



120269

UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548

PROCUREMENT, LOGISTICS,
AND READINESS DIVISION

B-209993

JANUARY 3, 1983

The Honorable William V. Roth, Jr.
Chairman, Committee on Governmental
Affairs
United States Senate



120269

Dear Mr. Chairman:

Subject: Evaluation of Air Force Academy Award for Lock Boxes
(GAO/PLRD-83-28)

In your August 12, 1982, letter, you asked us to review the Air Force Academy's formally advertised procurement of 1,500 lock boxes. Your concern related to a complaint by a constituent, one of the bidders that did not receive the contract even though he offered the lowest price. The bid was rejected as nonresponsive because the bidder did not agree to provide the boxes on or before the date specified in the solicitation. Bid rejection for this reason is in accordance with numerous Comptroller General decisions.

Your constituent also complained that the time allowed for delivery was substantially reduced because the contract was not awarded on the date originally planned. We found, however, that the solicitation clearly stated that the bidder awarded this contract would be given about 7 weeks from the actual date of award to make delivery. None of the bidders requested an extension of the delivery date prior to the bid opening. Five bidders offered to do the work in the allotted time. Your constituent may have misunderstood the solicitation since he implied that delivery was required shortly after award of the contract.

You questioned why the Air Force Academy needed the boxes by June 23, 1982, the original delivery date. We were informed that a new class of about 1,500 cadets was due to arrive at the Academy on June 28, 1982, and each cadet was to be issued a lock box. Thus, the delivery date originally requested seems logical.

Your constituent alleged that the Academy paid about \$4,000 more to the bidder awarded the contract than what he (the constituent) bid. We found that the difference was substantially less because the bidder awarded the contract offered an 8-percent discount for prompt payment, whereas your constituent offered no discount. Considering the discount, the difference was \$735 more than your constituent's bid.

(949019)

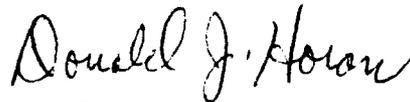
024289

B-209993

Your final question was whether the bidder that received the award delivered the lock boxes on time. We found that the bidder did not deliver the required 1,500 lock boxes on time. Delivery was made over a 1-month period beginning August 24, 1982, about 2 weeks after the required contract delivery date of August 9, 1982. The late delivery occurred due to a problem in obtaining all 1,500 lock boxes with different combinations on time from a supplier. However, in consideration for accepting late delivery, the contract price was reduced 1 percent, or \$465. The delay in delivering the lock boxes necessitated the temporary use of other, less convenient means to protect the cadets' personal valuables.

We hope we have adequately responded to your concerns.

Sincerely yours,

A handwritten signature in cursive script that reads "Donald J. Horan".

Donald J. Horan
Director