

DOCUMENT RESUME

03002 - [A2073150]

[Error in Bid Price]. B-189297. July 19, 1977. 2 pp.

Decision re: Hearin Forest Industries; by Paul G. Dabbling (for Elmer B. Staats, Comptroller General).

Issue Area: Federal Procurement of Goods and Services (1900).

Contact: Office of the General Counsel: Procurement Law I.

Budget Function: General Government: Other General Government (806).

Organization Concerned: General Services Administration.

Authority: B-183932 (1975).

The Acting General Counsel of the General Services Administration recommended that one item of a contract award be rescinded because its bid price was significantly below the list price. The contracting officer stated that there was notice of the probability of a mistake in the bid. No valid and binding contract was consummated where the contracting officer knew or should have known of the error and neglected to verify the bid. The item should be rescinded. (Author/SC)

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P.L.I.
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DECISION



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

FILE: B-189297

DATE: July 19, 1977

MATTER OF: Hearin Forest Industries

DIGEST:

Where contracting officer stated that there was notice of probability of mistake in bid because price for sub-lot of exterior grade of plywood was greater than 18 percent below list price, whereas other bids ranged from 6.7 percent below to 3.7 percent above list price, and other correct bids for item claimed to be erroneous were 21.8 percent to 38.6 percent higher, item should be rescinded as administratively recommended, since no valid and binding contract is consummated where contracting officer knew or should have known of error and neglected to verify bid.

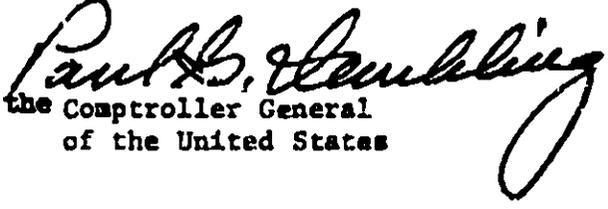
By letter dated June 7, 1977, with enclosures, the Acting General Counsel, General Services Administration (GSA), recommended that item No. 69 of contract No. GS-08S-33246, awarded on January 26, 1977, to Hearin Forest Industries for sub-lots of plywood be rescinded because its bid price for sub-lot 3-M consisting of items Nos. 68 and 69 was 18.3 percent below list price, whereas other prices for sub-lot 3-M ranged from 6.7 percent below to 3.7 percent above list prices, and the other correct bids for item No. 69 were 21.8 percent, 27.6 percent, and 38.6 percent above the award price. Therefore, GSA has taken the position that Hearin's bid should not have been considered a realistic price.

On March 15, 1977, Hearin notified the contracting officer by telephone that an error had been made regarding item No. 69 of sub-lot 3-M. In written support of the mistake, Hearin, by letter dated March 22, 1977, with worksheet attached, asserted that the mistake was made when it wrote the list price for 5/8" CC exterior plywood rather than the list price for 5/8" AC exterior plywood. The list price at the time bids were submitted was \$267 for 5/8" CC exterior plywood per thousand square feet and \$332 for 5/8" AC exterior plywood per thousand square feet. The contracting officer has stated that she should have been on notice of the probability of mistake by reviewing the other bids received for sub-lot 3-M.

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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. Unicorn Chemical Coatings, Inc., B-183932, June 20, 1975, 75-1 CPD 376.

Accordingly, we agree with the administrative recommendation that item No. 69 in the contract with Maxin should be rescinded.


For the Comptroller General
of the United States