be nonresponsive because (1) contract could not be performed at the prices bid; (2) Tara did not understand the requirements; and (3) Tara did not intend to furnish those items that it had bid as "no charge." On November 19, 1974, awards were made to Precision, Holland, and Reproductions.

Thereafter, Tara notified the contracting officer that the estimated quantities used as the basis for award were vastly overstated. Because of this fact, the bid of Tara, which appeared unreasonably low, was actually higher than the contract prices for the previous year's requirements.

Using this information, the contracting officer reevaluated the bids received in accordance with the orders which were actually placed during the prior year's contract with the following results:

"Precision	\$59,151.13
Reproductions	65,452.40
Holland	66,819.51
Alexandria Graphics	71,324.32
Arva Printers	101,506.29
Tara	132,389.60
Kopy Kat	140,281.40"

As this recalculation confirmed the relative positions of previous three low bidders, notwithstanding the change of position of Reproductions and Holland, the awards of November 19, 1974, were not disturbed.

Tara was advised of the above results by letter of December 17, 1974, from GPO and on December 23, 1974, protested to our Office the rejection of its bid and the subsequent recalculation of bids.

An unbalanced bid is one that places nominal price for some work to be performed and enhanced prices for other work. Upon review of the bids as submitted, it is evident that the bid of Tara was unbalanced. The rule stated by our Office as regards unbalanced bids is that the fact that a bid may be unbalanced does not in and of itself render such a bid ineligible for award. 49 Comp. Gen. 335, 343 (1969). However, if a low bid has been determined to be unbalanced, it should not be considered for award where there is substantial doubt whether award would result in the lowest cost to the Government. B-172789, July 19, 1971. We believe that such a doubt is present here where, upon the reevaluation of bids based on the actual past year's requirement, Tara's bid price exceeded that of the second low bidder by over \$70,000.

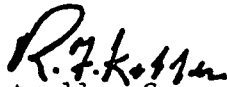
Our Office has not objected to awards to bidders who unbalanced their bids in cases where the agency believed that the estimates expressed in the bid schedule accurately reflected the requirements of the contract. Matter of Global Graphics, Incorporated, 54 Comp. Gen. 84 (1974) and Matter of Oswald Brothers Enterprises, Incorporated, B-180676, May 9, 1974. GPO has acknowledged that its needs were overstated in the IFB and that award to Tara would not have resulted in the lowest cost to the Government. Therefore, we have no objection to the rejection of Tara's bid as unbalanced.

Regarding the contention that the bids should not have been reevaluated after the error was discovered in the original estimate, we fail to see how Tara was prejudiced. Its bid was properly rejected prior to the reevaluation which occurred after

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the awards were made. Moreover, the reevaluation was made using Tara's own estimated quantities on which it based its bid and it revealed that Tara no longer was the lowest bidder.

Therefore, the protest of Tara is denied.


Deputy Comptroller General
of the United States