

DECISION



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

FILE: B-185702

DATE: February 10, 1976

MATTER OF: Lanham Construction Company

DIGEST:

Request for adjustment of \$20,096 in contract price based on error in bid caused by erroneous supplier quotation is denied, since there was no showing that contracting officer was on actual notice of mistake and contracting officer was not on constructive notice of error because contractor's bid (\$469,000) was in line with other bid received (\$492,690) and was in excess of Government estimate (\$340,000) and, therefore, acceptance of bid resulted in valid and binding contract.

The Veterans Administration (VA), North Little Rock, Arkansas, issued invitation for bids (IFB) No. 598-100-75 for the refurbishment of seven buildings. The low bid was submitted by Lanham Construction Company (Lanham) in the amount of \$469,000 and award was made to Lanham on June 30, 1975.

On September 29, 1975, Lanham advised the contracting officer that an error had been made in its bid and requested a change order to cover the alleged error. The error was allegedly caused by an incorrect quotation from the supplier of panelfold doors which Lanham incorporated in its bid. The original quotation from Lanham's supplier was based on one door per building, whereas actually each building required between one and eight doors. Therefore, the supplier's quotation should have been \$34,810. Following negotiations between Lanham and the supplier, this price was reduced to \$28,931. Lanham requests relief in the amount of \$20,096, the difference between the original quotation and the final negotiated price.

The general rule is that when a bid has been accepted the bidder is bound to perform and must bear the consequences of its unilateral mistake. However, our Office has held that no valid

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and binding contract is consummated where the contracting officer was on actual or constructive notice of the error prior to award. 48 Comp. Gen. 672 (1969). Constructive notice is said to exist when the contracting officer, considering all of the facts and circumstances of a case, should have known of the possibility of an error in the bid. 44 Comp. Gen. 383, 386 (1965).

There has been no showing that the contracting officer was on actual notice of Lanham's mistake. Further, the only other bid received under the IFB was \$492,690 and the Government estimate was \$340,000. Since the Lanham bid was in excess of the Government estimate and in line with the other bid received, the contracting officer was not on constructive notice of error.

Accordingly, we find that the acceptance of Lanham's bid resulted in a valid and binding contract and Lanham's request for correction of its bid is denied.


Deputy Comptroller General
of the United States