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**Comptroller General  
of the United States**

**Washington, D.C. 20548**

## **Decision**

**Matter of:** Peck Iron and Metal Company, Inc.

**File:** B-238705

**Date:** June 14, 1990

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Julius S. Peck, for the protester.

Irving B. Spooner, for Spooner's Salvage Co., an interested party.

Bruce W. Baird, Esq., Defense Reutilization and Marketing Service, Defense Logistics Agency, for the agency.

David Hasfurther, Esq., and John Brosnan, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

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### **DIGEST**

Where a bidder on a sale designates a unit price per gross ton on an item requiring a unit price per pound and the only reasonable explanation for this discrepancy is that the bidder intended to bid on another specific item in the solicitation, the bid may be corrected, even though correction will displace the high bidder, since the nature of the mistake and the intended bid are ascertainable from the face of the bid.

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### **DECISION**

Peck Iron and Metal Company, Inc., protests the award of item No. 59 for heavy unprepared steel scrap to Spooner's Salvage Co. under surplus sale No. 27-0041 conducted by the Defense Reutilization and Marketing Region--Columbus (Ohio), for the sealed bid sale of various surplus government materials. Peck argues that Spooner's bid contained an error and it should have been rejected rather than corrected.

We deny the protest.

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The sale solicitation offered 156 items consisting of a variety of iron and steel, aluminum, batteries, brass, copper, zinc and textile scrap, and stated that bids were to be opened on January 24, 1990. When bids were opened, it appeared that Peck submitted the only bid on item No. 59, consisting of 65 gross tons (GTs) of heavy, unprepared scrap steel. It bid a unit price of \$22.30 per GT for a total of \$1,449.50. In reviewing the bids, the sale contracting officer noticed what she thought was an obvious error in the bid schedule submitted by Spooner. That firm's bid schedule<sup>1/</sup> contained bids for only two items--Nos. 61 and 65. Next to the designation for item No. 65 Spooner inserted a unit price of "\$47.69 G.T." and an extended price of \$3,099.85. The solicitation listed item No. 65 as 40,000 pounds of insulated scrap copper cable. If the unit price of \$47.69 is multiplied by 40,000 the total bid becomes \$1,907,600, which the contracting officer concluded was excessive considering that the next highest bid on that item was \$9,920. The other item Spooner bid on, item No. 61, was for 200 GTs of unprepared iron and steel scrap.

Apparently before the contracting officer was able to advise Spooner of this apparent mistake, that firm telephoned the agency and stated that it had mistakenly filled out its bid schedule and that it intended to bid on item No. 59 rather than 65. Subsequently, Spooner submitted worksheets to show that it had inadvertently placed on the sheet the quantity of 65 GT in the place on the worksheet intended for the item designation and had then transferred the number "65" to the item number block on the bid schedule. The agency concluded that a mistake had indeed been made. It also determined that Spooner's bid could be corrected even though it would replace Peck as the high bidder under item 59 because in the agency's view the bid actually intended was clear from the face of the bid. According to the agency, item 59 was the only one which the bid could have pertained to because it was the only item containing 65 GT of material and when Spooner's unit price of "\$47.69 G.T." is multiplied by 65 its total price of \$3,099.85 is the product.

Peck argues that it is impossible to tell from the bid itself whether the error occurred in the item number designated in the bid, the unit price, or the total price. Since the correction could only have been based, Peck believes, on the bidder's worksheets and since the

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<sup>1/</sup> The bidding schedule requires bidders to fill in the item bid on as well as the unit and total prices for each.

correction displaced its bid, the protester argues that the correction was improper and that it should be awarded item No. 59.

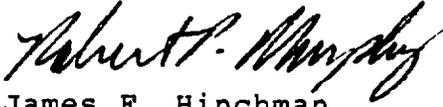
We think that the agency properly corrected Spooner's bid and conclude that the resulting award of item No. 59 to that firm was proper.

An agency may permit a bidder to correct an alleged mistake where clear and convincing evidence establishes both the existence of the mistake and the bid actually intended. Federal Acquisition Regulation (FAR) § 14.406-3(a). Where such a correction would result in displacing one or more lower bids--or as in the case of a sale, higher bids--the correction is permissible only if the existence of the mistake and the bid actually intended are ascertainable from the solicitation and the bid itself. George E. Failing Co., B-233207, Feb. 24, 1989, 89-1 CPD ¶ 203. The asserted correct bid must result from the only reasonable interpretation ascertainable from the bid itself or on the basis of logic and experience. OTKM Constr. Inc.--Request for Reconsideration, 65 Comp. Gen. 202 (1986), 86-1 CPD ¶ 53.

It is clear from the solicitation and the face of Spooner's bid that the firm intended to bid \$3,099.85 for the 65 GTs of scrap encompassed by item No. 59. As the agency points out, Spooner's unit price was expressed as per GT and not as per pound as would be the case for a bid on item 65. Also, if the total price bid, \$3,099.85, is divided by the unit price of \$47.69, the resulting quotient is 65, the precise quantity listed for item No. 59. Further, Spooner indicated on the top of its bid schedule that it was bidding on items located on page 10 of the solicitation; both item Nos. 59 and 61 are on page 10 while item No. 65 is on page 11. Thus, despite the protester's contention that it is not possible to ascertain whether the mistake exists in the item designation, the unit price or the total price, we think that in the context of the above-cited factors it is obvious that the only reasonable explanation of the mistake is that it involved a mislabeling of the item bid upon. Accordingly, we think that the agency reasonably concluded that Spooner intended to bid on item No. 59 and that it mistakenly inserted the item No. 65 designation and

that this was ascertainable from the solicitation and the bid itself.<sup>2/</sup> See B-155537, Jan. 7, 1965.

The protest is denied.



*for* James F. Hinchman  
General Counsel

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<sup>2/</sup> While Spooner did submit its bid worksheets the correction here was proper even though it displaced another bidder since the mistake and the intended bid were actually ascertainable from the bid itself. Marine Ways Corp., B-211788, Aug. 29, 1983, 83-2 CPD ¶ 271, aff'd, Marine Ways Corp.--Request for Recon., B-211788.2, Nov. 16, 1983, 83-2 CPD ¶ 574.