



**Comptroller General
of the United States**

Washington, D.C. 20548

Decision

Matter of: AABLE Tank Services, Inc.

File: B-274867

Date: November 12, 1996

Emmett Bonfield and Edwin J. Quinn for the protester.

James L. Weiner, Esq., Department of the Interior, for the agency.

Peter A. Iannicelli, Esq., and Michael R. Golden, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

DIGEST

Protest that "all or none" provision included on each of three separate bid schedules, one for base work and two for alternate work, contained in invitation for bids (IFB) precluded agency's awarding a contract to the lowest-priced bidder for the base work only without the IFB's two alternate work items is denied where the only reasonable interpretation of the IFB is that the "all or none" provision was applicable only to each schedule individually and that the contracting agency intended to award a contract for the base work and reserved the right to include one or both of the alternates work items in that contract depending upon whether the agency could afford the alternate work.

DECISION

AABLE Tank Services, Inc. protests award of a contract to R.C.S. Construction, Inc. (RCS) under invitation for bids (IFB) No. FMAOO-1192, issued by the Bureau of Indian Affairs (BIA) for removal and installation of fuel storage tanks at the Pine Ridge Indian Reservation in South Dakota. The protester argues that it submitted the lowest-priced bid on the IFB's base and alternate schedules combined and, therefore, it should have been awarded the contract.

We deny the protest.

On August 15, 1996, BIA's Aberdeen area office issued the IFB for removing several underground storage tanks, testing for and removing contaminated soil around the tanks, and installing above-ground storage tanks. The IFB sought bids for the base contract work and for two other items of work (designated Alternate #1 and Alternate #2) at three different locations on the Pine Ridge Indian Reservation. The IFB contained statements of work, specifications, and drawings for the base

contract work and for each alternate work item. The IFB also contained three separate bid schedules--entitled "Base Bid Schedule," "Alternate #1 Bid Schedule," and "Alternate #2 Bid Schedule"--on which prices were to be entered for the work encompassed by that schedule.

Eight bids were received by the September 11 bid opening. The two lowest-priced bids--submitted by AABLE and RCS--contained prices for the base work and the alternate work items as follows:¹

<u>Offeror</u>	<u>Base Bid</u>	<u>Alternate #1</u>	<u>Alternate #2</u>	<u>Total</u>
RCS	\$42,500.00	\$56,950.00	\$52,250.00	\$151,700.00
AABLE	\$50,849.60	\$53,614.50	\$44,682.00	\$149,146.10

On September 25, after ascertaining that BIA did not have sufficient funds to pay for having additional work performed under either Alternate #1 or Alternate #2, the contracting officer awarded RCS a contract for the base work only. AABLE protested to our Office shortly thereafter.

AABLE contends that it should have been awarded a contract because its bid was the lowest-priced for all three items of work combined. AABLE points out that each bid schedule in the IFB contained a statement that award would be made on an "all or none" basis. AABLE interprets the IFB's use of the term "all or none" as meaning that the agency would award a contract for all or any part of the work to the bidder who bid the lowest total price for all three items of work regardless of whether its bid was low on each bid schedule or on the work item awarded. The agency responds that AABLE's interpretation of the IFB is not reasonable and that BIA properly awarded a contract for just the base work since it did not have enough money to pay for either of the alternate work items.

Offerors are expected to read the entire IFB in a reasonable manner. Innovative Technology Sys., Inc., B-260074, May 24, 1995, 95-1 CPD ¶ 258. Where a dispute exists as to the meaning of the IFB's terms, our Office will resolve the matter by reading the IFB as a whole and in a manner that gives effect to all of its provisions; to be reasonable, an interpretation of a solicitation's language must be consistent with the solicitation when read as a whole. Id.; see also Datacomm Management Sciences, Inc., B-261089, Aug. 8, 1995, 95-2 CPD ¶ 259.

¹As only RCS' and AABLE's bids are relevant, only they will be discussed in this decision.

As noted above, the IFB requested prices for doing the base work and for two alternate items of work. The base work consisted of testing for and replacing contaminated soil, removing and disposing of three underground storage tanks with 8,000, 10,000, and 15,000 gallon capacities, and installing a new 1,000 gallon above-ground tank at a particular location on the Reservation. The base bid schedule listed six line items of work that were included in the base job as follows: (1) test for contamination; (2) remove and dispose of storage tanks; (3) remove and dispose of contaminated soil; (4) backfill; (5) perform notifications and furnish reports; and (6) install a new above-ground tank. The base bid schedule had a blank space next to each line item into which bidders were to insert their line-item prices and contained a space for inserting the total price for doing all of the work described in the base bid schedule. The base bid schedule also stated that bidders were to insert their total price for the base work into the "amounts" block of Standard Form (SF) 1442, "Solicitation, Offer, and Award."

Alternates #1 and #2 required the contractor to do the same type of work with different sized storage tanks at two different locations on the Reservation. Accordingly, the bid schedules for Alternates #1 and #2 contained six line items that were virtually identical to those on the base bid schedule² and spaces for line item and total prices. Unlike the base bid schedule, the schedules for Alternates #1 and #2 did not require bidders to carry their total prices over into the "amounts" block of standard for 1442.

At the bottom of each bid schedule, the IFB included the following statement:

"Contract award will be made on the basis of "all or none." Bidders must enter a bid figure for each line item listed on the bid schedule, and enter their "total amount bid." Failure to do so will cause the bid to be disregarded." [Emphasis in original.]

In our opinion, the only reasonable interpretation of the IFB is that BIA intended to award a contract for all base work line items and reserved the right to include one or both of the alternates in that contract depending upon the bid prices received and whether the agency could afford the alternate work with the money it had available for this type of work. The three separate bid schedules, with two of them identified as "alternate," clearly indicated that BIA was soliciting bids for three separate tank removal and replacement jobs with the contract to encompass either the base work only or that work plus one or both alternates. The fact that a bidder was required to insert its total price for the base work only into the "amounts"

²In Alternates #1 and # 2, line item six differed slightly in that a larger above-ground tank was required.

block of (SF) 1442, "Solicitation, Offer, and Award," was a further indication that an award for the base work only was a possibility.

The "all or none" language on which the protester relies clearly applies to the line items of each individual bid schedule and not to all three schedules collectively. The sentence immediately following the "all or none" language, quoted above, specifically states that bidders must enter a price for each line item listed in that particular bid schedule, and the "all or none" provision was repeated at the bottom of each bid schedule; if the provision were intended to encompass all three bid schedules, there would have been no need to state the "all or none" provision three separate times. Thus, by placing the "all or none language" in all three bid schedules, BIA simply indicated that it did not intend to award a contract to a bidder that bid on only some of the work within a particular bid schedule.

In short, AABLE's interpretation is inconsistent with the only reasonable interpretation of the IFB. Since the IFB did not require award on the basis of all three schedules, the award to RCS, the low bidder for the base schedule, was proper and, indeed, consistent with the legal requirement that award be made on the basis of low price for the actual work awarded. See, e.g. Rocky Ridge Contractors, Inc., B-224862, Dec. 19, 1986, 86-2 CPD ¶ 691.

The protest is denied.

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