

DECISION**THE COMPTROLLER GENERAL
OF THE UNITED STATES**

WASHINGTON, D. C. 20548

FILE: B-181284

DATE: July 5, 1974

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MATTER OF: Calumet Y Farm Store

DIGEST: Bidder who mistakenly bid \$4,111.11 instead of \$411.11 on surplus sale item may have item deleted from contract. Although wide range of bids would not ordinarily put contracting officer on notice of mistake, relief may be granted when bid is three times greater than next highest bid and seven times larger than appraised market value and is clearly inconsistent with company's bids on other similar items.

Pursuant to invitation for bids 27-4154, the Defense Property Disposal Service, Defense Supply Agency (DSA), offered for public sale more than 200 items of personal property. Calumet Y Farm Store (Calumet) submitted bids for 13 items, including item 20, one lot of used containers weighing approximately 36,510 pounds. Since Calumet's bid of \$4,111.11 was high, it was awarded the contract. Two days later, Calumet informed DSA that it had erred in its bid and requested to have it withdrawn. Calumet states that the bid should have been \$411.11, instead of \$4,111.11.

Rescission of such a contract can only be allowed if the contracting officer had actual or constructive notice that the bidder made a mistake. B-180673, April 2, 1974. Ordinarily, without actual notice, a wide range of bid prices in surplus property sales is not deemed to be sufficient to put the contracting officer on constructive notice of error because of the many possible uses to which the property may be put. Wender Presses, Inc. v. United States, 170 Ct. Cl. 483 (1965); B-181018, May 13, 1974. However, in the present case the Calumet bid was almost three times greater than the next highest bid (\$1,440) and about seven times higher than the current market appraisal value (\$600) of the containers.

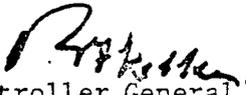
Further, a general pattern can be established from the bids submitted by Calumet. It bid on four other similar items. Although two of these items were also by lot, the bids averaged

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1.15 cents per pound. As submitted, protester's bid for item 20 is 11.3 cents per pound.

Under the circumstances, our Office believes that the contracting officer was on constructive notice of a mistake in the bid. See B-181018, supra; B-180673, supra; B-175769, June 1, 1972.

Accordingly, we agree with the administrative recommendation that item 20 be deleted from the contract without liability to Calumet.


Deputy Comptroller General
of the United States