



**Comptroller General
of the United States**

Washington, D.C. 20548

Decision

Matter of: De Ralco, Inc.

File: B-281042

Date: December 7, 1998

Ralph W. Sepulvado for the protester.

Joan S. Ratliff, Esq., and Charlma J. Quarles, Esq., Department of Veterans Affairs, for the agency.

Katherine I. Riback, Esq., and Paul Lieberman, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

DIGEST

Bidder's submission of prices for work to be deleted rather than prices for the work remaining after the deletion was responsive to solicitation requirement that bidders furnish prices for all line items, where the bidder's prices for the remaining work are readily ascertainable from the face of its bid. Bid entry of prices for the work to be deleted was properly waived by agency as a minor informality which did not prejudice other bidders.

DECISION

De Ralco, Inc. protests the award of a contract to J&B Construction Company under invitation for bids (IFB) No. 509-50-98, issued by the Department of Veterans Affairs (VA) for renovating a wing of a mental health outpatient clinic. De Ralco asserts that J&B's low bid should be rejected as nonresponsive because J&B's method of pricing the three deductive bid items was inconsistent with the solicitation requirements.

We deny the protest.

The IFB requested bids for the demolition and subsequent renovation of the F wing of the mental health outpatient clinic at the VA Medical Center in Augusta, Georgia. It provided for a single award on a fixed-price basis, depending upon the funds available, and required bidders to submit prices for each bid item. The IFB schedule included a line item for a base bid, representing the entire demolition and renovation effort, and three line items for "alternate deductive" bids. The alternate deductive bid items Nos. 1 through 3 represent various deletions of the work, with each respective alternate deductive bid item deleting more of the work. Alternate deductive bid item No. 3 incorporated the deletions made in alternate deductive bid item Nos. 1 and 2, and made one additional deletion in the work to be performed, which consisted of deleting a storefront window system and replacing it with a

hollow metal frame system with wood doors and vision glass, per specifications. IFB at IN-2.

The VA received nine bids for the renovation project by the August 7, 1998, bid opening. The three low bids were as follows:

	J&B	De Ralco	Bidder A
Bid Item 1 Base Bid	\$872,460	\$912,350	\$928,754
Alternate Deductive No. 1	\$9,505	\$899,550	\$917,754
Alternate Deductive No. 2	\$15,045	\$887,000	\$894,422
Alternate Deductive No. 3	\$26	\$887,000	\$898,798

Abstract of Offers at 1, 3, 7a.

The agency understood J&B's alternate deductive entries to mean cumulative deductive amounts from the base bid, thus the bid was calculated as follows:

Total for Bid Item 1 Base Bid	\$872,460
Total for Alternate Deductive No. 1	\$862,955
Total for Alternate Deductive No. 2	\$847,910
Total for Alternate Deductive No. 3	\$847,884

August 7, 1998 Memorandum for the Record at 1.

On the day of bid opening, the contracting officer contacted four bidders, including J&B, that had submitted alternate deductive bids in the form of deductive amounts only, to confirm their bid prices. These bidders confirmed their bids and indicated that the prices entered for alternate deductive bid items Nos. 1, 2, and 3 represent the cost of the deleted work for each item. The contracting officer calculated each of these bidder's prices for the alternate bid items by deducting the prices for those items from the corresponding base bid, as reduced by any predecessor deductions. The agency intends to make award to J&B. De Ralco filed an agency level protest, dated August 12, protesting the award on the grounds that J&B's bid is nonresponsive because, under the alternate deductive line items, J&B improperly entered prices for the work to be deleted rather

than the price of the work remaining after the deletion. De Ralco contended that J&B failed to follow the IFB's instructions to submit a price on each bid item because J&B did not list the "complete bid" on each of the deductive alternates. De Ralco Agency Protest at 2. The agency denied De Ralco's agency level protest by letter dated September 2, and this protest to our Office alleging the same grounds followed.

The agency position is that J&B's failure to insert the price of the work remaining after the deletion set forth in alternate deductive bid item Nos. 1, 2, and 3 did not render J&B's bid nonresponsive because the total amount of J&B's bid for these alternate deductive items was otherwise evident from J&B's submitted pricing schedule. The contracting officer decided that this was a minor, waivable informality in accordance with Federal Acquisition Regulation (FAR) § 14.405.¹

The test for responsiveness is whether a bid offers to perform the exact thing called for in an IFB, so that acceptance of the bid will bind a bidder to perform in accordance with all of the terms and conditions of a solicitation without exception. Randy Sabala; John Button, B-251221, B-251222, Nov. 24, 1992, 92-2 CPD ¶ 379 at 2. Here, we find J&B's bid was responsive to the solicitation, and the submission of prices for the work to be deleted rather than prices for the work remaining after the deletion was a waivable minor informality.

As required by the IFB, J&B entered a price for each line item on the bid schedule thereby evidencing its intent to perform each line item requirement. Because there is no doubt that J&B intended to be bound to its bid, J&B's failure to precisely follow the IFB's instructions to submit a dollar amount for the work remaining after the deletion set forth in alternate deductive bid item Nos. 1, 2, and 3 was properly waived by the contracting officer as a minor informality. While J&B did not follow the exact instructions of the IFB, it nevertheless provided prices for the work to be deleted in the corresponding bid schedule blanks for each alternate deductive bid item; thus, the amount of J&B's bid for the remaining work could be ascertained by simply deducting the dollar amount for the deleted work from the corresponding base bid, as reduced by predecessor

¹FAR § 14.405 defines a minor informality or irregularity as:

[O]ne that is merely a matter of form and not of substance[,] . . . some immaterial defect in a bid or variation of a bid from the exact requirements of the invitation that can be corrected or waived without being prejudicial to other bidders.

deductions.² Since J&B's deviation from the exact requirements of the IFB did not have a material effect on its legal obligations, it may be waived as a minor informality. Fire Sec. Sys., Inc., B-259076, Mar. 2, 1995, 95-1 CPD ¶ 124 at 4.

The protest is denied.

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²De Ralco argues that J&B's bid should be found nonresponsive because there is an additional method to calculate J&B's bid that yields a different amount. De Ralco Comments at 2, 3, Exhibit A. Specifically, De Ralco argues that each alternate deductive line item can be calculated by deducting the dollar amount for the deleted work from the initial base bid, instead of from the base bid as reduced by predecessor deductions, as calculated by the agency. The protester's alternate calculation method ignores the fact that each subsequent alternative deductive bid item deletes more of the work. For example, alternate deductive bid item No. 3, described the requested work as, "[a]ll work included in Bid Item No. 1, Deductive Alternates Nos. 1 and 2, **except** delete . . ." IFB at IN-2. It is not reasonable to calculate J&B's bid in the alternate manner described by De Ralco, as it is contrary to the obvious intention of the deductive sequence, as set forth in the IFB, and explained above.