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P.L. II

DECISION



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

FILE: B-189102

DATE: October 13, 1977

MATTER OF: Railroad Builders, Inc.

DIGEST:

1. Irrevocable letter of credit constitutes acceptable form of bid guarantee under paragraph 4 of Standard Form 22.
2. Bid offered on unit basis other than that specified by IFB does not render bid nonresponsive since contracting officer could convert unit by applying standard mathematical computation and evaluate bid on basis sought in IFB.
3. Correction of apparent clerical and other minor errors in bid is permissible when intended bid is clear from face of bid and bidder verified intended bid.

Railroad Builders, Inc. (RBI) protests an award to Oneida Manufacturing Company of a contract to maintain and repair railroad trackage at Hill Air Force Base, Utah. RBI asserts that the Oneida bid was nonresponsive since it expressed a unit price in "TBM" instead of in "FBM" as provided for by the solicitation and since Oneida submitted a letter of credit in lieu of a bid bond. RBI also objects to the contracting officer's correction of Oneida's bid.

We find the bid to be responsive. Oneida's bid was accompanied by an irrevocable letter of credit from the First Bank and Trust of Idaho in the amount of 20 percent of the bid. Bid guarantees other than bid bonds are specifically permitted by paragraph 4 of Standard Form 22, "Instruction to Bidders" which states:

"A bid guarantee shall be in the form of a firm commitment, such as a bid bond, postal money order, certified check, cashier's check, irrevocable letter of credit, or, in

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accordance with Treasury Department regulations, certain bonds or notes of the United States. * * *

See The Display House, Incorporated, B-180955, July 25, 1974, 74-2 CPD 58. Thus, Oneida satisfied the IFB requirement to furnish a firm bid guarantee.

With respect to Oneida's use of the notation "tbm" in its bid, line item 7 of the Schedule sought bids prices on a unit basis of "FBM" which, we are informed, is the abbreviation for foot board measure. Oneida's unit price bid for line item 7 was entered using "TBM" as the unit basis. The Air Force maintains that the thousand board measure is not an uncommon measure in buying lumber, even though protester has produced evidence that "MBM" is the standard abbreviation for thousand board measure. It is clear, however, that the contracting officer understood that Oneida had bid on a basis of a thousand board measure rather than the foot board measure. It was a simple matter, then, for the contracting officer to convert Oneida's unit price to the foot board measure basis simply by moving the decimal point in the unit price three places from \$423.50 to \$.42350. This converted unit price was consistent (except for a minor discrepancy discussed below) with the line item bid amount.

A deficiency or deviation in a bid which goes to the substance of the bid by affecting the price, quantity or quality of an article offered, so as to be prejudicial to the rights of other bidders, is a major deviation which may not be waived or cured and requires the bid to be rejected as nonresponsive. 30 Comp. Gen. 179 (1950). A deficiency, however, which is a matter of form, or which constitutes some immaterial deviation from the exact requirements of the specifications which would not affect either the price, quantity or quality of the article offered is a minor informality which may be waived or cured. 37 Comp. Gen. 190 (1957); 52 Comp. Gen. 265 (1972).

Although the IFB called for a bid on the foot board measure basis, we do not agree that the use of the thousand board measure was a material deviation requiring rejection of the bid since Oneida's

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bid was clear and the contracting officer could readily evaluate the bid on the basis of the foot board measure merely by applying a standard mathematical calculation. See 48 Comp. Gen. 420 (1968); B-175585, November 8, 1972; 37 Comp. Gen. 190, supra.

Finally RBI argues that the contracting officer improperly permitted correction of the Oneida bid with respect to Items 7 and 9. Oneida's bid for those two items was as follows:

<u>Item No.</u>	<u>Description</u>	<u>Est Quantity</u>	<u>Unit</u>	<u>Unit Price</u>	<u>Amount</u>
7	Switch Ties 7x9	14,868	FBM	\$423.50	\$6297.00
9	Turnouts No. 8 90#	4	EA	\$8,10.50 ea.	\$32,042.00

As noted above, the contracting officer converted Oneida's unit price on Line item 7 from \$423.50 tbn to \$.42350 fbm. He then asked Oneida to review its bid and notify him of any errors in the bid. In response, Oneida indicated that there were several minor or clerical mistakes. One error identified was in Item 9, where "\$8,10.50" was typed in place of "\$8010.50." Another error identified was in Item 7: the amount was supposed to be \$6296 instead of \$6297. After correction of the various errors, Oneida's total bid price (on the basis of award of item 1A in lieu of item 1) was changed from \$200,910.00 to \$200,864.50. The protester's total bid price for the same items was \$226,714.00.

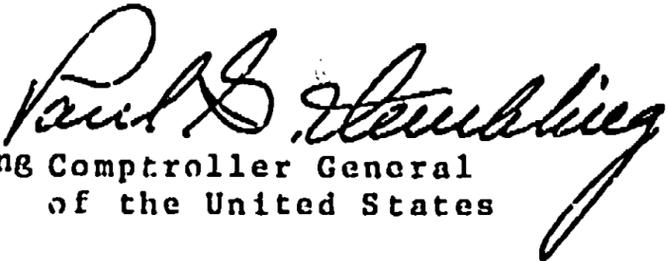
The protester asserts that correction was improper because it had the effect of allowing displacement of RBI as the low bidder. In this regard, RBI states that Oneida's original unit price of \$423.50 for Item 7 should govern, and that when extended the Item 7 price would be \$6,296,598.00, which would make Oneida other than the low bidder and RBI the low bidder.

There is no merit to this aspect of the protest. Oneida's unit price for Item 7 was not \$423.50 FBM; it was \$423.50 TBM, which, as indicated above, converts to \$.42350 FBM, an amount which was consistent (within \$1) with the extended price and with the other bids received for that line item. Thus, under no reasonable reading of Oneida's bid can it be concluded that RBI and not Oneida was the low bidder.

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With regard to the corrections themselves, it appears perfectly reasonable to view Oneida's unit price for Item 9 as reflecting a typographical error by which a comma in place of a zero was typed, particularly since the corrected unit price is again consistent with both the extended price and the other bids received. Similarly, we fail to perceive how the \$1 downward correction of line item 7 can be viewed as unreasonable or how RBI could have been prejudiced thereby. In short, we find the contested corrections to be consistent with reason and logic and with the applicable regulations (Armed Services Procurement Regulation § 2-406). See Atlantic Maintenance Company, 54 Comp. Gen. 687 (1975), 75-1 CPD 108.

The protest is denied.


Acting Comptroller General
of the United States