



**Comptroller General
of the United States**

Washington, D.C. 20548

Decision

Matter of: Bay Pacific Pipelines, Inc., Ranger Pipelines, Inc., and
F.W. Spencer & Son, a Joint Venture

File: B-265659

Date: December 18, 1995

Robert J. Sciaroni, Esq., and Andrew N. Cook, Esq., Bell, Boyd & Lloyd, for the protester.

Douglas L. Patin, Esq., and Robert J. Symon, Esq., Spriggs & Hollingsworth, for Klipper Construction Associates, Inc., an interested party.

Lucie J. McDonald, Esq., Cynthia S. Guill, Esq., and Christopher Bellomy, Esq., Department of the Navy, for the agency.

Scott H. Riback, Esq., and David A. Ashen, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

DIGEST

Protest against agency decision to permit awardee to correct obvious error in unit price is denied where, although the solicitation provided that unit prices would govern over extended prices in the event of a discrepancy, comparison of awardee's unit price and extended price to other prices received and the government estimate showed the nature of awardee's mistake--the inadvertent addition of a zero to its unit price--as well as the bid intended; an obviously erroneous unit price can be corrected to correspond to an extended price where the corrected unit price is the only reasonable interpretation of the bid.

DECISION

Bay Pacific Pipelines, Inc., Ranger Pipelines, Inc., and F.W. Spencer & Son, Inc., a Joint Venture, protest the Department of the Navy's award of a contract to Klipper Construction Associates, Inc., under invitation for bids (IFB) No. N62472-95-B-0417, for utility reconfiguration work at the Philadelphia Naval Shipyard. Bay Pacific contends that the agency improperly permitted Klipper to correct a mistake in its bid.

We deny the protest.

The IFB required firms to provide both unit and extended prices for six line items, each of which included numerous subline items. The solicitation provided that "[i]n the event there is a difference between a unit price and the extended total, the unit price will be held to be the intended bid."

This protest relates only to Klipper's pricing for subline item number 1f for an estimated quantity of 160 street lights. Klipper entered a unit price of \$27,000 per street light and an extended price of \$432,000 for item 1f, even though multiplying Klipper's unit price by 160 would result in an extended price of \$4,320,000. After reviewing the bids, the lowest of which was submitted by Klipper, the contracting officer concluded that Klipper had made an error in its unit price for item 1f, and in particular, had inadvertently added an extra zero to its intended unit price, which the contracting officer determined was \$2,700. The contracting officer based his conclusion on a comparison of Klipper's pricing for this item with the other bids received—with unit prices ranging from \$2,055 to \$3,240 and extended prices ranging from \$328,800 to \$518,400—and the government estimate, which had been calculated using a unit price of \$2,055 and an extended price of \$328,800.

The contracting officer wrote to Klipper stating that he suspected a mathematical error in its pricing for item 1f. The contracting officer requested that Klipper either confirm the unit price or state that a mistake had been made; in the event Klipper alleged a mistake, he also requested that it provide a detailed explanation of how the mistake occurred and any documentation (such as Klipper's original bid worksheets) which might evidence the bid actually intended. In response, Klipper explained that an extra zero had been inadvertently added to its unit price for item 1f when Klipper's employee at the bid opening incorrectly transcribed the unit price received over the telephone. Klipper included a copy of the bid schedule it had used to prepare the bid, as well as copies of two subcontractor quotes showing unit prices of \$3,300 and \$1,675 for the work included in item 1f. Klipper explained that it had split the difference between these quotes and rounded off in arriving at its unit price of \$2,700. Based on this confirmation from Klipper and his earlier conclusion that an error in the unit price had been made, the contracting officer permitted correction of Klipper's bid to reflect a unit price of \$2,700 for item 1f.

Bay Pacific, noting that the IFB provided that unit price would govern over extended price in the event of a discrepancy between the two, argues that Klipper's bid should have been calculated using the unit price submitted, which would result in an extended price of \$4,320,000 for item 1f. Further, Bay Pacific contends that permitting Klipper to make the correction resulted in displacement of Bay Pacific as the low bidder and that, therefore, both the mistake and the intended bid must be apparent from the face of Klipper's bid and the IFB. According to the protester, the contracting officer improperly considered Klipper's bid worksheet and subcontractor quotes in determining Klipper's intended bid.

The protest is without merit. Notwithstanding the solicitation provision providing that unit prices would govern over extended prices in the event of a discrepancy, an obviously erroneous unit price can be corrected to correspond to an extended price where the corrected unit price is the only reasonable interpretation of the bid. Action Serv. Corp., B-254861, Jan. 24, 1994, 94-1 CPD ¶ 33. Further, the correction

of an obvious mistake is authorized notwithstanding displacement of a lower bidder, provided the existence of the mistake and the intended bid are apparent from the face of the bid. Id. In this regard, the mere fact that a firm provides bid worksheets or other materials in connection with its claim of a mistake does not mean that resort to these materials was necessary for the contracting officer to determine the intended bid. See Blueridge General, Inc., 71 Comp. Gen. 271 (1992), 92-1 CPD ¶ 218; Marine Ways Corp., B-211788, Aug. 29, 1983, 83-2 CPD ¶ 271. A contracting officer may properly compare a firm's prices to the government estimate and other prices received, and employ his or her logic and experience in determining that one price makes sense while another does not. For example, where a firm's unit price is significantly higher than the government estimate and the other bids received, and its extended price appears to be in line with the other bids and the estimate, the contracting officer may reasonably conclude that the unit price is incorrect and the extended price reflects the bid intended. Id.

Here, the record shows that Klipper's unit price for item 1f was grossly out of line with the other prices received and the government estimate; Klipper's unit price was more than 10 times the price used for the government estimate and more than 8 times the highest price received from any other bidder. Its extended price, on the other hand, was consistent with the other prices received as well as the government estimate. Further, a logical explanation for the discrepancy--that Klipper had inadvertently inserted an extra zero in its unit price--could be discerned from the face of the bid. Under these circumstances, we find that there was only one reasonable interpretation of Klipper's bid: that its extended price reflected its intended bid. In short, an examination of Klipper's bid and a comparison of that bid to the other prices and the government estimate showed both the obvious nature of Klipper's mistake and the firm's intended bid. Thus, correction of Klipper's bid was proper.

The protest is denied.

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