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*Carter-Proe*



**DECISION**

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

9202

FILE#-193741

DATE: February 15, 1979

MATTER OF: Los Angeles Chemical Co.

**DIGEST:**

Contracting officer's error detection and verification obligation with regard to mistake in quotation alleged after performance is measured by standards applicable to mistake in oral bid alleged after award. Advice by contracting officer that supplier's oral quotation appeared low in conjunction with request for verification was sufficient to communicate both existence and nature, to extent known, of suspected mistake. Post-verification performance in accordance with purchase order creates binding contract and no price adjustment may be authorized on basis of error. Price disparity of about 35 percent does not reflect unconscionable bargain.

The United States Forest Service (USFS) has forwarded for our consideration an appeal from its denial of a claim by the Los Angeles Chemical Company (LACC) based on a mistake in bid alleged after award.

The facts are not in dispute. On March 15, 1978, a USFS contracting officer solicited oral quotations from three potential suppliers for 175 gallons of weed killer for delivery to the USFS in Jackson, Wyoming. The following oral quotations were received:

Supplier A	\$63.00 per gallon
Supplier B	65.30 per gallon
LACC	41.40 per gallon

In view of the price disparity, the contracting officer contacted LACC by telephone and requested verification of its quotation. LACC was advised that the reason for the request was that its price "appeared low." LACC confirmed its quotation. A purchase order was issued to LACC at the quoted price on March 17 and the weed killer was delivered on May 16. LACC subsequently advised the contracting officer by letter

received on or about May 19 that its quotation had been in error due to the use by LACC of an outdated manufacturer's price list. LACC stated that the error was not discovered until May 15 when it received an invoice from the manufacturer charging LACC \$57.86 per gallon for the weed killer. LACC requests an adjustment in its contract price to \$59.86 per gallon, i.e., its cost plus approximately \$2 per gallon transportation. The USFS denied LACC's request.

The general rule applicable to mistakes in bid alleged after award is that the sole responsibility for the preparation of a bid rests with the bidder and that unless the mistake is mutual or the contracting officer is on actual or constructive notice of the mistake, the bidder must bear the consequences of its mistake. Security Systems, Inc. - Reconsideration, B-190865, July 19, 1978, 78-2 CPD 48; Porta-Kamp Manufacturing Company, 54 Comp. Gen. 545 (1974), 74-2 CPD 393. Where an error is apparent or where there is reason to believe that an error has been made, a contracting officer is required to request verification of the bid. See A.L.M. Construction Company, B-191630, June 8, 1978, 78-1 CPD 424. Proper verification requires that in addition to requesting confirmation of a bid price, the contracting officer must apprise the bidder of the mistake which is suspected and the basis for such suspicion. C.F. Tyler & Sons, Inc., B-186433, July 7, 1976, 76-2 CPD 16; General Time Corporation, B-180613, July 5, 1974, 74-2 CPD 9. The contracting officer's duty to seek verification is discharged if the bidder knows the basis for the request for verification. Atlas Builders, Inc., B-186959, August 30, 1976, 76-2 CPD 204. Verification following such notice will result in an enforceable contract. Frank Black, Jr., Incorporated, B-191647, June 26, 1978, 78-1 CPD 463. Where, as here, an error in a quotation is alleged after the formation of the contract, we think the extent of the contracting officer's obligation of error detection and verification may be measured by these same standards.

We think that the contracting officer's advice to LACC that its price for weed killer appeared low in

conjunction with the request for verification was sufficient both to convey to LACC that an error was suspected and, to the extent known, the nature of the error. Furthermore, we do not think that the price disparity was so great that the contracting officer should have been on notice that LACC's verification of its price was also in error or would result in an unconscionable bargain. See Frank Black, Jr., Incorporated, supra; J.D. Shake Construction Co., Inc., B-190623, April 25, 1978, 78-1 CPD 318.

Therefore, LACC's acceptance through performance of the purchase order resulted in a contract binding as to price and no adjustment may be authorized.

  
Deputy Comptroller General  
of the United States