

DECISION

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

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FILE: B-184757

DATE: September 16, 1975

MATTER OF: Stuart Barber

DIGEST:

Where contract was awarded for 1964 Dodge dump truck at price of \$2,417.12, request for rescission of sales contract may be granted since upset price of truck was \$1,300, next highest bid price was \$839.50, and prices for commercial-type trucks do not vary as greatly as prices for other types of property; consequently, contracting officer was on constructive notice of possible error in bid and should have requested verification prior to award.

By letter dated August 14, 1975, with enclosures, the General Counsel of General Services Administration (GSA) recommended the rescission of sales contract No. GS-09-DP-(S)-5-2493 awarded to Mr. Stuart Barber for item 45, a 1964 Dodge dump truck, two-yard, eight-cylinder, four-speed manual transmission, offered by the Region 9 Office (San Francisco) of the Federal Supply Service (FSS), GSA.

Spot Bid Sale No. 9FWS(SF)75-117, which offered 55 vehicles ("as - is, where - is"), was issued on May 12, 1975. Bids opened on May 21, 1975, included Mr. Barber's high bid of \$2,417.12 for item 45. Other bids received for item 45 included a second high bid of \$839.50 and a third high bid of \$680. The upset price of the truck was \$1,300. Prior to award, the contracting officer inspected the vehicle and determined it to be in poor condition. The contracting officer made no attempt to verify the bid of Mr. Barber. Mr. Barber was awarded the contract for the dump truck on May 21, 1975.

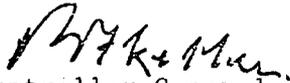
On June 12, 1975, GSA notified Mr. Barber of his default on the purchase of the truck for failure to make payment and remove the property. On June 17, 1975, Mr. Barber called GSA and stated that he inadvertently inserted his bid price for item 55 (a 1972 Dodge, 4-wheel drive pickup) rather than for item 45. On June 24, 1975, in response to GSA's request to submit evidence outlining the circumstances of the mistake and to substantiate it, Mr. Barber submitted a letter indicating that he " * * * inadvertently transposed the item numbers in filling out the bid cards * * * The intended bid for item 45 should have been approximately \$680 rather than \$2,417 which was supposed to go toward item 55." (The three highest bids received for item 55 were \$2,885, \$2,647.90 and \$2,575.) The

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worksheet enclosed with Mr. Barber's letter revealed a \$680 figure adjacent to item 45 and a figure of \$2,417 next to item 55.

Upon review of the administrative file we agree with the agency position that the contracting officer was on constructive notice of possible error and should have requested verification of Barber's bid. The substantial differences between Mr. Barber's bid, the second highest bid and the upset price, as well as the poor condition of the vehicle, should have alerted the contracting officer to the possibility of error. While disparity in bids for usable surplus property does not, in and of itself, place a sales contracting officer on notice of a probable mistake in bid, the contracting officer should have suspected a mistake in the instant case because prices for commercial-type trucks do not vary as greatly as prices for other types of property. Kent Lundt, B-182640, January 16, 1975, 75-1 CPD 27. Under these circumstances, he should have requested verification of the bid. A & H Truck Sales, B-180824, April 12, 1974, 74-1 CPD 194.

Accordingly, sales contract No. GS-09-DP-(S)-5-2493 may be rescinded as administratively recommended.


Deputy Comptroller General
of the United States