

DECISION



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

40331

FILE: B-179913

DATE: January 8, 1974

MATTER OF: General Electric Supply Company

DIGEST: Contractor who alleged mistake in bid after award may have contract canceled where record indicates that contracting officer failed to take the proper steps to verify the bid as required by FPR 1-2.406-1 and therefore no valid and binding contract was effected.

By letter dated October 15, 1973, the Director, Supply Service, Department of Medicine and Surgery, Veterans Administration, requested our decision regarding a mistake in bid alleged after award by General Electric Supply Company (GE).

Solicitation No. 685-61-73, issued by the VA Hospital, Waco, Texas, called for six dry type copper wound transformers with an award to be made in the aggregate on items 1 and 2. Bids were opened on May 30, 1973, and three firms responded to the invitation with aggregate bids of \$3,382.32, \$4,103.00, and \$5,060.00. It is reported that the contracting officer suspected an error in GE's low bid because of the two higher bids received and the Government estimate of \$4,442. He therefore attempted to contact the individual who signed the bid but was unable to do so.

Thereafter, the contracting officer contacted the supplier to GE and was given erroneous information which led the contracting officer to believe that the bidder did intend to furnish copper wound transformers as required. The record indicates that the contracting officer notified GE of award by a purchase order dated June 19, 1973, but the existence of the mistake was not discovered until delivery of aluminum rather than copper wound transformers in July 1973.

In general, the acceptance of a bid results in a valid and binding contract unless the contracting officer had actual or constructive notice of the probability of error in the low bid prior to award. The record indicates that the contracting officer, although on notice of the probability of error in the low bid, failed to take the proper steps to verify the bid as required by section 1-2.406-1 of the Federal Procurement Regulations. In view thereof, no valid and binding contract was effected.

743919 / 188018

B-179213

Accordingly, the contract (purchase order No. 6401) with General Electric Supply Company may be canceled as recommended by the Director, Supply Service.

Deputy


Comptroller General
of the United States