



**Comptroller General
of the United States**

Washington, D.C. 20548

Decision

Matter of: VSA International Corporation

File: B-270204

Date: February 16, 1996

John T. Vanderveen for the protester.

Mike Colvin, Department of Health and Human Services, for the agency.

John L. Formica, Esq., and Guy R. Pietrovito, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

DIGEST

Bid that did not provide a price as required for the option year of the contract should have been rejected by the agency as nonresponsive.

DECISION

VSA International Corporation protests the award of a contract to North Central Community Based Services, Inc. (NCCBS) under invitation for bids (IFB) No. 95-14/MAG, issued by the Indian Health Service, Department of Health and Human Services. VSA argues that the agency should have rejected NCCBS' bid as nonresponsive.

We sustain the protest.

The IFB, issued on August 28, 1995, provided for the award of a firm, fixed-price contract for a base period of 1 year with one 1-year option. The contractor will be required to assist the Albuquerque Area Indian Health Service in the planning and development of mental health services for Indian people throughout New Mexico. The IFB requested lump-sum prices for two line items (the base year and option year), and provided that the bids would be evaluated for award by adding the price for the option year to the price for the base year.

Seven bids were received by bid opening, and the five lowest bids were reviewed to determine whether the bidders met certain special standards of responsibility contained in the IFB. The bidders determined responsible, and their respective bids, are as follows:

	Base Year	Option Year	Total
NCCBS	\$64,484		
VSA	\$78,411	\$48,766	\$127,177
Ricketts & Associates	\$99,000	\$103,950	\$202,950

The agency subsequently awarded the contract to NCCBS.

VSA protests that NCCBS' bid should have been rejected by the agency as nonresponsive because the bid did not include any price for the option year. The agency has not provided, nor does the record evidence, any explanation for the agency's acceptance of NCCBS' bid, even though the bid did not provide a price for the option year services.

To be responsive, a bid as submitted must represent an unequivocal offer to comply with the IFB's material terms, which include the requirement for a firm, fixed price. UpSide Down Prods., B-243308, July 17, 1991, 91-2 CPD ¶ 66. The requirement for fixed prices extends to options where, as here, the IFB requires bidders to price the option year services and provides that the agency will evaluate such prices in making award. Areawide Servs., Inc., B-240134.4, Sept. 4, 1990, 90-2 CPD ¶ 182. A bidder's failure to submit a price for the option year, where requested, causes doubt as to the intended option price or whether the bidder has obligated itself to perform the option services. Larry's Inc., B-230822, June 22, 1988, 88-1 CPD ¶ 599. Because NCCBS failed to submit a price or make any other notation for the option year of the contract, its bid should have been rejected by the agency as nonresponsive. UpSide Down Prods., supra.

We recommend that the agency terminate its contract with NCCBS and award the contract to VSA, if otherwise appropriate. We also recommend that VSA be reimbursed its costs of filing and pursuing the protest. Bid Protest Regulations, section 21.8(d)(1), 60 Fed. Reg. 40,737, 40,743 (Aug. 10, 1995) (to be codified at 4 C.F.R. § 21.8(d)(1)). The protester should submit its certified claim for costs directly to the agency within 90 working days of its receipt of this decision. Bid Protest Regulations, section 21.8(f)(1).

The protest is sustained.

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