

DECISION

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

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FILE: B-183932

DATE: June 20, 1975

MATTER OF: Unicorn Chemical Coatings Inc.

DIGEST:

Where contracting officer stated that there was notice of probability of mistake in bid because price for aluminum paint is out of line with other bids received and too low for aluminum paint, contract may be rescinded, since no valid and binding contract is consummated where contracting officer knew or should have known of error and neglected to verify bid.

By letter dated May 15, 1975, with enclosures, the General Counsel, General Services Administration (GSA), recommended that contract No. GS-10S-38333 (item 26), awarded on March 7, 1975, to Unicorn Chemical Coatings Inc. for an indefinite quantity of aluminum paint, be rescinded on the ground that its bid of \$4.92, which was 26 percent less than the next low bid, should have placed the contracting officer on constructive notice of a potential error in bid such that confirmation should have been sought prior to award.

On March 18, 1975, Unicorn notified the contracting officer by telephone that an error in bid had been made. In written support of the mistake, Unicorn, by letter dated March 20, 1975, asserted that the mistake was made when it inadvertently skipped a page of the solicitation and inserted the bid price of \$4.92 for item 26 rather than for item 11a, a flat alkyd paint. Unicorn does not manufacture the item for which the contract was awarded. The contracting officer has stated that she should have been on notice of the probability of mistake because the price quoted by Unicorn is out of line with the other bids received and too low for the type of paint involved.

Our Office has held that no valid and binding contract is consummated where the contracting officer knew or should have known of the probability of error, but neglected to take the proper steps to verify the bid. See Valley Offset, Inc., B-181620, August 27, 1974.

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Accordingly, we agree with the administrative recommendation that the contract with Unicorn be rescinded.


Acting Comptroller General
of the United States