

DECISION



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

FILE: B-214950.2

DATE: August 13, 1984

MATTER OF: Dand Industries

DIGEST:

1. The fact that a bid price may hold no profit for the contractor is not a proper basis to challenge award to that firm if it is found responsible, a determination that GAO does not review except in limited circumstances.
2. Whether a firm actually performs according to its contractual obligations is a matter of contract administration, which is the responsibility of the procuring agency, not GAO.

Dand Industries protests the award by the Defense Logistics Agency of a contract to Altek Systems, Inc. under invitation for bids (IFB) No. DLA400-84-B-3618 for 13,385 headlights. We dismiss the protest.

The IFB required that the contractor deliver only domestic end products, unless the firm specified delivery of foreign end products in its offer. Altek, which submitted the lowest, responsive bid with a unit price of \$10.85, certified that it was the manufacturer of the end product offered, and that the product was a domestic end product with no foreign content or effort represented in the bid price.

Dand protests that the headlights Altek offers cannot be made at a profit at the quoted price of \$10.85. Dand also speculates that Altek may not actually deliver domestic end products, and suggests that the headlights Altek does furnish should be subjected to first article testing.

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Concerning whether Altek can make a profit at the bid price, the submission of even a below-cost bid provides no basis for challenging the award of a government contract to a responsible concern, that is, a firm the procuring agency judges capable of meeting its obligations if awarded the contract. Hydro-Test Products Inc., B-214009, Jan. 23, 1984, 84-1 CPD ¶ 104. Moreover, our Office will not review a protest concerning an affirmative determination of responsibility, which must precede any award, absent an allegation of possible fraud or bad faith on the part of government procurement officials, or that definitive responsibility criteria in the solicitation have not been met. Urban Masonry Corp., B-213196, Jan. 3, 1984, 84-1 CPD ¶ 48. Dand alleges neither of these exceptions.

As to whether Altek actually supplies domestic items, and whether first article testing should be conducted (the invitation did not provide for it), the acceptance of Altek's bid obligates the company to furnish acceptable domestic headlights to the government at the quoted price. Whether Altek actually meets its contractual obligation is a matter of contract administration, which is the responsibility of the procuring agency, not our Office. Julian A. McDermott Corp., B-191468, Sept. 21, 1978, 78-2 CPD ¶ 214.

The protest is dismissed.

Harry R. Van Cleve
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Acting General Counsel