



Comptroller General
of the United States

Washington, D.C. 20548

Decision

Matter of: JV Contractors
File: B-250059
Date: December 23, 1992

Mario A. Corral for the protester.
Edwin L. Robinson for B-R Constructors, Inc., an interested party.
Allen W. Smith, Department of Agriculture, Forest Service, for the agency.
Mindi Weisenbloom, Esq., and John F. Mitchell, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

DIGEST

Where a bidder's unit and extended prices for a multi-unit line item are identical, the bid may be corrected to reflect a unit price that is consistent with the extended price if the unit price clearly is out of line with both the government estimate and the prices offered by the other bidders, and only the extended price reasonably can be regarded as having been the intended bid. The fact that the unit price at issue was inserted by the bidder in lieu of one which was crossed out does not preclude correction of the unit price as mistaken where that is the only reasonable conclusion.

DECISION

JV Contractors protests the award of a contract to B-R Constructors, Inc., under invitation for bids (IFB) No. R3-05-92-005, issued by the Department of Agriculture, Forest Service, for the Twilight Campground Project in the Safford Arizona Ranger District. JV Contractors argues that it was the low bidder and that the Forest Service erred by rejecting its bid.

We sustain the protest.

The Twilight Campground Project consists of shaping and surfacing 0.9 mile of existing road and constructing a 31 unit campground with paved roads and spurs. The work includes reconditioning a roadbed.

The Bid Schedule for the project consisted of a Base Bid comprised of 39 line items, plus two additive items. Bidders were to enter a unit price for each item, and an "Estimated Amount" for the extended price derived from multiplying the unit price by the number of units. At the foot of the Base Bid Schedule, a blank was provided for the entry of the "Total Bid." Award was to be based on the lowest total amount bid for the Base Bid.

Six bids were received. JV Contractors' apparent low base bid of \$465,361.99 was only \$1,796.01 below the government estimate of \$467,158. B-R Constructors' second low aggregate base bid of \$479,969 was \$14,607.01 higher than the protesters. The highest bid received was \$619,058.94.

In many instances in the protester's bid, the unit price multiplied by the number of units did not correspond to the extended price. With one exception, however, the discrepancies in the base bid involved only insignificant amounts and would not affect the relative standing of the bidders. It was one item, for the reconditioning of a roadbed, which accounted for \$212,615.50, or more than 99 percent, of the difference between the base bid based on unit prices and the base bid based on extended prices. For this item, JV Contractors entered the same price in both the space for the unit price and the space for the extended price, even though the bidders were to enter an extended price for 51 stations. The original unit price--which is indecipherable--had been crossed out and initialed and the amount \$4,252.31 written in, so that JV Contractors' bid for this line item appeared as follows:

<u>ITEM #</u>	<u>Description</u>	<u>Quant.</u>	<u>Unit Price</u>	<u>Est. Amount</u>
306(02)	Reconditioning of Roadbed Comp [action method] D	51 [Stations]	4252.31 \$-----FH	<u>\$4252.31</u>

"FH" are the initials of JV Contractors' Project Manager who signed the bid on behalf of the Company.

JV Contractors was informed that its total base bid was the apparent low bid received. The protester was requested to verify its bid by examining the arithmetic for all unit prices and extended estimated dollar amount. The verification request stated that for several line items the quantity multiplied by its unit price did not calculate to the estimated extended amounts. The protester contends that

he verified that the bid was correct as submitted since there was no error in the aggregate base bid.¹

After receiving the protester's verification reply, the contracting officer concluded that she was unable to discern JV Contractors' intended bid price, and rejected the protester's bid as nonresponsive on the basis that the price was ambiguous. She then made award to B-R Constructors, the next low bidder. Performance under the contract has been suspended pending resolution of this protest.²

In its report to our Office, the Forest Service states that the primary reason that the bid was rejected was line item 306(02). The Forest Service contends that while there is clear and convincing evidence a mistake was made in this line item, the evidence was not clear and convincing as to the intended bid. The Forest Service states that since the protester inserted the unit price of \$4,252.31 after crossing out and initialing its original price, that the newly inserted figure was a deliberate choice and not an error. Accordingly, the Forest Service contends that it was impossible to tell whether the bid was based on a correct

¹We note that the contracting officer's letter requesting verification was stated in general terms and did not specifically call attention to the suspected mistake in Line Item No. 306(02). In addition, the contracting officer refused to provide JV Contractors with a photocopy of the bid it actually submitted, a copy of which had been requested by the protester's project manager since he had accidentally failed to retain a copy for the bidder's file.

²In comments submitted to our Office as an interested party, B-R Constructors asserts that in addition to the reasons relied upon by the contracting officer, certain deficiencies in the representations and certifications section of protester's bid would warrant the bid's rejection. These deficiencies do not affect the protester's material obligations, and therefore, may be waived as minor informalities. See, e.g., Neighborhood Development Corp., B-246166, Feb. 7, 1992, 92-1 CPD ¶ 162 (bidder's failure to insert the word "none" in the Certificate of Procurement Integrity is not a material omission); Roy Bennett, B-219938, Dec. 20, 1985, 85-2 CPD ¶ 692. B-R Constructors also notes that the protester failed in two instances to initial changes. However, a bidder's failure to initial changes is no more than a matter of form and a contracting officer may waive that delinquency as a minor informality where there is no doubt as to an intended bid price. Omni Elevator Co., B-241678, Feb. 25, 1991, 91-1 CPD ¶ 207.

unit price or extended price, and therefore impossible to determine the protester's intended bid.

According to the protester, the unit price for line item 306(02) should have been arrived at by dividing the extended price by the quantity, which would have resulted in a price of \$83.37, which was consistent with its worksheets. JV Contractors notes that while a unit price of \$83.37 would be lower than those submitted by the other bidders--whose prices ranged from \$95.00 to \$155.49--it was still within a reasonable range and was the only price that reflects common sense.

If JV Contractors' unit price for Line Item No. 306(02) is corrected, the protester would displace B-R Constructors as the low bidder. In deciding questions involving bid corrections which would result in the displacement of a low evaluated bidder, we generally have examined the degree to which the asserted correct bid is the only reasonable interpretation. See, e.g., 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; DaNeal Constr., Inc., B-208469, Dec. 28, 1982, 82-2 CPD ¶ 584. The reasonableness of the interpretation must be ascertained from the face of the bid in light of the government estimate, the range of other bids, or the contracting officer's logic or experience. See, e.g., Northwest Piping, Inc., B-233796, March 30, 1989, 89-1 CPD ¶ 333.

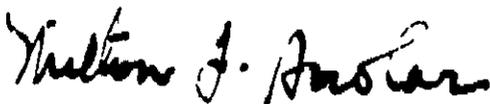
In our view, several factors establish that the protester's unit price of \$4,252.31 for Line Item 306(02) was clearly erroneous. First, the government's estimated unit price for this item was only \$150, and the other bidders offered prices ranging from a low of \$95 to \$155.49. DaNeal Constr., Inc., B-208469, supra (unit price of \$396.33 could be corrected where government estimate was only \$11.04 and the other bidders offered prices ranging from \$4.05 to \$26.35). Second, by contrast, the protester's extended price of \$4,252.31, although lower than others submitted was not clearly out-of-line with the government's estimated extended price of \$7,650 and the other bids which ranged between \$4,485 and \$7,929.99. In this case, if the extended price is calculated on the basis of the unit price multiplied by the quantity needed, the protester's bid would be \$216,867.81 for the reconditioning of the roadbed, which is more than 28 times the government's estimate. This clearly is an unreasonable result. See, e.g., Marine Ways Corp., B-211788, supra (unit price correction allowed where the extended price based on the uncorrected unit figure would be almost three times the government's estimated extended price). Finally, we note that an extended price of

\$4,252.31 is consistent with the "total [base bid] price" submitted by the protester.

Nor do we agree with the Forest Service that a protester cannot mistakenly insert a new amount after crossing out and initialing its original price. Generally, when a bidder crosses out one price and inserts another and initials the inserted amount, this indicates a clear intention by the bidder to be bound by the inserted figure. R.R. Gregory Corp., B-217251, Apr. 19, 1985, 85-1 CPD ¶ 449. Here, however, it was clear that some mistake had occurred since the protester's inserted unit amount was the same as the extended price for 51 stations. Thus, either the unit price or extended price was in error. Based on the government estimate, range of other bidders' offers, and logic, it is evident that the inserted figure in the unit column was incorrect. In this situation, we do not believe that the crossing out and initialing of an original unit price and the insertion of a new amount is significant.

The protest is sustained.

We recommend that the agency terminate its contract with B-R Constructors and award the contract to JV Construction, if otherwise appropriate. JV Construction is also entitled to the reasonable costs of filing and pursuing its protest. 4 C.F.R. § 21.6(d) (1992).

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